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Welcome Remarks:

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PANEL ONE - CUBA AND THE WORLD: SUCCESSION TO TRANSITION

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PROCEEDINGS

MS. HUDDLESTON: It's my pleasure to open this conference, Cuba 2008: Challenges and Opportunities -- or Opportunities and Challenges because I look at it more on the positive side -- by introducing to you the Vice President for Foreign Policy and Director of Foreign Policy at Brookings Institution, Carlos Pascual. And you have his bio, but I would just like to point out that in his 23 years as a foreign service officer, he has been with USAID; he has been at the National Security Council; and he has been the Director of the Office of Reconstruction and Stabilization at the Department of State, which I believe he was the first director and really put it together. And he was also our ambassador in the Ukraine, and Carlos, and greeting with me, the Cuba -- the U.S. policy toward a Cuba in Transition Program of which a number of you here today are advisors to. So, it's a great pleasure for me to start this program out with Ambassador Carlos Pascual and also a Cuban-American. Thank you very much.

MR. PASCUAL: And, Vicki, thanks, and it is a great pleasure to be here with all of you. I structured my comments that I want to share with you not so much in the context of sharing anything new with this group, because I don't think I have (inaudible) sharing things new with this group that has been engaged in the analysis of Cuba's transition

(inaudible) with prospects over such a long time but maybe created a context about how to think about the hours that have. And in that sense, I think we have quite a momentous opportunity in front of us, and it is, I think, an appropriate time to be focusing this additional attention to (inaudible).

Since January 1959, as we all know, Cuba's politics and its economics, its international engagements have been dominated by one person, and that's been Fidel Castro. And that's been made possible in part by his personality, his charisma, the historical legacy that he came into power with, and it's affected his ability to dominate, it's affected his ability to get people to bear hardships in the name of the revolution, and, at the same time, he's even been able to retain respect by some controversy, but, too, I think one has to argue he's retained a certain degree of respect. He's also been a revolutionary symbol, which has facilitated at different times huge subsidies from the outside instead of the union (inaudible) Venezuela. And when he dies, I think it's inevitable that that will influence the dynamics of Cuba. No future leader, I would argue, can hold Cuba together in the same way that Fidel has. That doesn't mean that the outcome will be good. It will be different. And it challenges us to understand what are those differences? What would the next leadership be like? How would it function?

Almost concurrent with Fidel's rise, I think we can say that U.S. policy toward Cuba has been characterized by an attempt to isolate and undermine Cuba and to demonstrate opposition; that policy, one might argue, might have been originally founded on principle. It was probably founded on some degree of fear of what internal changes and transitions might be like throughout Latin America. But one can also argue -- if nothing else as a result that Fidel is in power, still nominally in power, and his regime is in power -- is that it has produced little result. And I would further argue that it has been out of sync with historical experience.

What we've come to understand is that some of the most dramatic changes that have occurred in the international community have been linked with engagements. In the Eastern bloc it was in part that engagement with Poland and Hungary and the Czech Republic, the then Czechoslovakia that was so critical to fall of the Iron Curtain in 1989 in keeping alive the aspirations of people there who believed in change. In the Soviet Union it was very much linked to a series of political and economic realities that came in line together with the Soviet Union (inaudible) and collapse and -- while at the same time you had Ronald Reagan calling the Soviet Union the evil empire, we were providing unprecedented levels of aid in food sales to that country and having

extensive cultural exchanges.

And even in China I think one would argue that China has been one of the greatest exploiters of globalization and global markets, and its China's engagement with those global markets and the pressures that they have created that have in fact actually begun to create not only changes in the economic reality of China, but if one walks down the street to Beijing or Shanghai, one has to start to look around and wonder what will happen as the entry's personal freedom that individuals have come into clash increasingly more with the political freedoms that they might receive.

And so engagement has been, I think, a particularly important lesson over time. Among the Cuban-American community, thanks to some of the excellent work in polling work that has been done by Florida International University some of the individuals who are participating now.

We know that less than 25 percent of Cuban-Americans think that the embargo is worthless. This is not new to Cuban-American (inaudible). As a result of that, those who have supported the embargo have decreased from about 85 percent of the Cuban-American community in 1991 to about 57 percent in the poll that they did last year -- so still over a majority but I think for understandable reasons, because right now

nobody wants to give Fidel or the Cuban regime what appears to be a gift without in fact actually seeing something extracted from them.

What we've also seen are changes in attitudes in the Cuban-American community as a result of new arrivals, and so you now get percentages that are 50 percent, 60 percent, 70 percent depending on (inaudible) support, more open sales, food and medicine, and travel and even over 50 percent that have supported creating, establishing diplomatic relations with Cuba.

So, on both sides of this 90-mile dividing line, what we're starting to see is that there are opportunities for change, and part of that is demographic. One aspect of that demographic change is Fidel's age and his imminent death. But there have been real changes in politics and attitudes and lessons that have been learned.

Let me add another factor to this context. One of the things that we've learned from our experience in global transitions over the last 20 years is that political and economic transitions have to come from within to succeed, and democracy by its very definition is obviously a people exercising greater control over the future and so those people are now at the center of that political change and that they don't believe in it is kind of hard to understand how it's actually going to succeed. It implies that there has to be a local base to be able to work with, and without that

base it raises the question well, if you're going to have a successful democracy, where does it emerge from and what can we do? Are you limited to training and engaging individuals? What we have seen is that you can't create it on the outside. And even on the economic side, we've learned that through the lessons of structural adjustments in the 1980s and the 1990s -- Antonio Ioso, I saw here earlier, I'm sure would have words to say on this -- that economic reform also has to be internally driven.

You know, there's a great lesson with World Bank and the IMS. Certainly the former Soviet Union that I was extensively engaged with was -- you know, we all knew what the right economic policies should be, right, and that they were only adopted, and so we played out these frameworks that should be followed, and unless they were believed and absorbed and integrated into way their countries function, those economic strategies in some cases actually could be counterproductive, because they would result in imbalances of countries implementing certain policies and not others, and so you would get collapse of budgets with extensive subsidies being maintained at the same time the two weren't able to coexist in any kind of an effective way.

And so what we've seen now is this lesson of change coming from within being reinforced. We've seen it in failures, in

(inaudible). We've seen it in stalemates in, say, Egypt, (inaudible), North Africa where without that real emphasis for change there have been alternatives that have been put in place. The governments get smart.

You know, one of our colleagues at Brookings has written a paper that talks about how in the Middle East the governments have created their own NGOs so that they have the capacity to say that there has been internal consultations involved in a civil society that's looking to change in the future, but of course it's all defined and determined and written by the government. So, governments have their own way to adapt to these issues.

And we've also seen reports of internal drivers and the successes that have occurred in South Africa and Poland and Hungary and Baltics, and let's say, with an asterisk still, in Ukraine and in Georgia.

So, why this time? Why this discussion on Cuba? The change has to come from within. It means that we have to understand Cuba. We have to understand what the potential dynamics could be when those critical actors and forces that have been maintaining what I would argue is this unstable equilibrium around Fidel change.

What could be the drivers for change? Are they going to come from the Afro-Cuban community? From youth groups? From dissident groups? From church groups? Or none of the above? What

should we be looking out for? Would the prospects for those movements for change turn into political parties that could organize people into some cohesive political units? If there isn't the prospect for that kind of political cohesion emerging, what are the implications for what that kind of environment of change might look like? Who's going to resist change? Who are the ones who are going to actually try to suppress this with all this military (inaudible) the Communist party intelligence services? What fears do they have? What do we know and what can we predict about what the economic situation might be from other transitions from centrally controlled economies. We've seen in virtually every single one of them that budgets collapse? And as a result of budgets collapsing, you can't maintain subsidies to vulnerable groups, and so the irony is that some of the vulnerable groups that maybe might be the most to benefit from change are also the most conservative about thinking about change. Could that happen to Cuba? And what are the implications then for Afro-Cubans? Or is it the pensioners that are going to be most concerned because they're going to see their future becoming unstable when they don't have that much of a future to adapt to.

These are some of the questions that we have to understand about the interactions between economics and politics where they may be splits within the Cuban society, and how we, the United States, and how

the international community more broadly might play into those splits and how we create a more effective policy.

And so in order to do this at Brookings Institution, for me it's been a pleasure to partner with Vicki on a project that she mentioned, which is focusing on Cuba. Vicki has been the Chief of Mission in Havana. She's held virtually every senior job in the State Department that was related to Cuba. She has been an ambassador in a number of countries, including Mali and de facto in Ethiopia for much of the time over the last couple of years.

We see this conference today and the work that we're trying to stimulate on Cuba as an exercise to learn and to translate that learning into recommendations in policy, and so we will be reaching out to policymakers in the Administration and on the Hill in order to be able to share thoughts and engage in a more effective dialogue, and I think it's going to be critical for the different kinds of constituencies that are represented here. So, we're together in sharing some of those lessons, because it will not be easy to change policies, and there's a certain political dynamic that you all know better than I do that resists change here in the United States.

But in the end I think we have to keep our eye on one central thing. If we fundamentally believe that the Cuban people should be the

ones to determine their future and that they have a right to a democratic future, and if we learn the lessons of history, we will understand that they have to play a central role in planning what that is.

So, how do we structure policy in a way that makes it most likely for them to be able to play that role? How do we most constructively relate to those who are in power and those who are seeking power in the future to make that outside force constructive and not something that might be an obstacle to change internally the Cubans?

So, those are some of the things I'm hoping that might emerge from the kind of dialogue that we have over the course of the day.

Vicki.

MS. HUDDLESTON: Thank you for that wonderful introduction, Carlos. It's very nice to get the perspective of what happened in Eastern Europe and also to focus on, which I hope we will do more and more this morning, on how do we empower the Cuban people, because as I think both Carlos and Jaime -- we were talking this morning and we said, you know, we all are pretty much in agreement on the conditions in Cuba, but we don't agree on just how we get the transition into the -- and maybe we'll come a little closer to finding that this morning.

I am going to call for the panel to come up. I'd like to just say one or two things first. Larry Muster has asked me to note to you that

he has brought *Cuba News* -- which is a really great publication, and it always has all the latest events that are coming up --that you might want to pick up out there. There's also other materials out there.

PANEL ONE - CUBA AND THE WORLD: SUCCESSION TO TRANSITION

MR. HAKIM: Well, just got my last-minute instructions and I'm delighted to be here and to be invited by the Brookings Institution.

Let me just start out with two minutes of some random observations that I have (inaudible) call on the panel to give you a serious look. Let me tell you, the thing that strikes me most -- some of these groups have been watching Cuba for many years (inaudible) Cuba, written about Cuba (inaudible) so I sort of have to follow Cuba.

Fidel Castro has left power now for more than 18 months, and it's remarkable how little has changed. I mean, anyone could have told me two years, four years ago, eight years ago that Fidel Castro would be out of power for 18 months and we would see no change in Cuba or very little change in Cuba. When I say "very little change in Cuba," (inaudible) Domingas was -- he was at an event that we had last week, and he talked about changes in Cuba, and he led off by talking about soap operas now come on TV on time as a major change, and somehow, on reflection, when he told me it sounded like a major change because he's

very persuasive, but somehow, you know, on reflection it didn't seem to me to be all that much of a change, and that's the change he led off with. So -- and how little change there's been in U.S. policy, and obviously we're now coming off Super Tuesday. Radio and television is flooded with talk about new Presidents and change, and of course the one thing that (inaudible) it's hard not to think now about what the U.S. should be doing, how it might change its policy towards Cuba, and frankly, you know, what's surprising is how little, few proposals -- let alone any goals or audacious or really creative proposals -- have come out of Washington.

(Inaudible) at a meeting that I was at recently with a very senior U.S. senator, a Republican. Most of the other participants were Democrats. He looked across the room when we were talking one point about Cuba and he said you know, I'm ashamed of you Democrats. He said after a whole year in charge of Congress I haven't heard one Democrat raise the issue of repealing Helms-Burton. He said not that I would necessarily vote for it, but the fact that no one has even raised it, and indeed the most audacious proposal seems to allow -- to restore the right of Cuban families to travel to Cuba on a regular basis. It seems like the only initiative that had any chance of getting through Congress this year. Just -- and in any event, I agree. I understand -- and Carlos mentioned this in his opening remarks -- that Fidel Castro of course is

complicating things because he's left power, but no one would have expected that he would be still alive and kicking and involved in some ways in it, and that may have been the reason for the slow-down in any change, the paralysis of any change, and maybe it's right that everyone is waiting for now Fidel to leave the scene completely. Somehow, the experience over the past 18 months suggests that maybe that won't even do it, that forces for continuity just seem very, very high and involve both sides.

And one other thing that strikes me is not only is the U.S. -- and we want to understand that difficulties in changing our home policy, for example. We all know about Florida, the last two elections, the close (inaudible) Florida, and the sort of trepidation that you're dealing with, with the very active, politically active Cuban-American community, etc., etc., but (inaudible) to press other countries to sort of pursue the kinds of policies we would like. And so this becomes a factor, again, in U.S.-Latin American relations and U.S. international relations where you build multilateral institutions.

And, you know, right now there's only two other countries in all of Latin America that don't have normal diplomatic, normal economic relationships with Cuba; and it struck me the other day that Lula -- President of Brazil -- visited (inaudible) large contingent of ministers, many

of whom had been in Cuba many times. Some of them were actually exiled in Cuba for a time. Very close to the Cuban government, Lula himself was close to Fidel, and, you know, he ended up leaving something -- and I may get the number wrong, Riordan will surely get it right -- it's something like a promise of \$1 million in investment in (inaudible), etc., etc. Well, you know, I'm not quite sure. I've heard different versions from official Washington people who work in the government whether the U.S. was in favor or was happy with what Lula did or whether they oppose what Lula did or (inaudible). I can't quite figure it out. It seems to me we should welcome that. If not, then (inaudible) appeal completely to our adversaries in Cuba -- completely to Venezuela and to Iran. I don't know, I don't want to say China's an adversary, but it seems to me we ought to be encouraging other countries to do it rather -- or at least not interfering and resisting their sort of becoming involved.

I agree fully with Carlos that the big change in Cuba is going to be determined by the Cuban people in Cuba. Those people in power now are going to have a lot to say about how Cuba evolves. Some people who are not in power now that are also important say the U.S. and other countries can help around the edges and -- but the current U.S. policy, if it doesn't change in some way or another, is going to have the most minimal ability to influence. The only way that the kind of isolation from Cuba that

U.S. policy influence, if one has as a logical base that the Cubans, whoever is in government, will want a relationship so badly with the United States that it's willing to pursue the policies that we prefer, and my own sense is that Cuban leadership is never going to have that view that it's so important to have a relationship with the United States that it's going to really pursue policies in order to gain that relationship. So, it would seem to me the only way we're going to shape policy is in fact, if in fact we begin to find some way to engage or at least let some of our friends and allies work readily engage without being criticized or oppressed.

Let me say what I really hope for the next President, at least in Cuba, is not necessarily that he or she makes any big decisions very early on. I don't expect that -- maybe I've been in Washington too long to expect big change, but I do think that one would certainly hope that one begins to see a real debate, that some Democrat in Congress, or maybe even some Republican, does propose that the Helms-Burton be repealed, that someone does propose that the travel ban becomes something of a bill that gets debated and not simply sort of discussed (inaudible). But that's what's really been missing about Cuba for as long as I've been -- any serious debate that might lead to policy change.

Well, with that I'm going to turn it over to our panelists. We have three really superb panelists. I think Vicki Huddleston has already

introduced herself and others, so I'm not going to introduce her again except to say that I did meet with her when she was in Cuba. She was a good ambassador to Cuba -- or, not ambassador, sorry -- what did they call you?

MS. HUDDLESTON: Chief of the Interest Section.

MR. HAKIM: Chief of the Interest Section.

And I'm delighted to be working with you on this (inaudible).

Let me introduce the rest of the panel, then we can go through. On my left here and geographically --

(Laughter)

MR. HAKIM: -- is Jaime Suchlicki, who is a close follower of Cuba, one of the real experts in the United States. He's terribly well informed. He's now the Director of the Institute for Cuban and Cuban-American Studies at the University of Miami. On my extreme right is Riordan Roett, (inaudible) permanent moderator for panels that he sits on now. He's the head of the Western Hemisphere Program at the School of Advanced International Studies at Johns Hopkins. (Inaudible) careful watch of Cuba and lots of other developments in the Latin American world.

MS. HUDDLESTON: Thank you very much, Peter. Thanks

for your remarks. It -- that gave me a nice platform, because one of the first (inaudible) I wrote on Cuba after I left the State Department was for the *Washington Times* -- or at least they published it -- which said we need to repeal the Helms-Burton. But you're right, we've gotten more conservative on Cuba rather than less conservative on Cuba.

What I'd like to say to you this morning is that I believe that right now there's a huge opportunity for the United States to influence the transition. Yes, there's already been a succession, and we chose not to be involved in influencing that, and I hope that we're not going to miss the transition, because there will be a transition not just to Raúl but from Raúl; there will be a transition to another generation; there will be a transition to a different name; there will be a transition perhaps to (inaudible). You all out there know the names as well I do. And after that there may well be a transition to Martha Beatriz Roque to an Oswaldo Paya, to an Elizardo Sanchez. Cuba is not going to stay the same. The revolution is evolving, and it must evolve. And as it evolves, it will change first on the economic side as we have seen so far. In order for Raúl to gain legitimacy, the first thing he has to do is make life in Cuba more durable or sustainable for the Cuban people, and that at the same time then means the he has to allow some political (inaudible).

But time does not affect just the Cuban revolution, as Carlos

Pascual so well pointed out. Time impacts the Cuban-American community, as we have seen in the FIU Cuban Study Group and Brookings polls. Cuban-Americans are changing and cannot resist, even as the Castros cannot resist, the sweep of time, the (inaudible), 2506, the Flantados (inaudible). The very hard-line isolation is wearing away. It is changing to a new Cuban-American community that now wants to connect with their families, that now want to connect with their friends in Cuba.

And so, too, United States policy will change. It's only a matter of time. When will United States policy change? Will it continue to be the same, and how long? The longer the United States resists changing the policy, the less influence we have, the less possibility we have of impacting the most important group, which both Peter and Carlos pointed out, which is in fact the Cuban people.

When I was in Cuba as the Chief of the United States Interest Section, there was a different policy -- for want of a better word, "engagement." It wasn't a real engagement policy, but it was a policy that was based on more liberal travel, (inaudible), people to people going down to Cuba, talks with the Cuban government on migration, not antinarcotics sent on to the environment. There was a lowering, for a while, of rhetoric and of the animosity, and as we lowered the rhetoric and the animosity, the hardliners in Cuba could not sustain as much the control or the threat

that we have to be in control because there's a threat from the United States.

This Cuban spring that we facilitated by our more liberal policies that were begun by Bill Clinton and continued by and expanded by George Bush hit its high point in the spring of 2002 when Jimmy Carter, our former President, at the University of Havana, told Fidel Castro allow a referendum on the Cuban constitution. Well, he didn't. But the amazing thing was that this was broadcast -- this appeal to Castro -- throughout Cuba, and he was talking about the project of Oswaldo Paya, the project (inaudible) in which in the end Paya had gotten over 40,000 signatures of brave Cubans around the country who wanted an up or down vote on the Cuban constitution.

Well, how did we get that far? We got that far, because there was a benefit to the Cuban government in having Americans come down. Yes, they did get some more money. But if you believe the regime is going to collapse because it's lacking some resources, just look back at what happened when the Soviet Union left. Just look at the fact that depriving the regime of resources always seems to push it further into the arms of Hugo Chavez, who now talks about some kind of joint government. That's probably what'll happen.

It also gave Fidel some respect. People were talking to him,

such as senators and movie stars and authors of major books in the United States, like Arthur Miller, Spiron. But these give ideas. These give thoughts, because Fidel doesn't listen to very many people, and we don't know yet how many are going to listen to Raúl.

So, the first thing we need to do now to impact the transition isn't even to repeal Helms-Burton, as much as I think we should. It is to go ahead with a package of liberalized reforms that are in our own benefit and in the benefit of the Cuban people, and that will hasten and broaden change in Cuba.

And then there is a second thing that we must do that may be audacious. The President said -- President Bush said in his October speech that we would not allow stability to stand in the way of freedom. Well, I would argue this from a slightly different point. We should not believe, in any way, that freedom should be equated with instability. Instability in Cuba leads to mass migration. Instability in Cuba could lead to violence and division. Instability in Cuba would give U.S. policy in Latin America a black eye for the next half century. Instability in Cuba, regime collapse, is not the answer to American policy or to democracy in Cuba. The answer is regime evolution, and one sure way to help get there, one sure way to avoid the tragedy of people losing their lives at sea, of America fueling Mafias -- criminal Mafias who smuggle people -- is to end

the wet foot/dry foot policy.

This does not mean you have to repeal the Cuban Adjustment Act. It simply means that when Cubans arrive in the United States illegally, they're interviewed just like the Cubans who are picked up by the Coast Guard, who are exactly the same people -- they are both interviewed. If you're picked up by the Coast Guard you're interviewed on board the vessel. Now, if you arrive in the United States, if you give up the wet foot/dry foot policy you would be interviewed in the United States and you would go back to Cuba.

Imagine how many lives that saves. How can the United States continue to be complicit in encouraging Cubans -- because that's what we do, because they know that if they make it, if they catch the brass ring they can stay -- to take that huge risk. Children, women, men, families lose their lives trying to make it to the United States. But these Cubans, if they could just stay in Cuba, their energy, their spirit would begin to prepare Cuba for the change, because it must be, in fact, those people who are making the change.

But this policy change should be intertwined with a policy change of liberalizing and waiving parts of the embargo. In fact, it must be, because we are a humane and we are a caring nation, and throughout Latin America, indeed, throughout the world, we allow remittances and we

allow travel. So, if we expect people to stay in Cuba, we have to give them the opportunity to see their children, to see their families, to see their mothers and their fathers. So, they must -- people must be able to travel freely back and forth to Cuba and to the United States. And then life must be better.

Cubans should be less dependent on their government, because then they'll be more ready to take matters into their own hands so that young people believe they have a future in Cuba. They will not have the same incentive to risk their lives at sea.

So, those are the two essential things that we need to do now in order to be part of a transition, a package that weighs the harshest parts of the embargo that harm the Cuban people and the families and prevent them from getting ready for the transition and the end to the wet foot/dry foot policy that ends tragically in death for so many.

Let me just say in winding up that it is true, the revolution will change and it will evolve. But how it changes and evolves depends on whether or not we are involved. And if we are not involved and it's going to look a lot more like Venezuela and it's going to look a lot more like Chavez, then it's going to look like Mexico, Brazil, or Argentina. We need to be involved now so that Cuban-Americans can use their know-how, their investment, their skills so that Cubans and Cuban-Americans can

build on family ties and traditions and we can restore, once again, all the ties of friendship and working together between Cuba and the United States.

Thanks.

MR. HAKIM: Thank you very, very much, Vicki.

We now turn to Jaime Suchlicki, who may have a slightly different point of view, but we'll see.

MR. SUCHLICKI: Thank you, Vicki, for the invitation --
Carlos Pasqual.

I've been asked to talk a little bit about what's happening in Cuba, and then naturally I'm going to make some comments about foreign policy and what should the U.S. policy be.

First of all, this obsession has taken place in Cuba. It has been very smooth. Raúl Castro is in control. The armed forces of Cuba, which control and own more than 60 percent of the Cuban economy, are well entrenched. There is significant unhappiness on the part of the Cuban population. They want some social change. They expect some economy change from Raúl. Raúl has made a number of speeches encouraging the possibility of change.

I disagree that nothing has happened in the past 18 months.

Certain things have happened. Number one, Raúl has been talking about change, and he has elevated the expectations of the Cuban people, so if he needs to deliver on those expectations he has now taken a number of measures to try to fulfill those expectations. He has been buying food in Brazil, in Vietnam, in the United States, and in other parts of the world, so in the next months food consumption will improve somewhat in Cuba. He has bought a number of buses in China, so transportation will be improved in the next few months. He has also bought some locomotives in Iran, so things will improve in terms of transportation of goods throughout the island.

I think Raúl will make some minor changes and adjustments in the Cuban economy. He will probably allow some ownership of wine in the rural areas, not even quality he has now modeled but maybe close to a Vietnam model, and trying to increase food production internally.

In foreign affairs, Raúl very smartly has tried to diversify Cuba's dependence on Venezuela. He has seen what happened in Cuba after the collapse of the Soviet Union. He does not want a repeat of that. He is concerned about the internal situation in Venezuela, so he's moved toward a closer relationship with China, which has provided Cuba \$800 million in credits. He signed a credit agreement with Russia for \$373 million. He signed agreements with Iran for \$600 million dollars.

And more recently, he has some agreements with Lula and Brazil.

The most interesting thing is the visit by President dos Santos from Angola to Cuba in December. We don't know what came out of that, but this is an oil-producing country, so I think Raúl is clearly trying to diversify and open up to a number of countries. This does not mean opening to the United States. The biggest hold that has increased the policy -- the Washington policy establishment was a statement on July 26th of last year when he said he was willing to negotiate with the United States. This was preceded by a virulent attack on the Bush Administration and American foreign policy and followed by the now stagnant statement that Fidel has made for the past 37 years that the revolution is not going to change; nothing is going to change here.

Sitting in Havana, why would Raúl Castro want relations with the United States? Tourism? Are we going to provide a hundred million -- a hundred thousand barrels of petroleum per day? Are we going to give Cuba a significant amount of credit in the United States? In exchange for what? For changing to a society? For opening up the political process? Opening up the economy process? If I were sitting in Havana with Raúl, I don't feel threatened by a social explosion in Cuba. I am concerned about what's happening on the island. I am concerned about the expectations of the Cubans. They're trying to get out. They're trying to get better food

and better housing. I don't expect a massive uprising. The opposition in Cuba -- although it's widespread, it's not organized, it's weak, it is infiltrated by the operators of the state police. I don't see giving Raúl a challenge here. They are divided. There is no internet access. The telephones are listened to. You can't travel from one area to the island. So, from a point of view of organizing a solidarity type of movement, I think Cuba is due three years of wait from that kind of a change.

So, now, we come to the magic solution about American foreign policy changing Cuba, and every -- I've got to tell you for the past 40 years I've been involved with Cuban affairs, and every four years we carry on this kind of seminar, and the policy establishment -- every time there's a new administration, whether it's Republican or Democrat, now it's an opportunity. All the others willing to negotiate with the United States -- now we've got to this, now we've got to lift the embargo, (inaudible), let's see what we can do.

(Inaudible) junction now that the leadership of Cuba is willing to engage with the United States. If we're willing to offer unilateral concessions to the Cuban government, naturally they'll be delighted. They just recently sent a head of the Interest Section to Washington -- Jorge Bolanos, a sophisticated ambassador -- not to negotiate with the United States but to further this process of unilateral concessions by the United

States by encouraging think tanks, by talking to Congress, and so on so the United States will either provide credits to Cuba, lift partially the travel ban, or lift the (inaudible) Helms-Burton (inaudible).

American foreign policy as distinct from American foreign policy for the rest of the world in Latin America has emphasized constitutional change, democracy, and elections. This is going back to the period of before the Carter Administration, who in those eras (inaudible) created a new policy for Latin America. We rejected the concept of dictatorship, and we began to encourage and emphasize change (inaudible) Latin America. We intervened in Haiti. We intervened in (inaudible). We intervened in Granada. We prevented coos in a number of countries. (Inaudible) in Latin America. So, our policy, not the rest of the world but Latin America, has been based on the idea of democracy, constitutional government, our freedom; and we've been consistent in (inaudible) by a number of (inaudible).

So, change in the policy now without a significant opportunity for change in Cuba without a significant and irreversible *quid pro quo* from the Cuban government would be a denial of 40 years of American foreign policy would send a message to other militaries in Latin America that we are willing to support a military government in Cuba, that we will be supporting a dictatorship by the succession, and therefore we're willing to

start again. Well, this is a difficult message if you want to send it to Latin America and a complicated message if you want to send it to Latin America.

Second, changing our policy without *quid pro quo* is something that nations do not do. You change policy in return for other concessions. As long as the Cuban government is not willing to provide (inaudible) concession or releasing 10 political prisoners and arresting 20 or changing a little bit here or there, we need significant concessions, and then we should engage. If the government of Cuba -- whether it's Raúl, whether it's Ozlahey, whether it's somebody else -- is willing to change the conditions of the Cuban people, in turn (inaudible) migration or cooperation of the interdiction of drug dealers or even cooperation on terrorism, which has some things that some people in the U.S. government would like, but it does not affect the Cuban people or the well-being of the Cuban people. But when the regime in Cuba is willing to say look, we're willing to open small enterprise, we're willing to open up to political process, we're willing to have free press, we're willing to allow more opportunities in Cuba I think we should engage, and I think we should have a package ready for that but only when that engagement is ready. If you are willing to offer concessions now to a military government in Cuba, you are going to be strengthening the military in Cuba, you are

going to put money in the hands of the elite of Cuba, and, sure, in Cuba if you have a million tourists from the United States coming into Cuba, you're going to have some benefits for the Cuban people. The bus boys and the bartenders have only to make a few dollars. But tourism is not going to bring democracy to Cuba.

I spent one hour with Congressman Jeff Blake in a long discussion about that, and in exasperation at the end of the discussion I said to Jeff look, if you think that tourism can bring democracy to Cuba, let's send them to North Korea; let's start a program to send American tourists to Iran and North Korea to see if we can bring democracy. It's not consistent to say oh, we're going to send tourism to Cuba to bring democracy and not say we're going to bring them to North Korea to bring democracy to North Korea.

So, I think that the policy has to be crafted in a sophisticated way to take advantage of the opportunities that realize. We may find that there are no opportunities that realize in Cuba. We may find that the leadership is so hardened in their position that no matter what we do we're not going to be able to influence internal development. You can do it for humanitarian reasons. That is the policy of the United States -- helping Cuba for humanitarian reasons. Let's send them (inaudible). Let's help the Cuban government (inaudible). But if you're talking about real

politicking, if you're talking about realistic trying to bring about change in Cuba and moving Cuba to a rapid transition, not a transition that will last for 20 or 30 years, and the military and the party continue to control Cuba, they're benefiting. The (inaudible) Cuba make money, and we have to (inaudible) and coming back and things are (inaudible) the United States, but internally the Cuban people are not benefiting. If that is the policy benefit, fine. Follow that policy.

Now, as a Cuban-American -- and I'm going to take my hat off now as an academic -- I'm going to tell you that this vision -- this vision of a Cuba selling cigars and hats to American tourists is not a vision that I want for my country -- okay, former country. I think that that is a vision maybe for the Bahamas. That may be wonderful. But I think Cuba should have (inaudible) entrepreneurs, to have businesses owned by Cubans. Cuba should not be a lopsided economy dependent on American tourism. I talked at great length to people that are involved in the tourist industry. They want to build a (inaudible) hotel. They want to take the boats to Cuba. Well, this is not the transfer of technology that Cuba needs to be a modern society to (inaudible) changed society. This is a very limited and not a great vision for Cuba. Raúl Castro's vision for Cuba is to remain in power, to (inaudible). He's got two or three or four years more. He doesn't want to change significantly Cuba society. He is surrounded by

the hardest line of people, that you can see the emergence of (inaudible) as Minister of Communications. It is a dreadful form of (inaudible) running Cuba or next to Raúl running Cuba. So, I don't think that the condition exists in Cuba. It may exist in Washington, and we may have a different administration come January, but it's not the conditions in Cuba for offering serious concessions. We can offer concessions, we can (inaudible), but don't give away the house until there are changes in Cuba -- irreversible changes in Cuba -- to bring about a better Cuba, a democratic Cuba, a career Cuba.

Thank you.

MR. HAKIM: Thank you, Jaime.

Let me turn it over to Riordan. He may have a different view.

MR. ROETT: I'm very fortunate in that you haven't asked me to speak about whether Fidel Castro is alive or dead. We'll spend too much time on it.

My contact with Cuba --
-- to the end of the Ford Administration when I first went to Cuba to negotiate the first university change at the University of Havana and Johns Hopkins University. I came back and that was Bill (inaudible) President Ford (inaudible) Secretary for Latin American Affairs, was reading what I had found, and I had a very long conversation with (inaudible) Nacional on

a number of issues in U.S.-Cuban policy. That was my initial exposure to things Cuban, and then with the support of the Ford Foundation were able to take down either four or five delegations of my graduate students to meet with Cuban graduate students and faculty, and we had money to bring the Cubans to Washington and New York. That would be the halcyon days of Cuban-American relations in which we were moving with the opening of the Interest Section and beginning the engagement for a change in policy. That, of course, all became frozen in the 1980s and has been regressive ever since.

To fast forward, in terms of my images of Cuba, I just came back -- I came back from spending Christmas in La Paz, Bolivia, and my host was a neutral ambassador at a dinner party with the Cuban ambassador to La Paz. It was going to be the head of the Interest Section in Washington, but we shipped it to La Paz, and I was asked is it a demotion, and I said no, no, not a demotion, this is the export of the revolution once again. And my host said look, the way it works in Bolivia now is that the Venezuelan ambassador hands out the money and the Cuban ambassador works on strategy. And part of the strategy is to teach revolutionary Spanish to the Aymara and Quechua Indians on the altiplano of Bolivia.

So, Chavez is really a very interesting issue here. As we

know, Cuba gets two-thirds of its daily petroleum needs from PDVSA, the state oil company. It is alleged -- I do not know this for a fact -- that it's largely free of charge. It's also true -- and you might want to Google the *Miami Herald* for January 28th. There's a superb article by Pablo Bachelet and his colleagues on PDVSA and the oil industry in Cuba. As they point out, there are some very serious problems beginning to develop in PDVSA. Oil production in Venezuela has declined by 28 percent. The company's debt has soared. Corruption has flourished. Foreign oil partners have pulled out. And PDVSA's payroll has skyrocketed and the company has taken to hiring employees of their (inaudible) Hugo Chavez, not their expertise.

Now, why is this relevant? It's relevant, because if indeed we're going into a recession, which obviously we are -- they were involved with Dow Jones yesterday -- and there's going to be drop in the American consumption, therefore a drop in the need for oil and petroleum. Now, that's margin at least. Prices will begin to fall. When prices begin to fall, Hugo Chavez has a very serious problem, because there is no Venezuelan economy outside of PDVSA, and Hugo Chavez has destroyed PDVSA basically as a functioning company where when it was, it was one of the very most important state oil companies. This brings up the issue of the evolution, the transition, the change in Cuba. What happens indeed, it

is impossible for Venezuelans at some point in the future, not tomorrow, not to be able to afford two-thirds of the daily petroleum needs of Cuba to the island. What kind of adjustment is going to be made by whomever is in charge in Cuba, because given the fact that PDVSA has been so active for the last eight, nine years, this really has clearly contributed (inaudible) but contributed to a quality of life change on the island. If there's an abrupt break in that export factor from PDVSA -- and PDVSA is an increasingly fragile company and the Venezuelan economy is an increasingly fragile economy -- we then have to worry -- for those who were following transition issues in Cuba need to worry about the adjustment that would be needed. What kind of adjustment would be needed by the Cuban government if they no longer have two-thirds of their daily petroleum needs coming from Venezuela? What if it drops back to just a third or 5 percent on an annual basis. We then have to talk about a different set of policy alternatives -- will in time move Angola into the place of Venezuela. Difficult over time, because of transportation costs, because of the shortage freighters, quality of oil refining. All these complicated issues come in when we begin to look for substitutes for Venezuela in the economy of Cuba. China is not going to provide oil for Cuba. Very difficult to imagine that other countries will be able to immediately fill that gap. Now, it's possible that Brazil would attempt to do

so since Brazil has now made a major petroleum find off the Santos Basin compete. But that'll take at least six to eight years -- ten years to really bring on line petroleum as well as natural gas.

So, the search for alternative energy, it seems to me, is going to become a very important critical question that is deeply linked to what is happening in Venezuela to the state oil companies due to pricing of oil on the international markets and whether or not Chavez -- if we can buy lower oil prices -- survives; if he survives, what kind of succession do we have for Venezuela that then relates to what kind of linkage we have between Caracas and Havana.

So, this has become a very complicated issue, it seems to me, in terms of dependence in the last six to eight years of Cuba and, in particular, Fidel Castro, his relationship with Hugo Chavez, who some of my colleagues argue Hugo Chavez is the real son that Fidel never said in terms of revolutionary zeal and the export of the revolution and sending extraordinarily competent ambassadors. But maybe it will be that Fidel doesn't do any of this anymore, that he basically is in pajamas and watching television.

So, it seems to me that we probably do still have a framework for foreign policy in which at least the idealism and the revolutionary zeal of Fidel still flows. And the Cuban ambassadors I have

met overseas are extraordinarily competent, extraordinarily astute, well read, well traveled, and are no dummies. With all due respect to the U.S. foreign policy establishment in Washington, one has a sense that they're a bit more sophisticated when talking about the United States and Cuba now that our foreign policy establishment has quit, present company, etc. That is one set of issues -- the oil question and Chavez.

The second question, of course, is indeed if Chavez is able to maintain his regime, PDVSA continues to stumble along but even though production is falling, there aren't enough rigs, they lie about the numbers in terms of production, they're not really putting any money into the oil industry for very strange reasons none of could quite fathom, they will be that Chavez doesn't know much about oil or (inaudible) maintain the oil industry but he's able to maintain his flow of money first to Cuba. But it seems to me a stabilizing factor in whatever the evolution of transition is and needs to be factored in.

But most importantly, Hugo Chavez is not going to stop exporting money to Bolivia or to other countries, and that means that there is a renaissance in revolutionary foreign policy on the part of the Cuban -- foreign ministry that will continue to grow.

We're all old enough -- or most of us are -- to remember the revolutionary foreign policy of Fidel in the 1960s and 1970s.

One of my colleagues, Piero Gleijeses, has written a brilliant book on Cuban foreign policy in Africa where the Cubans are told to basically defeat U.S. foreign policy goals. He's now doing research in the archives in Cuba on his second volume.

Cuban foreign policy is one of the more interesting aspects of revolutionary Cuba. In talking during the week I was in La Paz, two colleagues -- not Cubans, but Bolivians and other foreign nationals -- the presence of Cuba -- the presence of the embassy -- the way in which the very sophisticated ambassador and his wife -- his wife does the social planning I'm told for the revolutionary movement. The ambassador does some of the most strategic thinking in terms of where Bolivia may or may not be going.

And indeed, the Cubans, as you may imagine, play favorites within the revolutionary movement in Bolivia, which is increasingly of concern to the indigenous segment of that movement. So, there are a number of very interesting and complicated foreign policy questions in which ultimately Washington is going to be involved and concerned about the expansion -- targeted expansion, I believe -- of Cuban foreign policy, once again, in the Americas. Other targets: Bolivia -- after Bolivia? Very difficult to imagine. Nicaragua certainly. Possibly Ecuador, we're not quite sure. But quite clearly, you know, that dynamic we have not had to

confront for almost 35 years. It's a new dynamic. The only thing that is going to become increasingly complicated, the Chavista issue, petroleum production, oil pricing, oil exports, and the dependence of the Cuban economy on those oil exports (inaudible), as well, in the short to medium term.

Let me finish by mentioning that China has been mentioned twice here. Be reassured that China is not going to become an active agent of revolutionary support for the Cuban regime. Anyone who'd like some reinforcement, I have a book coming out next month at Brookings Institution on China and U.S. -- (inaudible) China and Latin American relations and coauthored (inaudible), and my colleagues British, Latin American, American, and Chinese have come to the consensus that China's objectives, even though they are active in Cuba diplomatically, are not revolutionarily gridded, so you can take China off the table in terms of our concerns.

Finally, it seems to me that U.S. foreign policy indeed needs to begin to change, given the extraordinarily difficult relationships we now have with Venezuela, with Bolivia and other so-called revolutionary regimes in the region in which the Cubans in some ways are involved. Will this bring about some kind of diplomatic confrontation between Washington and those capitols? We've not handled our relations with

those revolutionaries very well, just as we've not handled our relations with Cuba very well. Therefore, the next Administration, whichever party wins in November, will have the opportunity, whether they're overseas or not, to change our relations with Cuba is one issue. But, really, in many ways the relationship of the United States in 2009 with (inaudible) and Hugo Chavez if the Chavista regime is still in power, will have as much, I think, importance for our relations with Cuba than our observations of the evolution transition in Cuba as any other factor. Thank you.

MR. HAKIM: Thank you, Riordan.

I thought I would ask the first question.

My interpretation, Jaime, of what you said (inaudible) --

I was going to comment on what I interpreted Jaime's intervention -- and you can tell me if I'm right or wrong, Jaime -- but that basically economic failure of the current Cuban regime is preferable to economic success if that's more likely to bring about the kind of change toward a democratic Cuba, that -- is that right or wrong that you would prefer to see this regime fail economically; and then I'd turn it to Riordan or Vicki to -- is economic success or failure likely to -- more likely to bring political change, democratic change to Cuba? Because if there's one we can influence is whether the regime is -- fails or succeeds economically.

MR. SUCHLICKI: The only moment in the past 47 years that

there was change in Cuba was after the collapse of Eastern Europe. Fidel Castro was concerned about increasing social pressures. The economy went into a dive. So, he introduced a number of reforms -- the dollarization of the economy, foreign investment, tourism, (inaudible). But this was the only time when he felt that there would be an enormous danger of explosion in Cuba that he was willing to open up the economy. Following that, and as early as 1994, '95, he began to backtrack on all those measures, and there's been no change since then. So, I think that the only thing -- the only way to produce that kind of change that we want is to keep (inaudible). On the other hand, maybe that's not enough. American foreign policy may not be the decisive factor when you have Venezuela, China, Iran, and other countries supporting Cuba. And the Cubans may see that in the next few months things begin to improve, the pressure will go down, and Raúl will feel more confident that he can continue to do whatever he wants without necessarily making some changes.

Let me add one point that I didn't make and I think is important. Cuba has offered concessions for deepwater exploration of petroleum on the north coast of Cuba to a number of countries, including Spain recently, (inaudible), the Indonesians, and others. There is significant petroleum in that area. In the next two or three years, that

petroleum will come on stream and will be able to satisfy the supply of Venezuela. So, I think that Raúl is also playing on that timetable to be able to satisfy his internal needs for energy and not having to depend on anybody.

MR. HAKIM: Well, my interpretation is you said yes, that economic failure is (inaudible) towards democracy.

MR. SUCHLICKI: If that's the wrong term (inaudible). I'm also saying that given the embargo --

MR. HAKIM: I understand, I understand. But economic failure or success the best route for democracy?

MR. ROETT: Well, I think it depends on the factors we were talking about here. It seems to me that whoever is making the decisions in Havana today, and I don't (inaudible) making decisions, but someone's making too smart decisions in terms of preparing for the next step in the evolutionary transition, but in terms of dealing and working with the Brazilians, with the Angolans, with the Chinese it's not -- it's rather obvious that these are nation states with which the United States does not have the most perfect relations at the present time. The George W. Bush Administration is detested in most of those countries. That may change in January of 2009, but it takes time to change those kinds of policies. So, the Cuban regime I think is taking some very interesting and very

important steps to shore up their economy if indeed there were a shortfall in oil or indeed to provide better living standards for the average Cuban. I think the transitional group in Cuba understands how extraordinarily important that is.

I think Washington -- official Washington, not the nice people sitting here --

(Laughter)

MR. ROETT: -- but official Washington has a tendency to forget that in Latin America, it isn't that Cuba is necessarily popular, or Fidel Castro certainly is, you know, welcome to (inaudible) American summits (inaudible), but that the dislike of U.S. foreign policy has increased so dramatically and our policy towards Cuba is so disliked. Since almost all the countries now recognize Cuba, there is frequent diplomatic interchange between the major Latin American countries and Cuba. That expectation that there would be at the margin at least economic support for continuing to keep the Cuban economy functioning I think is relatively high. Even if you spend the time as far south as I do every month in the new government of Cristina Fernandez de Kirchner -- it's not clear who actually runs Argentina, whether she does or her husband, but it doesn't make any difference, they live together -- that --

MR. ROETT: -- there is still a great deal of sympathy for

Cuba and for Fidel Castro, and I think we tend to forget that since increasingly our embassies are so isolated in Latin America -- you know, fortress mentality and fortress construction -- it makes it difficult for ambassadors to get out and for us to get in, whereas that's not true -- the Cuban embassies in most of these countries -- the Cubans circulate rather freely, as the Chinese now do as well at academic seminars and meetings, and they're most welcoming if you try to get an appointment, which wasn't true 20 years ago either of Cuba or of China. So, the diplomatic dynamics I think are very different today than they were just 10 or 15 years ago in terms of primarily South America support and willingness to work with whatever transition of a revolutionary regime in part because none of the countries in the region like intervention by the United States, and they see the embargo and the other -- Helms-Burton, etc. -- as intervention in the internal affairs of Cuba, but again because of the unpopularity of U.S. foreign policy in general (inaudible).

MS. HUDDLESTON: Thank you.

First of all, economic success for the Cuban people would bring change, an almost immediate change, because what has happened is the money goes into the government. The money goes in either through the oil from Venezuela or trade with China or trade with the rest of Latin America. The government controls the money.

Where I disagreed with Jaime is he said there was only one time that Cuba began to change, and that was when the Soviet Union ended its aid and retreated from Cuba. The second time was when we had a different policy, a more liberal policy, and we had Cuban-Americans traveling to Cuba, and we had people to people traveling to Cuba, we had tourist exchanges, we had culture exchanges, we had museums of modern art, we had consuls on foreign relations coming down, we had senators sitting in major hotels meeting with Cuban rights activists and giving them a status of what happened then. More (inaudible) were coming into Cuba, more care packages were coming into Cuba, and more families were able to help their loved ones. And what did that mean? That meant the Cuban people were better off. And what does it mean when the Cuban people are better off? They have greater independence.

When we still could travel outside of Havana, and now we have imposed on the Cuba Interest Section that they can't so we can't, which doesn't make any sense, so we can't find out whether the people would return or the Coast Guard returns to Cuba, whether they're all right or whether they're being persecuted. But when we could -- and we could -- I used to go out and I'd talk to these families, and it was amazing. The families who were independent, the families who could speak out, the families that weren't controlled by the bloc committees were the people

that got the money from the families in Miami.

So, if we're going to prepare the Cuban people to make the change, if it isn't Miami who's going to make the change and perhaps in the end it all comes down to who is going to make the change -- Miami or Havana -- then we need to give the money, the ideas, the exchanges at the influx to the Cuban people, and that's what I'm talking about. I'm not talking about concessions. It's not a concession to let people travel to see their families. It's not a concession to get people enough food so they don't want to risk a trip across the Straits. These are the things that empower people, and these are the things that we saw did make a difference in Cuba, and it did lead to 40,000 people signing a petition. It did lead to Beatriz Roque earning her national assembly. We should do these things not as concessions. We certainly tighten the embargo and don't look (inaudible) *quid pro quo*. We should do these things because it will force change in Cuba and it will eventually force out an autocratic regime.

MR. HAKIM: Okay.

(Applause)

MR. HAKIM: We have some disagreement on the time, so I'm going to go to the audience where I'm sure of the answer -- consensus out there -- and who's going to be the first one to voice that concern

(inaudible)? I'm going to take six or seven questions, so why don't you start here -- start in the center (inaudible).

GARY: Gary (inaudible) from -- I'm a retired foreign service officer, and I was counsel for Economic and Political Affairs in the Embassy in Nevada just before (inaudible). Excellent panelists, and I find myself agreeing with all of them, even when they apparently disagree. (Inaudible) disagreement is anywhere near what is (inaudible).

A couple of comments first. I'm going to associate myself with the earlier comments of Carlos and later of Vicki.

I was there towards the end of the economic open within Cuba --

MR. HAKIM: (Inaudible)

GARY: Okay, very quickly, very quickly.

MR. HAKIM: -- get to the heart.

GARY: Very quickly. I think there was a great increase in personal freedom during that period when there was a small economic opening, and I think if that happened again it would lead to major political changes eventually.

To Riordan's comment about Venezuela and oil, the only thing I would say -- I left Cuba to become economic counsel to Venezuela -- Venezuela has accumulated enormous cash reserves. It doesn't just

show in the statement of Central Bank; it's also in all the development banks. Venezuela is in a position though from several years of recession and still hold it together -- (inaudible) hold it together isn't an issue. But there were some civil resources.

Finally, a question to Vicki, then I'll be disciplined.

Vicki, you mentioned the Cuban Adjustment Act, and you said we need to, you know, end the wet foot/dry foot policy, but you said we didn't need to repeal the Act. My problem with that has always been -- and I'm not a consul officer --

MR. HAKIM: You need to get to the point.

GARY: The point, point. Cuban-Americans -- a Cuban who arrives on U.S. shores could always ask for political asylum, and once they do that, they have to go through an adjustment process, which is going to probably going to take more than a year -- am I wrong in that?

MR. HAKIM: Wrong in that.

GARY: Wrong, okay. Thank you.

MR. HAKIM: This -- go ahead.

SPEAKER: (Inaudible), American citizen, born in Cuba, became (inaudible). What I am going to do is comment (inaudible) as an invitation (inaudible).

SPEAKER: We have spoken about stability and instability and the fear of instability. Let us see the result of stability. In Cuba more than 50,000 people lost their lives (inaudible). Thousands of people were executed before the firing squads. Thousands died (inaudible). Thousands died in Latin America because of the subversions caused by the Castro regime with the finances of the Soviet Union and now of Venezuela. One hundred million dollars in Soviet subsidies were lost --

SPEAKER: That is the price of stability. I would say that those who favor that policy, the Department of State, are covered with blood from head to foot regardless of their (inaudible). Thank you.

MR. HAKIM: Okay.

MR. JOSEPH: (Inaudible), also of Johns Hopkins (inaudible) studies. I just came back Monday from a U.S.-approved mission to Cuba and would just say everyone I spoke to we got out of Havana as well -- is virtually every single person (inaudible) is not out there without changes. Almost everyone said that they do not believe that there will be much change coming in the near future.

My question for Jaime, sir, you -- I was quite perplexed by your skepticism (inaudible) on the border of contempt for tourism. You know, in the hotel we stayed in Havana, it's swarming with European tourists -- not only tourists, French -- a man I met, a businessman, was

there on a convention. So -- and these hotels that they're building, you know, of course are done as joint ventures with major European enterprises. There's others of citrus -- a joint venture as well. So, I'm wondering why you believe that our restriction on tourism would have this affect, and when many other countries, including (inaudible) countries in former Communist regimes -- for example, Croatia -- are quite happy -- and Montenegro, too -- to expand their present economies and do not look at it as selling cigars and hats.

SPEAKER: The panel has basically concentrated on finding a desirable state in Cuba and in Cuba-U.S. relations and set forth approaches that they think might increase the probability of a desirable state. I'd like to reverse the telescope and ask Vicki and Jaime to talk about the worst case scenarios, that is, the worst outcomes that might be visible and foreseeable and how their particular approaches, their respective approaches, diminish the likelihood of the unfortunate scenarios.

MR. HAKIM: (Inaudible)

SPEAKER: I was going to introduce myself --

MR. HAKIM: Bring the agenda issue --

(Laughter)

SPEAKER: (Inaudible) There isn't in Cuba, by the way, a lot

of women in charge in Cuba.

I just want to introduce myself. I'm part of a sister city with Cuba, and I don't think a lot of people know that. We have many sister cities. I happen to be from Monworth. We have constant contact with (inaudible). (Inaudible) was just there. And I wanted to say one thing. You say China (inaudible), that on Cuban TV they have China language lessons every single day, and Cubans are learning that. They're not learning English; they're learning Chinese currently. And also the largest trading partner is Canada. So, we do have relationships the last time I checked. So, there are many, many people (inaudible). You've got the U.V. and you've got China and all in (inaudible), and they're all arriving in Cuba, and it somewhat makes the United States (inaudible) when you talk about these (inaudible). These people I've talked to -- and I travel all around the island, because I'm not official, and my sister city is (inaudible) to be sure. So, I just wanted to say that, and I actually have a (inaudible) professor, director (inaudible) University of Miami, and (inaudible) in fact in Latin America we have a lot of support of the dictator (inaudible), we have the support of democracy. You call Chavez a regime, but he's been democratically elected (inaudible).

MR. HAKIM: Let's not get into that debate.

MR. HAKIM: Thank you very much.

MR. MARTINEZ: Thank you. My name is Tony Martinez. I just have a question and a suggestion that all the panelists that speak today please tell the audience when was the last time that they were physically in Cuba, because prospective experience (inaudible). A lot of people comment or are talking from their rise in power. It's important to -- it would be helpful to learn where -- when was the last time the panelists were in Cuba, so I ask each one of the panelists when were you physically last in Cuba?

MR. HAKIM: Thank you. All right.

SPEAKER: Just a quick question on the issue of the travel ban. I wondered whether -- if you could -- it would be speculating, but what's the likely reaction that the Cuban government might be to unilateral action (inaudible) of the travel ban? Professor Suchlicki thinks that they would greet it as a profession and as a victory and economic benefit, but I wonder if (inaudible) whether they wouldn't look on it as a threat to their regime, that the prospect of many North Americans in large numbers visiting their country and England (inaudible).

SPEAKER: (Inaudible) I am a Cuban. I'm talking about tradition, just (inaudible) trouble trying to disband the position of the panelists. My question is to Professor Riordan. You were talking about

(inaudible) placements in case of a -- Chavez is not in power anymore, and there is a new government that is going to be very (inaudible) Cuba. So, isn't that the case that instead of talking about Oshay's replacements, we should be talking about replacing the finance (inaudible) of oil shipments? That's my question.

MR. FLETCHER: Thank you all -- Frank Fletcher, FIE graduate. Macro-politically speaking, since most countries in the world have normal diplomatic and other relations in Cuba, why has that not brought about the kind of democratic change (inaudible) the ports through Canada can go there and other democratic and capitalist countries?

And, second, the Cuban government confiscates most of the wages of foreign companies that pay -- that invest in Cuba. Wouldn't this be something that the Cuban government could do if they could make this change -- to start paying the full salary that's paid to the government to the workers. That might help go a long way to alleviate suffering -- perhaps.

MR. HAKIM: Thank you very, very much.

I'm going to give you the last question since you -- we've got to get the agenda equality up. There's the -- take the microphone now.

SPEAKER: Thank you all very much, and the question is for Ms. Huddleston. Thank you all very much for this conversation.

Ms. Huddleston, if in abolishing the wet foot/dry foot, why would that really make a difference if the current U.S. policy on immigration doesn't make a difference towards other Latin Americans, given the numbers. We have 12 million undocumented citizens in the United States. Why would that deter Cubans, really, from trying to leave the island?

MR. HAKIM: Thank you.

We will start with going in the same order that we started with -- Vicki -- you have about 10 minutes left.

MS. HUDDLESTON: Okay. Well, I'm going to try to be fast and I'm going to start with the wet foot/dry foot Cuban adjustment, because those are the issues that I was pushing, and let me, first of all, say that the situation is different for Cuba than for the rest of Latin America, and that's why you need to change it for Cuba.

Now, the first thing is that the Cuban Adjustment Act allows Cubans, after they have been admitted, to adjust status and then eventually become residents of the United States and then eventually citizens without asking -- or if they can ask and their often turned down. There's a whole judicial system in Southern Florida that listens to the Cubans who come in and decides whether they deserve political asylum or not, and most of them on the whole don't receive it. What happened

was Janet Reno passed a regulation which was basically called wet foot/dry foot, and it happened shortly after the 1994 mass migration, and the Clinton Administration went to Cubans and said we don't want that to happen again, and they said fine, we'll work out this agreement. We'll allow 20,000 -- the United States will allow 20,000 Cubans in a year, and then we will return Cubans to Cuba. Well, as soon as they -- as soon as the Cuban-American community heard that they said we can't do that, so they came up basically with a compromise: We'll send the guys who get caught at sea back but we won't send the people who we can see on the television cameras back who make it to Miami. And that's where we are right now. To reverse that, all that has to be done is the same thing that we do with the people on the boats. On the boats, Homeland Security or Immigration and Naturalization interview those people. If they're not in fear of their life, fear of persecution, then they're sent back. You do the same thing when people come across the border from Mexico, Cubans, or when they land in the United States. The same thing. Because that'll save their lives. You remove, then, the incentive that if you make it to land, you are in the United States. But that's why at the same time -- and I'll hit the travel ban then -- you want more liberal travel, because you don't want families trying to get here because they're trying to see a parent before they die or a child that they haven't seen in 10 years or simply

economic opportunity. So, if the travel ban is lifted, if there's more Cuban-American travel, if there are greater remittances then we have a justification for ending the wet foot/dry foot policy. You do not have to suspend the Cuban Adjustment Act in any way.

And the next question that I wanted to jump to is the worst case scenario. I love that word. Here is my worst case scenario. Fidel dies. The plan goes into operation of the U.S. (inaudible) in which the ports are closed. We tell Cuban-Americans no going to Cuba, and Pepi's looking very disgusted at me and he's saying Cuban-Americans are not going to get in the boats to go to Cuba -- that's good, that's fine. But some of the Cubans in Cuba say, you know, I'm not at all sure what's going to happen. This is my opportunity. I'm in the boat. I'm out of here. Already perhaps a number of Cuban-Americans have been funding the families, so they all are ready to go. They get in the boat, and, despite the fact that the ports are closed, despite the fact that the Coast Guard is out there making sure this isn't going to happen, 30 Cubans arrive on South Beach. Cuban-American community is ecstatic. Fidel is dead. Here are 30 more Cubans arriving. And Cubans in Cuba see this and they say okay, it's time to go, if we can get there, we can stay. And that's when you begin to get the possibility of a mass migration.

The other side of that that happens is you have Raúl Castro

in charge. Raúl Castro's already been told by the Administration don't you allow a mass migration. If you allow a mass migration, that's a threat to the sovereignty of the United States. So, what does Raúl Castro have to do right away? He'd better clamp down tough and hard and make sure that that population is not getting to the boats, because he doesn't like the idea that this might be an excuse for some kind of deployment of United States forces close to Cuba. That's the worst scenario. At the -- or the very worst scenario is if there is violence and chaos in Cuba and the United States would go in with its military humanitarian gesture, because we're really great with the military handing out food, setting up shelters. But that would, to Cuba -- the Cubans who want their sovereignty -- be absolutely the worst thing. (Inaudible) Lorenzo told me, who was a MIG pilot who defected from Cuba and he (inaudible) and then he went back in a little plane, had picked up his wife and two children. He said if the United States had invaded Cuba the day before I left as a squadron commander, I would have been the first one out there. If Cuba turns to chaos, the best thing the United States can do is help other countries provide the humanitarian assistance and the stability needed.

MR. HAKIM: Thank you, Vicki.

Jaime.

MR. SUCHLICKI: There's a lot of questions here. First let

me clarify that I am not against Cuban-Americans' travel to Cuba; I am not against remittances. So, Vicki, we are in agreement on that.

But there are implications that both those things -- that this is by Cuban-Americans to the island and the remittances of money to Cuba has had tremendous implications in (inaudible) the island as divided to Cubans between the haves and the have-nots has produced a racial divide in Cuba that Blacks on the island do not receive money. They're 62 percent of the Cuban population. The Whites are receiving the money.

And I will also argue that the visits by Cuban-Americans have increased the desire of people to migrate out of Cuba, because they talk to their families, they saw how the Cubans living in Miami, and this has increased the desire to leave.

In terms of U.S. tourism to Cuba. Well, like one of the people sitting here, for the past 20 years we've had hundreds of thousands of Canadians, Latin Americans, Europeans visiting Cuba. Many of them speak the language; many of them (inaudible) population. Number one, we haven't seen a significant economic improvement in Cuba, and certainly we haven't seen democracy in Cuba. So, I don't think that the American tourist has a magic wand that he's going to arrive in Cuba (inaudible) democracy here, democracy there, transformation here. I just don't see it. So, I think that releasing American tourism into Cuba

will create a more lopsided economy, will throw some money into the government, and some of the dollars will filter to the bus boy, the taxi driver, and so on. But this is, again, not the vision that I want for Cuba.

Worse/best case scenarios. Well, depending on what you're talking about. If you're talking about a worst case scenario for the Cubans, you're talking about a military dictatorship that doesn't make any changes and keeps the Cubans the same way they've been kept for the past 47 years. That's a worst case scenario for the Cubans.

If we're talking about a worst case scenario for the United States, I would think a civil war and a racial war, which is possible in Cuba. Given the animosity that exists, we may see a civil war with racial overtones. We may see Venezuelans supporting one side, the Iranians coming to support one side and we, in the middle here, would -- our Congressmen screaming and people in Miami screaming do something. That is probably the worst case scenario.

I think that is -- oh, the policy in Latin America. I have a story. The Latin American books written by political scientist and historian Ocdavian --United States changed its policy toward Cuba in the era of Carter and during the era of Ford. We do not support dictatorships in Latin America; we do not support military regime. Both Democrats and Republicans have been positive and consistent with that policy, so I don't

think that a new administration in Washington should support a military dictatorship in Havana.

MR. HAKIM: Riordan. You have the final word?

MR. ROETT: I'm delighted that Cubans can now study Chinese. My students study Chinese. I was in Santiago, Chile, in August of last year. There are now more students in Santiago studying Chinese than are studying English. China is in a globalized world a reality and a phenomenon, which is all we'll need to deal with.

The issue of oil is very interesting. Again, I'm not an oil expert, but I'm relying on reports and this *Miami Herald* study. Venezuela needed 191 rigs last year to meet its production goals, only had 71 rigs. Number of oil wells, about 19,000 in 2001 (inaudible) just a little more than 13,000 in 2005, the last year (inaudible) we have any data, and oil exports declined even further with 2.5 million barrels per day in 2000 to 1.5 million in 2007/2008. The oil industry in Cuba is in very serious condition. Foreign companies have pulled out. Hugo Chavez does not have the technology, and he can't find the rigs or technology he needs to really increase production. Nothing will happen in the immediate future, but if we look down the road a longer time -- and whether Chavez stays or not is not as relevant as the state of Venezuela, which really is a petro state and PDVSA is the heart and soul of that petro state. As to whether or not the

regime -- and the regime is perfectly reasonable (inaudible) regime -- the regime will have to make some very serious issues about internal investment to support their popular supporters, and given the growth rates in Venezuela the last couple of years, consumption has jumped dramatically and the demand can be met. We then will have to make some very interesting foreign policy decisions, because not only is oil being sent to Cuba under a very interesting agreement, the Petro (inaudible) Accord, 99,000 barrels per day of gasoline and other products are going to 16 countries in the Caribbean and Latin America. At some point, (inaudible) regime (inaudible) different -- may have to make some decisions about their relationship with Cuba and about where they're going to place their oil in the Americas, and that, it seems to me, is a fascinating foreign policy NGO political issue. I'll end there.

MR. HAKIM: Thank you, Riordan. Thank you, Vicki. Thank you Jaime. This was a terrific session. I think you did a good job in starting this off, and I think you'll have a lot of other good (inaudible). So, thanks.

(Recess)