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Dean Rusk International Law Center

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### No. 8 - The Cuban Embargo: Policy Outlook after 50 Years

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*Occasional Papers*

# Dean Rusk Center

University of Georgia School of Law

*Number 8*

The Cuban Embargo:  
Policy Outlook After 50 Years



*Occasional Papers*

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University of Georgia School of Law

*Number 8*

## **The Cuban Embargo: Policy Outlook after 50 Years**

Panel 1 - Assessing the Goals and Impact of the Cuban Embargo after 50 Years

Panel 2 - Executive and Legislative Pathways to Removing Sanctions

Keynote Address by Ambassador José R. Cabañas, Chief of Mission, Cuban Interests Section

Panel 3 - Trade and Investment Opportunities and the U.S.-Cuban Economic Relationship in a Post Embargo Regime





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## **The Cuban Embargo: Policy Outlook after 50 Years**

Organized and sponsored by the Dean Rusk Center for International Law and Policy, *The Cuban Embargo: Policy Outlook after 50 Years* was a daylong conference exploring issues related to the impact of trade sanctions imposed by the United States on Cuba, pathways to lifting the embargo and potential U.S.-Cuba trade opportunities. Ambassador José R. Cabañas, the chief of mission at the Cuban Interests Section in Washington, D.C., served as the keynote speaker for the event. The transcript of the conference proceedings has been edited for publication with the consent of the speakers.

Edited by: Laura Tate Kagel, Assistant Director, Dean Rusk Center for International Law and Policy, University of Georgia School of Law

Published by: The Dean Rusk Center (Athens, GA)

## **The Dean Rusk Center for International Law and Policy**

The Dean Rusk Center was established in 1977 to expand the scope of research, teaching, and service in international law and policy in order to increase understanding of international issues, provide a sound basis for foreign policy decision-making, and contribute solutions to global problems. Today the Center serves as a nucleus for collaboration on foreign and transnational legal and policy matters among University of Georgia School of Law faculty and students, the law school community, and diverse international partners.

In fulfillment of its mission to globalize legal education at the University of Georgia, every year the Rusk Center invites scholars from abroad to engage in collaborative research with faculty and to teach short courses that enhance the law school's educational offerings. In addition to faculty exchange programs with foreign universities, the Rusk Center administers a popular study abroad semester program for Georgia Law students at the University of Oxford and highly praised summer programs in Beijing and Shanghai, and Brussels and Geneva. The Global Internship Program with placements in over thirty countries around the world provides another excellent opportunity to gain international experience.

An important function of the Rusk Center is to provide a forum for the exchange of ideas about important international legal and policy matters. Every spring Georgia Law's international faculty hosts a colloquium series on timely topics in the field of international law. With the goal of engaging a broad audience on matters of global significance, the Center sponsors conferences and lectures with high-level policy makers, diplomats, scholars and practitioners. The Rusk Center also offers guidance and support to international student organizations, including the *Georgia Journal of International and Comparative Law*, and frequently collaborates with them on organizing conferences and lectures.

Through its public service and outreach programs, the Rusk Center influences policy regionally and on a global scale. It has provided research and counsel to the Georgia governor's office on international trade issues since its inception, most recently by participating in the establishment of a trade office in China. In 2008, the Center's director, C. Donald Johnson, a former ambassador in the Office of the United States Trade Representative, met with President George W. Bush and his senior trade officials at the White House to offer counsel on current trade initiatives. Over the past fifteen years, the Center's renowned International Judicial Training Program (IJTP) has trained over one thousand foreign judges and court personnel and provided models for concrete judicial reforms in participating countries. A new Transnational Law Program is geared toward bringing law students from foreign universities to Georgia Law to gain exposure to American legal education.

Finally, Rusk Center publications, such as this Occasional Papers series, disseminate the results of work done at the Center, including conference proceedings on diverse themes.

Further information on the Dean Rusk Center for International Law and Policy is available at:

*<http://law.uga.edu/dean-rusk-center>*

# The Cuban Embargo: Policy Outlook after 50 Years

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# The Cuban Embargo: Policy Outlook After 50 Years

March 22, 2013  
Welcome and Introduction

*Rebecca H. White*, Dean and J. Alton Hosch Professor of Law,  
University of Georgia School of Law  
*C. Donald Johnson*, Director, Dean Rusk Center for International Law  
and Policy, University of Georgia School of Law



**DEAN REBECCA WHITE:** First of all, let me just say thank you so much to those of you on the panel for being here today. We really appreciate it. It's a real pleasure to welcome you to our conference on the Cuban embargo. Few topics are more timely as the second Obama administration considers whether it is time to relax, or even to abandon, the embargo on trade with Cuba. Today I expect you will hear frank and informed discussion and debate on this topic, as well as discussion of what trade in a post-embargo universe would mean to both the United States and to Cuba.

We have with us today an extraordinary group of speakers, distinguished academics from the University of Havana and from top universities in North America, including our own, leading policy analysts from Washington, D.C., a former chief of mission to Cuba, and an international trade lawyer who specializes in U.S. laws related to Cuba.

We are very honored that Ambassador José Cabañas, chief of the Cuban Interests Section, Cuba's top diplomat in the United States, will be delivering the keynote address this afternoon. It is wonderful to have you with us today, Ambassador.

And we also will have Georgia's commissioner of agriculture, Gary Black, here today, and that is an honor for us as well, and I want to thank all of you for being here.

I know that for some of you this is your first visit to Athens, to our law school, and to the University of Georgia, and we are pleased to showcase to you one of the finest law schools in America. We have some of the most academically talented law students in the nation, and, as we frequently observe, our students are not only extremely smart, they are extremely nice. I hope you have a chance to interact with them during your time here and that you take the opportunity to look around and explore our law school and our beautiful North Campus.

I want to take a moment to give special thanks to Ambassador Don Johnson, the director of the Rusk Center for International Law and Policy, for his work in bringing this conference about. Today is the direct result of Don's energy, enthusiasm, intellect

and insights. He has assembled this amazing array of speakers to discuss this important topic. He has been assisted by the staff of the Dean Rusk Center, along with the university's Latin American and Caribbean Studies Institute, the law school's Hispanic Law Students Association, and the law school's Georgia Society for International and Comparative Law, and I thank each of those groups for their work. But the bulk of the work and certainly the driving force behind this conference is Don, who, in addition to being the director of the Rusk Center, is a former state legislator, congressman, ambassador, and an expert on international trade law. And it's my pleasure to turn the podium over to Don.

Thank you.

**C. DONALD JOHNSON:** Thank you, Dean White, for that kind introduction and your welcome to all of the participants and the people in the audience attending today. We've had over a hundred people register for this event, so they will be traipsing in and out. We also plan to publish the proceedings, so we look forward to that, as well as to having videotape available on our web site.

I want to just say a quick word about the Rusk Center. First, I want to thank Dr. Laura Kagel and Maria Giménez for the work that they've done in putting this together, because they've really worked hard and we couldn't have done it without them. Thanks, also, to Kay Vaughn, our office manager, who has been in touch with I think most of the participants on logistical issues.

The Dean Rusk Center was formed in 1977 when Professor Rusk was still here; in fact, he remained here until his death in 1994. He was a great colleague to the professors and a mentor to many students, including myself, during his time teaching here. Of course, I don't have to tell you that he was the secretary of state under presidents Kennedy and Johnson and had some involvement in the matter that we're going to be discussing. I'll give a brief introduction of that as I introduce the next panel.

The Rusk Center has been actively involved in expanding research, education and outreach in the area of international law since it was established. The Rusk Center not only provides a forum for the exchange of ideas such as we're having today, but also has a number of educational programs, including study abroad programs in China and Europe, and we host visiting lecturers and visiting professors who cover short courses on matters that aren't otherwise covered by our very distinguished international law faculty.

We also have been heavily involved with assisting in other areas in the outreach program with the Department of Economic Development in Georgia. From the outset, we've been involved on trade issues with that department, which used to be called the Department of Industry and Trade. We assisted in setting up a trade office in China, and we've been active also in Washington in providing, when needed, assistance on trade issues with USTR — most recently in the Bush administration.

So it's been a very active role that we have here, in terms of providing these types of forums. Our most famous forum was in 2008 during the presidential election. We had five former secretaries of state here, and it was widely broadcast on PBS and other places. It was really a great event.

I mention it now because of one of the issues discussed at this conference called *Bipartisan Advice to the Next Administration*. At that time, in 2008, John McCain had pretty well seized the nomination on the Republican side, but then senators Barack Obama and Hillary Clinton were still in fierce competition, so there was still very fertile ground for discussion on foreign policy issues. As mentioned, this was a bipartisan panel: we had three former secretaries of state who were Republicans and two who were Democrats — all five of them recommended that Guantánamo be closed.

Our purpose is to provide a forum for discussion to find solutions to international problems. That's primarily what we do here, and hopefully you'll benefit from the discussion today. I want to thank all of the participants again for making the effort to be here. Some of them came from faraway places. And I especially want to thank Ambassador Cabañas for being here with us, and his colleague Rodney Gonzales. We also have had support from the U.S. State Department in putting it together, for which we are grateful

So, with that introduction, we'll start immediately with the first panel.

Fifty-one years ago the Cuban Embargo was first initiated and, of course, Secretary of State Dean Rusk was heavily involved in that decision. I want to just give a brief synopsis of what happened in the beginning. I have here the proclamation that was signed by President Kennedy at the Eighth Meeting of the Consultation of Ministers of Foreign Affairs, Serving as an Organ of Consultation in Application of the Inter-American Treaty of Reciprocal Assistance, resolving that the government of Cuba at that time was "incompatible with the principles and objectives of the Inter-American system; and in light of the subversive offensive of Sino-Soviet Communism, with which the government of Cuba is publicly aligned," and urging "the member states to take those steps that they may consider appropriate for their individual and collective self-defense."

Based on that inter-American resolution, President Kennedy, acting under the authority of the Foreign Assistance Act of 1961, imposed the embargo effective February 7th of 1962. The month before Kennedy's proclamation, Secretary Rusk had led a delegation to meet with the members of the Organization of American States (OAS) in Punta del Este, Uruguay and, according to Arthur Schlesinger's *A Thousand Days*, made an eloquent speech and diplomatic effort to ensure that the U.S. embargo would not be a unilateral action. Before Rusk's OAS meeting, President Kennedy was advised by the U.S. ambassador to the OAS that there was strong opposition there, but he felt that we should take the hardline approach and move forward, whether we had the support of the OAS or not.

Kennedy's response was, to isolate Cuba, not to isolate ourselves. And I think that's an important point throughout, because without the support of the other states, it would be more difficult, and as we've seen in later years, we have become more and more isolated. There was a vote in the UN, for example, where only two states voted to continue the embargo — the United States and Israel. There were quite a few nations, some forty-eight members, who abstained from the vote.

So the effort has been to have this multilateral action. If you read the basis for the proclamation, it is primarily prompted by the activities of Fidel Castro in those early days. The United States had already recognized the government of Cuba in 1959 under President Eisenhower, but that was before Mr. Castro began making statements like: "The duty of every revolutionary is to make revolution." He talked wistfully about converting the Andes into the Sierra Maestra of the American continent. His effort was to begin a process of more revolutions converting to Communism, in direct contravention of the U.S. policies at that time of containing Communism.

President Kennedy continued his hard line on Cuba, but he made a statement near the end of his life, on November 18th of 1963, clarifying the rationale of the embargo. He mentioned that a band of conspirators had made Cuba the instrument dictated by external powers to subvert the other American republics. Then Kennedy observed: "This and this alone divides us. As long as this is true, nothing is possible. Without it, everything is possible. Once this barrier is removed, we will be ready and anxious to work with the Cuban people in pursuit of those progressive goals which in a few short years stirred their hopes and the sympathy of [...] this hemisphere."

So the point is that here the main focus of the embargo was the external activities of Cuba, not the internal. We had had the disastrous Bay of Pigs invasion and by the time he made this statement, we had gone through the Cuban Missile Crisis, following which an agreement was reached with the Soviet Union that the United States would abandon any effort to invade Cuba. The embargo was not an effort to change the Communist government in Cuba, but it was an effort to stop its external revolutionary activities.

Now, of course, those revolutionary activities continued, and after [Kennedy's] death, President Johnson continued the embargo and it has been continued till this day. Secretary Rusk was strongly in favor of keeping it, and he was quoted in 1964, after a cache of Cuban weapons was found in Venezuela, and there was an effort by some liberals in Congress to reduce the sanctions and he refused. He said, "Castro Communism must be isolated politically, economically, militarily, socially, and spiritually."

I'm not sure what was meant by spiritually, but you can draw your own conclusions there. There have been a lot of changes since that time, and a lot of people might suggest, as Schlesinger does in his book, that Kennedy might have loosened the sanctions. And there have been efforts over the years to loosen those sanctions. But we'll never know

about President Kennedy. A lot of people think that he would have ended the war in Vietnam before it really started, and, of course, that's only speculation as well.

But I do know that from my own personal relationship with Secretary Rusk that, even though he never conceded that Vietnam was a mistake, he did recognize at the time of the normalization of relations with China that things had changed. And when President Carter brought Deng Xiaoping to Atlanta, the first person Deng Xiaoping wanted to meet with was Dean Rusk, who had been an ardent anti-Communist and a cold warrior for all of his life. Rusk went to Atlanta and met with Deng, and they had a great conversation, a very interesting conversation, I'm sure.

I want to draw your attention to one other aspect of Georgia in relation to Cuba, in a lighter vein. On my first trip to Cuba, I met with an elderly University of Havana law professor who had been in school with Fidel. Knowing I was from Georgia, he told me that one of Fidel's favorite books and movies is *Gone with the Wind*, which took me a little bit by surprise. He said that when Mario Puzo came down to Havana, Fidel argued with him as to which was the best movie, *The Godfather* or *Gone with the Wind*.

The interesting thing is that if you know that book and you know the philosophy of its heroine Scarlett O'Hara, you know that when she returned to her home at Tara after the war and found it desolated with her mother dying and her father deranged mentally, at first she despaired. And then she thought about it and rejoiced: "Tomorrow is another day."

That may be the philosophy that Fidel has adopted and why he liked *Gone with the Wind* so much. I'm sure that after the Soviet Union split up and dropped the support of four billion dollars a year to Cuba, he must have thought very hard, despaired, and then realized that "tomorrow is another day."

Things have changed a good bit since the '90s. Fidel Castro declared in '92, after the Russians had left, that he'd abandoned all revolutionary activity outside of Cuba. So the question is today: Is tomorrow another day for this relationship?

So this is the topic of today. I hope I didn't take up too much time, because we have a lot more important speakers to talk here.

I want to introduce to you, first, Dr. Archibald Ritter, Arch Ritter. He is a distinguished research professor emeritus in the Department of Economics in the Norman Paterson School of International Affairs at Carleton University in Ottawa, and he's been actively involved in this issue for many, many years. He was on the UN Economic Commission for Latin America and the Caribbean in Santiago, Chile in the early '70s, and he's been active in visiting Cuba since 1965. He was an initiator on the Canadian side, coordinating the Master's in Economics program at the University of Havana for young Cuban professors, and he's published widely on this subject.

We will have about fifteen to twenty minutes by each speaker on the panel and then open it up for discussion. We have all of our panelists here from the other panels, who may join in the discussion, and of course we welcome questions — not speeches — from the audience. We welcome Arch to begin.

# The Cuban Embargo: Policy Outlook After 50 Years

Panel 1 - Assessing the Goals and Impact of the Cuban Embargo after 50 Years

Moderator: C. Donald Johnson

Panelists: Archibald R.M. Ritter, Ray Walser, Ricardo Torres



**ARCHIBALD R.M. RITTER:** I'm very honored to be here in this fine university, this beautiful town. However, I expected Havana weather here, not Canadian weather. I thought I was going to get out of the snow and the cold.

With your permission, Ambassador Johnson, I'm going to make a little digression to begin my presentation, which I hope will lead into the essence of the topic. But I want to remind you, this is a big deal in Canada: We are in the middle of the two-hundredth anniversary, the bicentennial, of the War of 1812-1814. That's when you guys, the U.S. Army, invaded Canada, thinking that you were going to liberate us easily. Well, you won the battle of New Orleans with Colonel Jackson and Johnny Horton, and you almost won the war, but not quite.

I want to also mention that it was almost exactly two hundred years ago today, two hundred years ago this coming Wednesday, that you burned Toronto; the U.S. Army burned Toronto. Now, coming from Ottawa, I don't hold that against you. You then burned it a second time. Well, in retaliation and as a diversion, the British, our cousins, came and burned Washington. They burned all the public buildings except for the Public Archives. Very nasty.

Now, of course, the United States and Canada, we are very best friends. So what's the relevance for Cuba? Well, that gives me hope. Maybe in another fifty or hundred years Cuba and the United States will also be very best friends.

My job here is to discuss the impacts of the embargo, the probable impacts that normalization would have, and the prospects for change in Cuba. So that's the little agenda, the little outline. [Fig. 1] I'm going to proceed with that.

The objective of the embargo was, of course, to damage the Cuban economy and somehow to promote the overthrow of the Castro regime or else political change in Cuba. How that was actually to occur was never spelled out. What were the mechanisms? By damaging the Cuban economy, to somehow promote the overthrowing of the Castro Regime, or to somehow promote political change and policy reversal on the part of Fidel Castro. The way this was to be done was that Cuba was cut off from



## Agenda:

- I. Imposition of the Embargo**
  - a. Initially
  - b. Helms-Burton Complications
- II. Impacts of the Embargo**
  - a. Impacts on Cuba, Economic and Political
  - b. Impacts on the United States, Economic and Political
  - c. Specific Impacts of the Helms-Burton Bill
  - d. Impacts on Cuba's Reform Process
- III. Probable Impacts of Normalization**
- IV. Prospects for Change in Cuba**
  - a. Reform Process under Raul's Presidency, 2006-2013
  - b. With the Embargo
  - c. Without the Embargo
- V. Conclusion**

Fig. 1

all economic relations with the United States, thrown out of the international financial institutions, and then with a diplomatic break of sorts because the Interest Sections or quasi-embassies continued.

Then the embargo was hardened in 1996 by the Helms-Burton bill, and this is a quotation: The objective was "to assist the Cuban people in regaining their freedom and prosperity as well as joining the community of democratic nations in the Western Hemisphere," and to bring about "a peaceful transition to representative democracy and the market economy in Cuba." Once again, it was not spelled out how the particular policies of the Helms-Burton [Act] were going to achieve these objectives.

This is a list of the various policies or policy changes produced by the Helms-Burton bill and, obviously I'm not going to go over them all.

### Some Provisions of the Helms-Burton Bill

- Sanctions against non-U.S. companies dealing with Cuba
- Continued opposition to Cuban membership in International Financial Institutions
- Promotes television broadcasting to Cuba
- Support for Cuban "democratic and human rights groups"
- Declares policy towards a "transition government" and a "democratically elected government" in Cuba
- Protection of property rights of certain United States nationals
- Exclusion of officials of companies operating on property expropriated from U.S. citizens

- Provides power to the Legislative Branch to override an Executive Branch cancellation of the embargo
- Prohibits recognition of a transitional government that includes the Castro brothers
- Prohibits recognition of a Cuban government that has not provided compensation for U.S. certified claims against confiscated property

We could talk a lot about the various elements there, but it was a comprehensive tightening involving the compensation issue, foreign companies, Canadian companies and Cuba and so on, so I won't go into any detail there.

What about the impacts of the embargo? First, the impacts on Cuba: It hurt Cuba. It hurt living standards in Cuba. Cuba lost its market in the United States. It lost imports from the United States, and this was very serious because the whole capital stock in Cuba was American. So when replacement parts were cut off, it was difficult. Then there were major problems in the transportation system because the transportation and the storage systems were geared to the short-haul trade of Miami and New Orleans, rather than the long haul for Russia. So that hurt. Other imports were available, but at higher costs and lower quality, quite often, than the American [imports].

U.S. tourism ended. Financial relations ended. And I would like to emphasize here this last one that doesn't get much attention. The threat, the credible threat from the United States, especially after the Bay of Pigs, led Cuba to spend a lot of money on the military. Big waste, big cost. So the damages were severe. The trade losses diminished over time because other countries can provide anything that the United States can at this point, and Cuba has learned to live with a disability quite well, I would say.

The political impacts on Cuba: I think the embargo contributed to the radicalization of the regime early on. It pushed Cuba into an embrace with Russia. In the long term that was an absurd economic linkage. In the short term, which was about twenty years or so, it was very profitable, mainly because Russia found it advantageous to subsidize Cuba so generously.

What it also did was help create a siege mentality in Cuba, and with a siege mentality, the population, the military and the officials rallied behind Fidel. It was much easier for Castro to pose — to put himself as the champion of Cuban independence and sovereignty against an external aggressor. It also provided a pretext for economic failures, and only Raúl Castro at this time is starting to not use that as the pretext for any problem.

It also generated great sympathy for Cuba in the world and a great problem for the United States in the world. Cuba was David against the United States' Goliath. The embargo and Helms-Burton: No promotion of human rights; no impact on the position of Fidel Castro. Indeed, it was a half-century of failure, I would say, in achieving its main objectives.

The impacts on the United States: I would say there were major impacts on the United States. They may not have been that observable because they were small relative to the size of the United States, but the United States lost export and import markets. It lost foreign investment; it lost tourism. Miami may have gained in part because of all of the immigration of talented, skilled Cuban citizens. The United States gained from that, but then Miami also lost because it was no longer a trading partner with Cuba.

Political impacts on the United States were serious. The embargo led to the alienation of the United States over time in the hemisphere, and that took time to occur, but I think the ultimate result was people like [Hugo] Chávez, [Evo] Morales, ALBA, maybe even the near demise of the Organization of American States, which is facing problems at this time from the competition of CELAC. The friends of the United States were aggravated by all of this. We didn't cut our friendship, but we were aggravated. And the United States policymakers entered paralysis, and they became tied up in so-called Gordian knots.

The impacts of the Helms-Burton [Act] sort of worsened everything; minor aggravation for Cuba, but this reinforced Castro's position in Cuba as the champion against an external aggressor. So it strengthened his position significantly. It led to a strengthening of hardliners, a silencing of the critics, and a strengthening of the pretext for domestic failures.

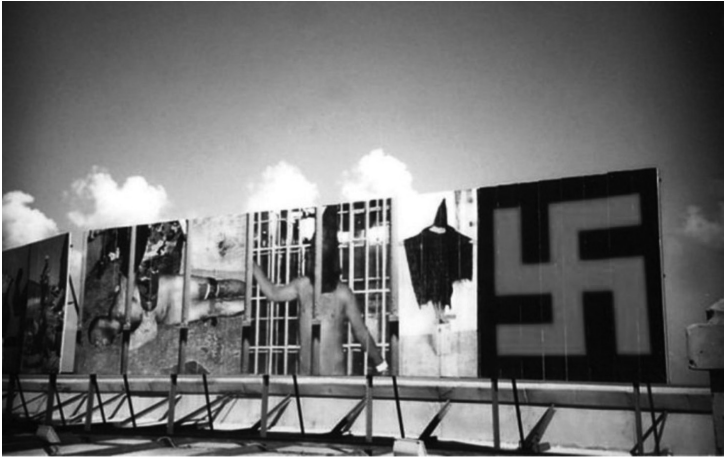
And here's a joke. I owe this originally to Jorge Mario Sánchez, who mentioned this. But a joke that was circulating in Cuba was: "In recognition of their services in support of the Communist Party of Cuba, President Castro will conduct a special mass rally at the Plaza de la Revolución to award the Order of Lenin medals to Helms and Burton."

Were there any impacts of the embargo on the reform process? I would say virtually none. The reform process in 1993 was due to the loss of subsidization from the U.S.S.R. and the inadequacies of the current planning system. As soon as possible, Fidel stopped the reform process and started to contain it in about 1995. Then the reforms in 2010 were not generated by the embargo; again, they were generated by the inadequacies of the economy and by Raúl Castro's greater pragmatism.

I would say that the embargo and U.S. hostility strengthened Fidel's position, as I've mentioned. Without the embargo, with a normal relationship with the United States, I would think that Cuba would have undergone domestic economic reforms and perhaps political reforms East European style. Instead, the relationship has been poisonous.

There was a billboard that was outside the American Interests Section for a long time: *Visitor Imperialists, We Have Absolutely No Fear of You*. And this is another one that was outside the U.S. Interests Section, a particularly nasty one. [Fig. 2] But the relationship has been poisonous in many areas, especially during the Bush era.

With normalization, what would happen? If there were normalization, good things would happen for Cuba. It would have an expanded market for exports. They could



[Fig.2]

get imports they needed. There would be a U.S. tourism tsunami, fifty years' pent-up demand for tourism, curiosity tourism, snowbird tourism, March break tourism, and so on. All of that would flood into Cuba, credits from the United States and so on; those would all be beneficial and would promote growth and rising incomes.

Most important, perhaps, normalization with Cuba would lead to the lifting of the siege and the siege mentality. Raúl could no longer portray himself as the champion of the defense of Cuban sovereignty against an external aggressor if there were no potential external aggressor, so I would expect that with rapprochement there would be intensified pressure for political change and for further economic change.

For the United States there would be lots of benefits from normalization. Exports would rise. Look at the volume of exports to Costa Rica and the Dominican Republic, both smaller than Cuba. Direct foreign investment would expand; financial and technological flows. In time, Cuban tourism would be a major money-earner for the United States. And then Miami would become a major trading center with Cuba, and I would envisage Miami and Cuba being sort of sister cities, sister gateways between the two countries. But this portal role would spread to New Orleans, Houston, Mobile, and I don't know if Savannah is in the running for this at all.

**JOHNSON:** Always.

**RITTER:** Always? Okay. And for the United States a major aggravation in its relations with Latin American and with African countries, many countries in the world, would be ended. So normalization, I think, would be a major win-win for both sides.

What are the prospects for change in Cuba at this time? Well, there was a billboard that appeared around Havana up to 2006 with Fidel saying, "Vamos bien" (we're going

well). That is a symptom or a symbol of the paralysis, the economic and political paralysis that afflicted Cuba, I would say, for this period, about '95 to 2006, till Raúl Castro came in.

However, when Raúl Castro came to power in 2006, he wanted to show he was different from his brother, and he began a process of economic reform in the country with the embargo in place. The embargo didn't matter. So a major set of reforms ultimately have come about. He started slowly. This is a list of minor changes, and I'm not going to read them:

2006:

- Permission for Cuban citizens to enter and use hotels;
- Relaxation of the rules concerning the purchase of electronic items;
- Permission to acquire personal cell phones, paying in CUCs (Cuban convertible pesos);
- Permission to rent cars previously reserved for foreigners – again in CUCs.

2007

- Legalization of hard currency; salary supplements to Cuban employees of foreign joint ventures.

2008:

- The elimination of the cigarette and cigar ration;
- Expansion of licenses for private taxi operators;
- Ten-year leases of unused state land to small farmers;
- Financial incentives to attract teachers back to school.

2009:

- Replacement of Fidel Castro's economic team and President of the Central Bank;
- Proposal to eliminate the ration booklet;
- Replacement of worker's dining facilities with a compensating wage increase;
- Small farmers to sell products directly to consumers.

2010:

- Privatization of urban parking arrangements;
- Further relaxation of some restrictions on private taxis;
- Experimentation with cooperative beauty salons and barber shops;
- Establishment of markets for inputs for small farmers;
- Relaxation on sale of building and repair materials to house-holders;
- Raising of retirement ages from 55 to 60 for women and from 60 to 65 for men;
- Legalization of 99-year leasing of land to foreign tourist companies.

I will point out one, however: ten-year leases of unused farmland changed to twenty-year leases. That was an important step permitting a process of privatization of some state farmlands, a major item. But then down here you have: Legalization of ninety-

nine-year leases for foreign tourist companies. So, twenty years for Cuban citizens, ninety-nine years for foreigners.

But these were a lot of little changes, not that significant, but not insignificant. Raúl Castro started off very pragmatically with piecemeal experimental changes of various sorts. The major changes began in 2010, and they were included in the first version of this document here, *Guidelines for Economic and Social Policy*. A first version came out; then there was a very interesting period of discussion, about a year's discussion, in which work centers around the country discussed various proposals in a very democratic way, actually. Various modifications were then made to the document, which was then passed in the Sixth Party Congress. That document includes everything except politics. Virtually every area of economic and social policy got the attention of reformists. And you can see the various policy areas that are included there, so it was a major reform document, but it was purely economic. No politics, no political change.

In a sense, it's a statement of aspirations, a wish list or a to-do list. There were no priorities, no strategy of how one would proceed with all those changes, no coordination, and there was no attempt to install an integrated model of any sort, even a foreign model or a Cuban model. Instead, it was just a to-do list, but, nonetheless, very significant.

I want to say one word about the policy changes for small enterprise, because those have got a lot of attention and they have led to an explosion with about 200,000 new microenterprises. This is just a table from a book that I'm working on with a friend, but this lists the various policy areas and where the statuses of the policies are. [Fig.3]

<b>Policy Changes for Small Enterprise</b>	
<b>Table 5 Major Public Policy Areas for Micro-Enterprises as of March, 2013</b>	
<b>Policy Area</b>	<b>Status</b>
1. Liberalize Licensing: Let anyone and everyone open a small enterprise	<b>DONE</b>
2. Permit All Types of Self-Employment, including Professional and High-Tech	<b>Not Yet</b> (Still Unclear re Cooperatives)
3. <u>Taxation Regime</u>	<u>Underway</u>
4. Raise the limit on employees to 10 or 20	<u>Underway</u>
5. <u>Provide Wholesale Markets</u> Inputs	<u>In Process</u>
6. Permit Access to Imported Inputs (outside TRDs and at the exchange rate available for the state sector)	<u>In Process</u>
7. Eliminate silly and vexations restrictions;	<u>Underway</u>
8. <u>Establish Micro-credit</u> Institutions	<u>Underway</u>
9. Legalize "Intermediaries" (permitting specialization between producers and venders)	<b>Just Begun</b> (re "second-order" Cooperatives)
10. Permit <u>Advertising</u>	<b>Just Begun</b>
11. Legalize Markets for Housing, Automobiles and Durables	<b>Almost Complete</b>
12. Cease the Media and Political Campaigns against Small Enterprise	<b>DONE</b>
13. Establish a "Ministry for Small Enterprise"	<b>Not Yet</b>
14. Build the Credibility of Public Policy	<u>Underway</u>

Source: The Authors

[Fig.3]

And you can see a couple of policy changes have been made completely, I would say, so that there is no longer a political campaign against small enterprise. In fact, it's supported. But the policy changes are significant, and they've had significant results already.

There are other policy initiatives that have been made here. One of them that we've heard about is relaxed controls on foreign travel. Very important. It was a *cause célèbre* for many Cubans to be able to travel freely out of their country and back in. But the ones I want to mention here are the cooperatives. New legislation was passed just last November permitting the establishment of non-agricultural cooperatives. Well, you've got a lot of cooperatives in this country. We've got a lot in Canada. Most countries have substantial cooperative sectors. Cuba is wanting to expand its cooperative sector and switch a lot of larger state enterprises with more than sixty employees to independent, worker-managed cooperatives. I don't know how far that has gone, but that could be a very, very interesting initiative. But, to repeat, no political change to this point.

The death of Chávez: I would say no impact on policy in the short run because I think [Nicolás] Maduro will continue with the special relations with Cuba, and I don't think Maduro, or I don't think many people in Venezuela, would want to cut off the services of the Cuban doctors, who provide valuable services to the Venezuelan people. So I would see that relationship continuing as long as Maduro is in power, and I think he'll be there for another five years, probably ten. So I don't think that's going to promote change.

Is the reform process sustainable? I would say yes; yes, indeed. The Fidel model is gone. Fidel is now irrelevant from a policy management perspective. The Fidelista ministers have been replaced pretty well, and, interestingly enough, while bureaucrats may drag their feet and slow down implementation of some changes, I have seen no criticism from the left in Cuba about the policy reforms. I see criticism from the right within Cuba, saying they need to go further and faster, but I haven't seen any criticisms from the left.

So I think that the reform process is going to continue. We don't have to worry about it being reversed. And more important maybe in the short term is that Raúl wants to be his own person. He's eighty-one years old. That's when a person starts thinking about his legacy. Well, Raúl has started to make his mark in the history books. And, who knows; he may have a more positive mark in a lot of history books — maybe not all of them — than his older brother. So I think that's an important factor, as well.

Could the process accelerate? I would say not in the short run. Raúl is cautious; he's pragmatic. He's been moving slowly but deliberately. The Cubans fear a Russian-style meltdown, economic meltdown. At this time they fear a loss of control on the part of the party. So I don't think the whole process will change or will accelerate. It might, however, if Raúl were to die tomorrow and the younger vice president were to



come into power. Maybe we would see accelerated generational change in the country that could perhaps accelerate the whole process.

If Capriles [Henrique Capriles Radonski] won the election in Venezuela, which it looks very unlikely, impossible, and Venezuelan support stopped, that might lead to a recession in Cuba and accelerated reform, or any other factors that led to a recession could push towards greater reform.

I didn't mention petroleum there, but it looks as though no offshore petroleum is going to be found, although we don't know for sure.

Could the process decelerate? Well, yes, it could decelerate. If Cuba becomes a petropower, if large amounts of petroleum were found and foreign exchange started to flood into the country under the control of Raúl Castro, then you could imagine that no further reforms would be necessary and some of those reforms could even be reversed. I don't think that's probable, however.

Policy prospects with a lifting of the embargo: Well, I think generally they would be positive. The siege mentality would be relaxed. The political monopoly on the part of the party would be more difficult to maintain because there would be no credible threat from the United States. Pragmatic economic reforms would continue and probably accelerate, and in time political change would come. When? Well, my guess is after Raúl plus one successor, so we're looking at what? Six to ten years before major political change will come.

To conclude, a half century of policy failure on the part of the embargo, as I see it. "It's been so wrong for so long," as Patsy Cline said. Normalization would be a win-win situation for both countries. I leave it, however, to the next panel to show us how we can normalize relations between the countries.

So in the best of all possible worlds, that's how I would see Cuban-U.S. relations before the end of the Obama presidency. Is that wishful thinking? Maybe not.

Thank you very much.

**JOHNSON:** Our next speaker may have a different view. We'll see. Ray Walser is a distinguished diplomat who served for twenty-eight years in the State Department with assignments in Colombia, Costa Rica, Mexico, Nicaragua, and South Africa, and he's been heavily involved with Western Hemisphere issues at the Foreign Service Institute. He's currently a senior policy analyst at the Heritage Foundation, and has authored numerous articles on this subject and on U.S.-Latin American policy in general and has testified before the U.S. House and Senate on all of these issues. So we look forward to hearing your comments.



**RAY WALSER:** Thank you very much, Don.

A couple of things: First of all, it's a great honor to be here. Back in 1983 I had the opportunity, when serving as a staff member for the Bipartisan National Commission on Central America, in which we were looking at what we considered Cuban expansionism into Central America, to sit down for about twenty minutes with Secretary of State Dean Rusk. It was a very wonderful opportunity. What a kind, generous individual. I still cherish that memory, so I'm honored to be here at the Dean Rusk Center.

Dean Rusk referred to a phenomenon in the Western Hemisphere called Castroism, and so from time to time if you hear me use that expression, I've borrowed it from the secretary of state. And at the end and looking at sort of the retrospective, three hallmarks that Secretary of State Rusk put emphasis on, which I will make a final reference to, were intelligence, integrity and kindness. So those are sort of my prefacing remarks.

Yes, I have a slightly different picture. I'll paint a little bit of the sort of historical narrative. I've already been excising parts. I will try to stay within my time frame to give our colleague other additional moments. So I may cut and paste just a bit from my presentation.

The embargo began for understandable reasons if one pays the least attention to international power politics. It began in the heat of conflictive passions between the U.S. and Cuba. It began in 1962, as we have learned. I was a sophomore in high school at that date. We continue to debate its causes, consequences, and future. Last year I received my Medicare card, so obviously it is a perennial topic.

On one side, we had Fidel Castro and his youthful, defiant revolution to remake Cuba versus the U.S. superpower, the undisputed leader of the West and the rival to the powerful Soviet Union. Confiscations, firing squads, hurried exile flights, the zeal to replicate the liberation of fellow Latins drove a wedge between the U.S. and Fidel's Cuba.

Came the Bay of Pigs, the Cuban Missile Crisis, and the increasing Sovietization of Cuba. American radicals cut sugarcane in Cuba and the New Left trumpeted Fidel's vision of a just and independent nation that bowed to none and saw itself embodying El Che's selfless, activist new man. The Alliance for Progress, the Peace Corps, and U.S. forces in the Dominican Republic and military assistance to Latin American friends aimed to counteract the siren appeal of revolution.

The Cold War steamed on: Cubans in Africa, the Soviet Brigade in Cuba, the Mariel boatlift, the Central American imbroglio, until one day permanent turbulence began to quiet. The turning tide came when the Soviet Union recognized that it had lost the Cold War and the Eastern Wall and the Soviet Union came tumbling down like a house of cards. A third wave of democracy spelled the end of military dictatorships in

Argentina, Brazil, and Chile. For the U.S. the unipolar moment had arrived. The end of history appeared to be at hand. Liberal democracy, free markets, increasing respect for human rights would prevail worldwide. Or so we hoped. In Latin America, the Summit of the Americas celebrated expanding democracy, more open markets, and freer trade.

But Fidel Castro didn't receive the memo. Here was a late midlife crisis for Cuba's unique brand of *caudillo* — which is strongman — Communism. The challenge to save the regime became grimly existential. The so-called Special Period ushered in the granddaddy of all austerity programs and broad economic reforms aimed at saving a floundering economy. Major adjustments were made because, noted Harvard's Jorge Domínguez, Cuba found itself receiving market prices for its products. Markets and a managed economy altered the shape of the Cuban economy, if not the tempo of its political life.

Reforms opened the door for foreign investment, a dollarized economy, which now we see in the dual currency system, expanded tourism, including the sexual variety, and other foreign investments, even the concept of self-employment. Yet, the regime's hierarchic totalitarian system held solid. Fidel's grip on power held, his anti-American, anti-gravitational rule was not blunted.

And while the geostrategic weight of Cuba plummeted, policy makers and friends of freedom in the U.S. were gravely disappointed that Cuba remained under the dictatorship of the Castros. It reacted with the Cuban Democracy Act of 1992 and, following the shoot-down of the unarmed Brothers to the Rescue aircraft and with the Cuban Liberty and Solidarity or Libertad Act, Helms-Burton, which we have mentioned, we've talked about before, a stiff codification of restrictions that needs no further discussion at this point.

Since 1996, U.S. policy towards Cuba has hardened and softened at the same time. The Trade Sanction Reform and Export Enhancement Act of 2000 opened the way for Cuban purchases of food and medicines on a cash-and-carry basis. After 9/11, Washington largely put Cuba, I think, on the back burner. It had bigger fish to fry: al-Qaeda, the Taliban and Saddam Hussein. Yet, the Black Spring crackdown — the tenth anniversary was this past Monday — entailing the arrest and long-term incarceration of seventy-five key dissidents was a shock wave to the relationship and a fresh incentive to tighten travel and remittance flows. Certainly Dan Fisk can talk a bit more in detail if there are questions about those decisions. Clearly, the George W. Bush administration worked hard to lay out a roadmap for a transition in Cuba, which others would call a plan for forceful regime change.

In 2005 Fidel Castro fell ill and Minister of Defense Raúl Castro stepped in to take charge, shifting from long-winded heroic *Fidelismo* to results-oriented *Raúlismo*. As Fidel's total grasp receded, Raúl set about making cautious changes — and I think I can skip over this, because I think that Dr. Ritter provided the sorts of changes that we're seeing. So let's look to the north.

To the north, the election of Barack Obama ushered in a president and foreign policy team open to new diplomatic alternatives while seeking to maintain the campaign pledge that candidate Obama made in May 2008 in a speech in Miami where he said, “My ultimate goal is *libertad*, or liberty, in Cuba.” So he put out this sort of benchmark.

In its first four years, the Obama administration quietly dissolved the Commission for [Assistance to a] Free Cuba and closed its State Department office. Before the April 2009 Summit of the Americas, it opened the way for unrestricted travel by Cuban-Americans and lifted the cap on remittances for Cuban-Americans. In June 2009, it joined with the consensus to repeal Cuba’s exclusion from the OAS. In other words, it opened the door for Cuba to rejoin the OAS; that door remains open as far as I can understand. Later, more openings occurred with more liberalization of licenses to travel, departures to Cuba from multiple airports. Government-to-government talks began at the technical level. As a result, thousands of non-Cuban-Americans, with growing programs, such as the programs that you have here at Georgia, hundreds of thousands of Cuban-Americans, have now traveled back to their homeland and dispatched over two billion dollars in remittances to relatives. Democracy promotion and management of Radio and TV Marti have also come under increasing congressional scrutiny and supervision.

Today, prestigious think tanks, such as the Brookings Institution, Council of the Americas and others, urge the second Obama administration to take additional steps to improve relations: convene a high-level commission, create a special envoy for Cuba, adopt carve-outs from the embargo for the independent sector, remove Cuba from the state sponsors of terrorism lists. And these are certainly things that we can talk about. There are new bills in Congress to lift travel restrictions and the embargo introduced by [José] Serrano and Charles Rangel from New York, but these have yet to receive any sort of legislative traction. So if you’re interested in changing, obviously write to your congressmen; there are bills out there that call for the lifting of the embargo.

Havana’s ruling elite was certainly heartened by President Obama’s selection of a pair of Vietnam veterans — Senator John Kerry and former senator Chuck Hagel — as secretaries of state and defense, both men inclined to see U.S.-Cuba relations through the post-Vietnam War prism and view Cuba as Vietnam-like rather than a Caribbean North Korea.

I categorize the current phase of U.S.-Cuban relations as one of mature antagonism or wary hostility. Disputes are more routine and predictable; our protracted differences no longer capture the attention they once did.

I believe the embargo is important, but in the grand scheme of U.S. foreign policy it doesn’t stand as high on the priority list as many would hope. Relations with Mexico, Colombia, Brazil, the ongoing security crisis in Central America, and the reconstruction of Haiti require more attention by policy makers. For example, the DCM from our embassy in Brazil came to visit [the] Heritage [Foundation] the week before last. We talked about a whole agenda of joint activities with the Brazilians.

Clearly, our views and the Brazilians' differ on Cuba, but they do not seem to be impeding any other sort of bilateral interaction. It is not, I think, that when we look at bilateral relations a sticking point. Of course, when we get into gatherings that may be a different matter.

Moreover, the analytical sins of Americans often include hubris, ethnocentrism — a tip of the hat to Dr. [Howard J.] Wiarda, who introduced me many years ago to America's habit of seeing the world through a picture of its own images — and also a runaway assumption that if we only change our behavior, they will change theirs. We often misjudge the power of the status quo and the grip of the entrenched and unelected elites. Just think how our capacity to influence power brokers, even in friendly countries, is usually overrated.

So, bottom line, to sort of cut to the chase, I submit there are three primary reasons, strongly rooted in the Cuban regime's mindset, in its structural DNA, that will continue to obstruct relations. The differences, to paraphrase Samuel Huntington, are essentially creedal in nature and rooted in clashing principles.

Number one: consent and Castroism remain incompatible. While a certain degree of political space appears to have opened and limited criticism — particularly of corruption and economic reform — is permissible, it is hard to point to any single steps toward real democracy. The tactics of repression have changed, but the strategy of ideological control and one-party domination remain paramount. Rights promised by international charters and instruments such as the Inter-American Democratic Charter are not respected in Cuba. A perusal of the U.S. State Department's Human Rights reports, Human Rights Watch, or Freedom House still makes sobering reading.

Whether it is the unjust imprisonment of American citizen Alan Gross, the frequent rage against the defenseless Las Damas de Blanco, or the suspiciously unaccidental death of Oswaldo Paya, founder of the Varela Project, the regime manages to perpetuate an image of intolerance and heavy-handed repression. It denies the sum of its people free assembly, free speech, free access to information, and the capacity of civil society to unite for political change.

Overall, the values of liberal democracy are anathema to a regime founded on the belief in the vision and order established by powerful *caudillos* and a revolutionary elite committed to the creed that no longer corresponds to the exigencies of an increasingly plural society.

Point two: Economic freedom and the power of markets threaten Castroism. I cannot leave the University of Georgia without at least getting a plug in for the Heritage Foundation's *Index of Economic Freedom*, which we publish annually. It ranks — it takes ten indicators; it ranks economic freedom around the world. And I have to report that Cuba finishes not in last place, but next to last place of those that we rank. It is slightly ahead in terms of economic freedom of North Korea.

Cuba is no China, no Asian tiger. It is a skittish kitten. The embrace of economic change has thus far lacked boldness or dynamism. As Raúl Castro underscored, the purpose of the reform exercise is not to deliver economic freedom or prosperity, but “updating the economic model” and “defending and perfecting” socialism. The last time I looked, at least most Americans are not too wildly enthusiastic about socialism, and it really is a model that has not worked greatly around the world.

Cuba wants big strategic investments, not Mom and Pop suitcase capitalism. Its non-state sector will remain carefully conscribed, tightly regulated, and constantly milked for revenue to support the state apparatus. It has been labeled “handcuffed capitalism.”

The regime has done little to address issues such as the rule of law, which remain the bedrock for permanent economic reform. Another choke point remains the accumulation of huge economic powers in the hands of the Cuban military. Students of the Cuban economy report that the military controls about 60 percent of the island’s state enterprises, especially the tourist sector.

Number 3: Cuba’s leadership needs enemies, foreign and domestic. The fog of the Cold War, a world divided into two antagonistic camps of capitalism and socialism, has not entirely lifted over Havana, and you will probably say not entirely lifted over Washington either. The threats Cuba poses to U.S. national security have altered since the end of the Cold War and the end of revolutionary internationalism in Latin America and Africa. Some questions linger about Cuba’s biological weapons capability or its potential to serve as a hostile intelligence platform or cyberwar center, but these have largely fallen off the radar screen. Cuba says it has little tolerance for drugs and the new scourge of the Americas, transnational criminal organizations, will be dealt with severely by Cubans, we believe.

So where does that leave Cuba? In some respects, like Libya’s Gaddafi before the revolt or Syria’s Bashar al-Assad before the civil war, the Cuban regime has become what Richard Cohen in the *New York Times* called a “reliable enemy.” Nevertheless, the U.S. seeks a secure and cooperative partner ninety miles away from the Florida Keys. It is leery of a nation that touts unbreakable solidarity with nuclear-aspiring Iran and nuclear bomb-rattling North Korea and whose stance on international terrorism and foreign terrorist organizations is conditioned on the political credentials of those terrorists. [If you google “terrorism in Cuba” or “Cuba denounces terrorism,” you will find a lot about Posada Carriles, but you’ll find very little about its concerns about radical Islamist terrorism.]

The pivotal relationship between Cuba and Venezuela has produced fresh elements of security uncertainty in the Western Hemisphere. I feel we cannot entirely disassociate the future of U.S.-Cuba policy from the transition to a post-Chávez regime in Venezuela, as Dr. Ritter mentioned. Cuba’s openness to change could well hinge on what occurs in Venezuela, although it does look as if — I agree that Mr. Maduro will probably come in.

Cuba's leaders may also — following their Marxist-Leninist training — believe that the correlation of international forces again favors them. Recent developments would encourage this belief. Havana has strengthened its ties with Russia and received considerable economic support from countries as diverse as Brazil and China. Its medical diplomacy is popular and it's a revenue earner. Havana's leaders also may feel that there is greater space to operate because of what appears to be a growing sort of global vacuum and the sort of retreat of the U.S. into the post-American world.

Clearly, the future of Cuba will be determined on the island by its people. The lifting of the embargo might improve conditions and empower the Cuban people or it might just do the reverse, providing oxygen to the regime and helping it move seamlessly from the oppressiveness of the founding generation to the neo-oppression of the grandchildren, to a regime staffed by individuals whose path to power has been less colorful and violent and more managerial and systematic, but whose claim to govern remains highly undemocratic.

Tensions within U.S. policy will persist. On one side are advocates who accept the legitimacy of, or even admire, the Castro regime. Their guiding paradigm is an orderly succession and opposition to U.S. backing for regime change scenarios. They are focused on a stable, post-Castro “soft landing” with an orderly succession by the dominant one-party elite, presumably following an increasingly reformist track and normalized diplomatic, trade, and travel relations [with the U.S.].

A second, still influential body of policy makers considers the Communism of the Castros to be fundamentally toxic to genuine reform and a perpetual obstacle to friendly relations. They continue to see an urgent need for a root-and-branch transformation that propels the Cuban people into a new era of political liberty and economic freedom. In its second term, the Obama administration will have to navigate between the forces that might ignite Cuba's equivalent of the “Arab Spring” and a preservation of the status quo.

For these reasons, I predict the embargo — barnacles, blemishes, and all — will not change dramatically in the next four years. But this is my opinion and not an official view of the Heritage Foundation. Others clearly will disagree.

When dealing with Cuba or any other sovereign nation, we need the integrity to remain — these are the words that I sort of picked up from Secretary of State Rusk — we need the integrity to remain true to our democratic principles. We need the intelligence to recognize the limits of our influence, and a sense of kindness and compassion for those who bear the true burdens of oppression and poverty.

Thank you very much.

**JOHNSON:** Thank you, Ray.

Our next speaker is a distinguished associate professor of economics and deputy director of the Center for the Study of the Cuban Economy at the University of Havana. He's also currently a research scholar at Columbia University. He's studied at prestigious universities in Japan as well as Harvard and Ohio State and has published widely in the field, and I'm sure he has some things to add about what's been said so far. Welcome Ricardo.

**RICARDO TORRES:** Thank you very much. First of all, I would like to thank the University of Georgia and Ambassador Johnson for this wonderful and definitely unique opportunity. You've gathered a very diverse crowd of scholars working on [issues] related to this area about Cuba and U.S. relations, and I'm looking forward to the discussion that will follow our panels.

First of all, definitely, I'm Cuban, living in Cuba, working for the University of Havana as a professor of economics at the Center for the Study of the Cuban Economy, so definitely my vision will be one from a Cuban living in Cuba, about Cuba and its relations and how we actually see, as a citizen and as a scholar as well, this problem between the two countries, because it's definitely a problem.

First of all, I would like to say that, for me, it has been always — even before I entered college at the University of Havana, has been always very doubtful, the thing that the embargo heavily punishes those whom it intends to protect: the Cuban people. There's been a lot of talk about protecting human rights in Cuba, encouraging freedom, promoting regime change and the like, but in the end, the embargo's burden is on the shoulders of the Cuban people. And it's definitely doing no good to Cuba's approach to the world on different issues to leave it as it is today.

The other thing is that, for me, I could even understand, let's say, a very intense ideological fight between the two countries. I mean, this was set up in Cold War times. But, clearly, the embargo or U.S. sanctions, or blockade, like Cubans like to call it, have moved beyond what is understandable for me as a citizen and as a scholar. I cannot really understand why a policy that sets as its aim promoting or protecting Cuban citizens' human rights denies Cubans access to medicine for even cancer treatment.

It's very difficult to understand that. It's definitely not protecting human rights in Cuba. And it's a real thing. We see that happening in Cuba every year, every time. So believe me when I'm telling you that, from a Cuban citizen's perspective, it's really difficult to understand that. Before we can fully engage in a constructive and fruitful discussion on this conflictive relationship between our two countries, we have to — I mean, the U.S. will have to scale back from those areas, definitely. It's difficult to understand how punishing children is a way to address what we could even consider shared concerns on different issues.

The other thing is that for most of the Cuban people it's also very weird because we never asked for U.S. help in those areas. I mean, you've given yourself the duty



to protect our freedom, our human rights, but we never asked for that. Sir, I may apologize if at some point I hurt your national pride, but it didn't happen. And I think you've already taken that duty well beyond what we could consider a normal reaction to, let's say, certain events in history.

The other thing that I think is also a myth in the U.S. and for many scholars working outside Cuba is that this is only a bilateral problem. I mean, we all know that the U.S. is too big and too important in this world, that this definitely has extraterritorial or multilateral implications. It's not like only discussing or assessing the impact from a bilateral point of view. So it has certainly important implications for Cuba's ability to engage with the whole world outside the United States.

The other thing that I think is very important to say is that it's not only about trade, because at some point it has been portrayed as a trade embargo. It's not about trade. Probably trade is the least important thing about U.S. comprehensive sanctions when it comes to Cuba. It has to do with financial relations; it has to do with investment; it has to do with Cuba's ability to gain membership in or engage with other important international institutions. So it's more than just trade.

The other thing before moving to my formal presentation is that I just planned to give these first insights as a Cuban citizen. Now I'll move to a more scholarly view on the embargo's impact on the Cuban economy in general, on Cuba's economic development.

I already made my general comments on the issues. I'll move to my view around the impact of the U.S. sanctions on Cuba's economic development. Probably most of us would agree that these are probably three of the most important of Cuba's competitive advantages: its location, natural resources, minerals, eventually oil, but also land, natural beauty and the like, weather — certainly warmer than in Georgia and in other parts of the United States, definitely warmer than Canada — and its human capital, the result of a huge investment in education, healthcare, and in other social areas. When it comes to Cuba, using its geographic location as a very important asset for its economic development, definitely Cuba's advantage lies ultimately in its position close to the United States, the world's biggest economy, and it's actually very close to Cuba.

I would like to show the major trade routes in the world. Cuba clearly stands close to at least two of them and definitely Cuba would benefit a lot from that economic activity for its own purposes. The same happens when it comes to air routes, air traffic. That area is very important because all — I mean, those two are supposed to grow a lot over the next twenty to thirty years. So Cuba definitely could profit a lot from its location if we could somehow normalize economic relations with the United States, which is not the case currently. Just look at Miami and Tucumén airports, I mean what they've done in terms of becoming very important hubs for air traffic. The same with maritime trade. And look at also what Copa Airlines has done over the last fifteen years in Latin America, becoming a very important hub and important



connecting airline for passengers in Latin America. Definitely Havana, and all of Cuba, is very well positioned to profit from those developments, but it's not definitely profitable or currently possible under the current setting, policy setting.

The other thing that is important, of course, is the very important restrictions that have been placed on Cuba's access to international trade, according to what is already considered to be a mainstream empirical trade theory or trade status. I mean, global trade growth has been driven by basically two components. One is income growth and the other is an important reduction in trade costs over the last forty years that has to do with transport costs and trade barriers. Definitely, when it comes to transport costs, Cuba's costs are definitely skewed and in practice very high, because definitely in other circumstances a large part of Cuba's trade would have taken place with the United States, but we've had to go with more distant trading partners to cover that vacuum.

The same happens when it comes to trade barriers. I mean, definitely when it comes to negotiating trade agreements or investment agreements, Cuba is not as attractive as it would be in other circumstances because it lacks access to U.S. markets. So definitely I would say that it puts a heavy burden on Cuba's ability to engage more intensively in international trade.

The other issue that is very important is that it definitely makes it more difficult for the country to participate in international financial markets. Cuba cannot actually use U.S. dollars for international transactions. The U.S. dollar, you know, is the most traded currency in the world, and we've got to rely heavily on exchanging dollars into other currencies. It's a heavy cost associated with that.

Cuba probably is one of the few remaining countries in the world that is not a member of any of those important international financial institutions, and by law the U.S. will oppose any movement by Cuba to join those institutions. Although we know that a simple majority is what is needed to become a member, the thing is that it has to be seen if other countries are really willing to side with Cuba in the event of the U.S. opposing Cuba's membership.

It has far-reaching implications, I would say, when it comes to Cuba accessing international financial markets, in the sense that just for not being a member of those institutions interest rates are higher, much higher for Cuba than for any other comparable country. Let me give you an example. In 2007, during a very favorable economic situation in Cuba, Cuba's Central Bank issued bonds in the London market for the first time in fifty years, basically, and it paid or it agreed to pay a more than 9 percent interest rate on those bonds in a favorable situation— I mean, [what was] widely regarded as a very favorable situation for Cuba's economy at that time.

During the worst part of the ongoing economic crisis in the world, when you look at Greece or Spain or Italy, when borrowing costs approached the 7 percent mark, it was a disaster for those countries, which were very well integrated to the international

financial markets under the European Union umbrella. Imagine a country, a small developing country, paying a 9 percent interest rate at a minimum to fund its development, economic development. It's just impossible. And, of course, Cuba doesn't have access to the U.S. financial market, which is the largest and deepest financial market in the world.

The other point: We may say, okay, if you don't have explicit or straightforward assets, you know, credit, you can't rely more heavily on foreign direct investment. It is true that we probably have to make lots of changes in our internal frame when it comes to foreign investments, but definitely Cuba is not as attractive for foreign investment as it could be in other circumstances. The thing is that one, I would say, main point for important or big foreign firms to go to Cuba would be using it as a base to access the closest and biggest market that is really important, which is the United States. Cuba doesn't have that capacity currently, so definitely it's a problem.

So when we engage in a discussion about Cuba's stance on foreign investment, we've got to recall these things, because they are very important, definitely. And when we talk to foreign investors, they all complain about that. I mean, it doesn't make any sense for me to go to Cuba if I can't move cargo or anything at all from Cuba to the United States.

And it's also an important problem when it comes to tourism. I mean, the U.S. is 50 percent of the market in the Caribbean region. So Cuba's tourist industry has been growing over the last twenty years without access to that market. It's also very important when it comes to Cuba capitalizing on mineral resources. I mean, the biggest and the most important firms in that field are either American or have, I would say, important interests in the United States. None of them is definitely willing to sacrifice that for investing in Cuba.

And in general the whole policy, taking into account all of those effects, affects three key dimensions of any productive cycle, definitely. So it makes capital less available to Cuba to invest in all areas, from infrastructure to productive capacities to social areas. It has definitely inflated import costs for the country. I mean, for us it's definitely cheaper to bring rice from the United States than from China or Vietnam. But that's not the case currently, although there are some licenses that are actually from after 2001 that allow some food imports from the United States. But it's definitely not a normal situation, and it has severely, in my opinion, restricted Cuba's access to international markets in general when it comes to trade, investment flows and financial resources.

For me it's very clear, that, taking into account all of those three aspects, in any case, regardless of the kind of changes we make in Cuba, Cuba won't be able at any point to capitalize fully on what I consider to be two important advantages. One is natural resources, all of those from minerals to its natural beauty and its highly educated labor force, which is probably the main and most important asset that Cuba has to build a coherent and sustainable economic and social development strategy for the future.

So I think that, it's been always a point, whether Cuba's economic failures can be attributed to either the embargo or our own policy limitations. I think it's clearly a combination of the two. But if, like some people say, the embargo is a pretext or an excuse for us to explain our own failures, just lift the embargo and leave us without an excuse and we'll see what happens.

I think in the end it's actually in the best national interest for both countries. I mean, clearly, at some point I would say that geography is destiny. So we're so close that at some point I will say that we'll be smart enough to change the setting in a way that allows both Cubans and Americans to engage fully in normal relations.

Thank you very much.

**JOHNSON:** We've all talked a little bit too long, so we don't have much time for questions and discussion. But first let me ask members of the other panels if you have any questions or points that you want to make with respect to this topic.

I don't see any hands over there. Yes, sir?

**AUDIENCE MEMBER:** Thank you very much. I have to congratulate Professor Archibald Ritter for his excellent rhetoric presentation. Professor Ricardo Torres is commendable. He's an excellent brother to the revolution. But like they say in the southern part of the United States: You can't take the boy out of the country nor the country out of the boy.

My question to you, distinguished members of the Cuban delegation, is very simple, very pragmatic and very simple. Why do you think you have earned the right to ask the people of the United States to seriously consider lifting the Cuban embargo when your government historically and consistently and still virtually and systematically spread anti-USA propaganda throughout Latin America and elsewhere in the world? As the Heritage Foundation shows, the economic freedom index so far this year is among the lowest in the world. When historically you have, for example —

**JOHNSON:** Get to your question, because we don't have much time.

**AUDIENCE MEMBER:** Well, Dr. Archibald had a very good presentation, and I think as a citizen I think I should have an opportunity to —

**JOHNSON:** Yeah, but it's just that we don't have time for speeches; we've got time for questions.

**AUDIENCE MEMBER:** Well, we had time to listen to you.

**JOHNSON:** Unfortunately, I'm running the show here, so . . .

**AUDIENCE MEMBER:** Well, that might be true.

**WALSER:** If you have a prepared remark, why don't you share it — you can share it with —

**AUDIENCE MEMBER:** Well, I just don't think that — I just don't think that, historically, given the antagonism that today is taking place in Latin America and the corruption that is taking place, for those people to come over here and ask for the American people to lift the embargo — and I have many arguments, but I don't have the opportunity, as you say, to present my fair point.

**JOHNSON:** Would you like to respond to that, Ricardo?

**TORRES:** Yeah, two brief points. One is, I don't think this kind of policy actually helps any country to address its mutual concerns. Definitely, when it comes to discussing these problems, you've got, you know, ideas, visions of what kind of policies a country actually should pursue, but you also have to consider that probably that vision is very different from the one that we have in the developing world of a Latin tropical country like Cuba. That's one thing.

The other thing is that probably I might even recognize that on the part of the Cuban government we've definitely overreacted over fifty years when it comes to U.S. policy and the like. But the thing is, imagine a small country like Cuba, really small compared to the United States, being provoked and attacked by a big country like the United States. You, when the sad attack on the Twin Towers in 2001 [took place], quickly passed the Patriot Act, effectively restricting some citizens' rights in your country because you felt under siege, under attack. Imagine what a small country like Cuba could do in the same circumstances.

So I would say that, in general, we won't reach any agreement on all of those issues if we stand from a position like trying to impose our vision on the other side. That won't happen at any point.

**AUDIENCE MEMBER:** With all due respect —

**JOHNSON:** All right.

**AUDIENCE MEMBER MÉNDEZ:** I have a comment that's very important. My name is María Conchita Méndez . I'm with the Alabama State Port Authority, so I'm in trade and in business. And I'm also a Cuban-American. But I think it's very important to recognize from the beginning of Cuba's independence, the U.S. did not allow, during the Treaty of Paris, General Calixto García to participate in it. So there is a historical problem from the very beginning of the independence. I also haven't heard anyone say that a revolution did take place. Now, we have to set all that aside, [inaudible] we move forward is what I want to hear, because if we continue dwelling on

the past, my children and their children are not going to be able to visit my homeland or get to know my homeland. And I just wanted to make that comment.

**JOHNSON:** Thank you.

**AUDIENCE MEMBER:** I have a question. What influence do groups like the Cuban American National Foundation have on the continuation of the embargo, even though they may be a small percentage of the American public that are influencing perhaps outside their actual numbers with Washington?

**WALSER:** Actually, the Cuban [American] National Foundation is much more open to engagement with Cuba than other groups.

**AUDIENCE MEMBER:** And has that change been more recent than past? I lived in Miami for thirty-one years, so I saw a lot of antagonism on a regular basis and an inability to change, then just anger. I was at Florida International University. We could never have done a panel like this there.

**ROBERT L. MUSE:** What's interesting to me, the Cuban American National Foundation is a very much reduced player now in U.S.-Cuba relations. About ten years ago the pro-embargo — I'll use that sort of term: pro- and anti-embargo—the pro-embargo forces on Capitol Hill were reeling. They were not in good shape. There was a window that — the embargo seemed threatened. Now the embargo, in my estimation, is more firmly established in Congress than at any time that I've ever observed in the last twenty years. And I think it might be credited to the U.S.-Cuba Democracy PAC, which seeks to preserve the embargo. It plays the same role that CANF, the Cuban American National Foundation, played. But if anybody wants to elaborate on that — I think it's been a very, very effective lobby on the Hill.

**RITTER:** Just a quick comment: I'm not from Miami, but my understanding is that there has been just a major change in views with respect to the embargo and Cuba concerning the embargo. And that's a generational phenomenon that relates also to, I guess, more recent immigration into the region in which people want to maintain current contact, and their memories don't go back quite as strongly to 1960.

**AUDIENCE MEMBER:** Well, for a long period it was that “not in my backyard,” where there were a lot of people that were in favor of the embargo but “not for my family.” And they would take things back for their own families and make regular trips and, as I understand it, now there's a great back and forth. There are a lot of new people coming that are actually returning to Cuba. That isn't very often talked about.

**RITTER:** Well, I think that's correct. And apparently the Democrats, Obama, increased their support by 10 percent in the last election compared to 2008. So that's of interest.

**AUDIENCE MEMBER:** Well, actually, I think Obama won Miami-Dade County.

**JOHNSON:** Dan, do you have a comment?

**DANIEL W. FISK:** Well, I do, having actually been in the trenches in the discussion. You know, we live in a democratic system. Congress is a very accessible institution. There is no doubt that there have been voices of Cuban-American heritage that have weighed in on the Cuba debate. There is no doubt that farm bureaus have weighed in quite significantly. That's why we had the Trade Sanctions Reform Act of 2000. But I would agree with Bob's assessment, because whether there is a Cuban-American constituency or not, they have to convince the majority of Congress, and the majority of Congress are not of Cuban-American heritage. And so you have a circumstance in which the statutory structure has been passed by majorities of both chambers and presented to the presidents of both parties over time who signed those. And the fact of the matter at this point, though, is that you do have a unique circumstance. You have Mr. Menendez, Senator Menendez, who is a Cuban-American, a Democrat from New Jersey, who is chair of the Senate Foreign Relations Committee. You have a prominent Cuban-American, Congressman Mario Diaz-Balart, a Republican from South Florida, who is on the House Appropriations Committee; again, a Republican.

So amongst the Cuban-American members of Congress — and I don't want to presume to speak — the new congressman is Congressman Joe Garcia of Florida and as I understand, he generally supports the embargo. And then there is Senator Ted Cruz of Texas. You have amongst those members of Congress support for a strong U.S. policy. And they have to convince their colleagues, and there are plenty of arguments on the Hill against that. But the fact of the matter is right now that I would agree, again, with Bob Muse's assessment that there is a clear majority in Congress that supports a very strong policy and would react to any modifications of that and loosening. And we can talk more about that in the next panel.

**JOHNSON:** Arch, do you want to —

**RITTER:** Just one really, really quick comment. Yoani Sánchez, I'm sure most of you know who she is. She has been in Washington and New York. I think she's in Miami now. And she spoke with a number of the members of Congress. She is a strong opponent of the embargo — so maybe she has — maybe she has persuaded —

**FISK:** She made a statement about — she has her views about the embargo. She did not call for the lifting of the embargo.

**AUDIENCE MEMBER:** Absolutely not.

**FISK:** She made the comment that it's an excuse used by the regime, which we've heard from our Cuban panelists this morning, as well. But she then made a statement modifying that, saying that she understood the need for a conditional changing of the embargo, and she used the word "conditional." So I would not — please do not put words in her mouth.

**JOHNSON:** All right. We'll take one more question and we need to go to a break.

**AUDIENCE MEMBER MARTÍNEZ:** My name is Mario Martínez. I'm a Cuban and a partner in a private equity firm. We do commercialization of medical devices in Latin America. One thing that I see on the embargo – and my interest is really in commerce, but also in the Cuban things—is that the U.S. embargo just diverts attention from an internal embargo on the creativity of the Cuban people. Censorship and economic development do not go hand in hand. One of the aspects of the embargo is the creation of a telecommunications infrastructure in Cuba. If that were created and it would be to happen, I think you'd see a propagation of the Internet and social media that would be transformative. Yet it's the country of Cuba itself that's preventing a lot of this from happening. There are only two partners that don't trade with Cuba in the world, so some of these things are available.

Now my question to the panel is: Do you see a change where there would be greater access to the Internet by folks in Cuba, and how that could change the perspective of the embargo and everything else?

**WALSER:** I'll tackle that first one. I'll sort of jump in on this. And I said I made a list of, I think, five positive steps that one could see to get rid of the embargo. And the first one I put down: Remove all controls, filters on information, news, Internet, to permit a completely open and, you know, basically unsupervised, in the sense of no libel and those sorts of things. Create that kind of intellectual freedom of expression space that will really show that things are changing in Cuba and will wake up those people that Dan is talking about. Look: here's some real change we can talk about in Cuba. But the first thing you could begin to do is deconstruct a system that weights the news, that controls it and makes information, turns information into propaganda. And I think that would be an excellent start.

**AUDIENCE MEMBER MARTÍNEZ:** I don't know if you're aware of the program of One Laptop per Child that's been implemented around the world, but, I mean, Cuba has stood in the way of implementing that, which could be quite transformative. And in the age that we live in, I mean, the biggest embargo that Cuba has is self-created on the creativity of its own people. The folks in Cuba, if we're going to do trade, they need to live in the modern world. And right now they're in the Stone Age because of what their own government is doing to them, not because of what the embargo is doing to them.

**JOHNSON:** Thank you.

**AUDIENCE MEMBER MARTÍNEZ:** And I think that the government could open the world to —

**JOHNSON:** Thank you. We're going to hear your response because I asked you to, you know, make it quick.

**TORRES:** I mean, listening to all of you, sometimes you really — I mean, someone can really get moved, motivated to discuss all these issues.

One thing that is really interesting for me when it comes to, you know, this discussion about human rights, regime change, Communism and the like, is that I can recall at least — I don't know — thirty countries in the world with which the U.S. has very good relations that are not very respectful when it comes to human rights and the like. The thing is, for me, it's very clear: If Cuba were China or Saudi Arabia, things would be very different for Cuba. So definitely this whole policy about the embargo has profited from the fact that Cuba is a very small, developing country, has no oil at all, so it cannot have a very important impact on the U.S. economy.

But if it were the case, I mean, [if] Cuba [were] a very big country or enjoyed a profit from having a lot of oil and the like, definitely I'm sure that you would have found ways, alternative ways to engage with Cuba, as you did with China, with Vietnam, or probably most of the Middle Eastern countries. But the thing is that it's too small and it's not a priority, clearly, when it comes to U.S. foreign policy. That's very clear for me.

**JOHNSON:** Well, thank you very much to all our panelists. We'll take a break and then start with our next panel.





# The Cuban Embargo: Policy Outlook After 50 Years

Panel 2 - Executive and Legislative Pathways to Removing Sanctions

Moderator: Timothy L. Meyer

Panelists: Daniel W. Fisk, Vicki J. Huddleston, Robert L. Muse



**TIMOTHY L. MEYER:** Good morning and welcome to the second panel of today's conference, entitled *Executive and Legislative Pathways to Removing Sanctions*. My name is Tim Meyer. I'm a professor here at the law school, and we have an excellent panel here this morning to continue the very vibrant discussion that started a couple of hours ago.

We're going to hear from three panelists this morning. We're going to hear from them in order, and then we'll open up to questions from the other panelists, and then we'll open to questions from the floor.

We have to my immediate right Daniel Fisk, who is the vice president for policy and strategic planning at the International Republican Institute. He joined the IRI in September of 2009 to coordinate the Institute's governance programs, and in May 2010 he was named the vice president for policy and strategic planning. Prior to joining IRI, Dr. Fisk served in a number of positions in the U.S. government, including, most notably, as special assistant to the president and senior director for Western Hemisphere affairs on the National Security Council from October 2005 to January 2009. And he joined the NSC from the State Department, where he was deputy assistant secretary of state in the Bureau of Western Hemisphere Affairs.

Dr. Fisk is going to speak first; he'll be followed by Ambassador Vicki Huddleston, to his right. Ambassador Huddleston was the U.S. deputy assistant secretary of defense for African affairs in the Office of the Secretary of Defense from 2009 to '11. She's a former U.S. deputy assistant secretary of state for Africa, U.S. ambassador to Madagascar and Somalia, and was the principal officer of the U.S. Interests Section in Havana, as well as the chargé d'affaires in Ethiopia.

And then anchoring our panel, to Ambassador Huddleston's right, will be Robert Muse. Mr. Muse is a lawyer in Washington, D.C., with long and substantial experience in U.S. laws related to Cuba. He's testified extensively on Cuban matters in both the United States and in Europe before the Foreign Relations Committee of the Senate, the Trade Committee of the Ways and Means Committee of the House of Representatives, the Foreign Affairs and International Trade Standing Committee of the Canadian House of

Commons, the External Economic Relations Committee of the European Parliament, the European Parliament's Interparty Group on Cuba, as well as the U.S. International Trade Commission.

So that is our panel for this morning, and without my taking up any more airtime, I will turn things over to Dr. Fisk.

**DANIEL W. FISK:** Thank you very much.

First, let me convey, as well, my thanks to the University of Georgia School of Law, the Dean Rusk Center, for the invitation to be here and for the hospitality that you all have extended in my first visit to Athens and hopefully not my last.

I must begin with a disclaimer. This is just to make sure on the record that you all understand my remarks today reflect my own personal observations and opinions. I am not here as a representative of my current employer. I'm not here to represent the views of the International Republican Institute, which is a nonprofit, nonpartisan institution based in Washington, nor the views of its board or its officers.

Also I'd like to add just a biographical note because it is relevant to the discussions we're having today and I think it's actually one of the reasons why I'm here. In addition to having served in three administrations, including most recently in that of President George W. Bush as his senior national Security Council staff advisor on the Western Hemisphere, including policy towards Cuba, I also served in the U.S. Congress in both chambers. But most relevant to this, I served on the staff of the Senate Foreign Relations Committee, where I was the principal staff member responsible for the drafting of and the legislative strategy related to the Cuban Liberty and Democratic Solidarity Act, which became Public Law 104-114. It's more commonly known as the Libertad Act or the Helms-Burton Act.

So I bring and have a unique experience and perspective of actually having been directly involved in both the legislative and executive branches in the development and implementation of U.S. policy towards Cuba over the last roughly — now approaching, I think, fifteen-plus years. So, given this, I will offer some firsthand understanding and respect for the role and prerogatives of the Congress and the executive in this discussion.

If I can, I do want to take one quick moment to just comment on a remark that was made in the first panel. And, very respectful of the person who made it, there was a reference made about the sale or donation of medicines and medical products. American citizens can donate medicines and medical products to Cuba, and you can sell them as well. So there is no embargo as far as the United States is concerned on those products, just as there is none on food products.

Well, let me switch now to, more importantly, the topic, which is pathways to removing sanctions. This is a procedural topic. It's not policy discussion about the advisability

of sanctions. I think we had some of that earlier. But I think when approaching the topic of removing sanctions, it is essential to consider the pathways used to institute them.

Now, I agree with the notion that the Constitution creates an invitation to struggle between the two political branches of our government. The U.S. Constitution — most people don't realize this — does not contain the phrases “foreign affairs” or “national security.” Instead, as I assume many, if not all, of you in this audience know, the Constitution provides specific powers to each branch of the government.

Congress has its authorities under Article I, Sections 8 and 9. Amongst those powers are to provide for the common defense; regulate foreign commerce — and I put emphasis on that power; to make all laws necessary and proper; and to appropriate funds. The president, under Article II, is vested with the executive power, not further defined in the Constitution, by the way, and the commander in chief power, and shares power with the Senate on treaties and the making of certain appointments, and as Vicki knows, including the appointment of ambassadors.

Now, beyond the constitutional text, there are also considerations of practice, and these, frankly, are more often seen in presidential assertions of power under a general foreign affairs justification. And as we have seen, especially since the emergence of the modern presidency, often considered as having come about with that of Franklin Roosevelt, the president's interpretation of his power is quite broad. In fact, I would say that the president's power, the interpretation of the president's power, is almost limitless in his own mind and those of his advisors when taking actions in the name of foreign relations or national security.

But the text of the Constitution and historical practice are factors in any determination of who has authority in the foreign affairs arena. This is the case whether the issue is Cuba or U.S. policy towards another country. And, as we know, the struggle between the Congress and the executive over who has authority to set foreign policy is as old as the Republic, extending back in time to the first president we had named George and not simply having emerged with the most recent president of that name or his successor, President Obama.

In addition to the constitutional text and practice, there are delegations of authority from the Congress to the president contained in statute. In my view, any discussion of sanctions has to take into account the power of Congress to regulate foreign commerce and the delegation of that authority to the executive. I am often struck by the fact that this congressional power over international economic relationships is ignored in discussions about sanctions and not simply ignored by presidents. I understand why they ignore it.

The president's authority to impose, modify, or remove sanctions is a delegated authority, and Congress retains the power to affirm, modify, or revoke that delegated authority. It is the modification of that delegated authority that Congress has pursued in

the case of the economic relationship between the United States and Cuba, most visibly through the Cuban Democracy Act, the Libertad Act, and the Trade Sanctions Reform and Export Enhancement Act, as well as over time through various appropriations bills that the president has signed into law.

The Cuban Democracy Act of 1992 was introduced by a Democrat from New Jersey, Robert Torricelli, and it reflected congressional frustration with a Republican administration's policy towards Cuba, especially frustration that the United States was not active sufficiently in the context of political changes in Eastern Europe and the end of the Castro regime's patron, the Soviet Union. That Bush administration well understood what this assertion of congressional authority meant, and initially the administration took steps to stop the legislation. However, the executive — this is, again, the George H.W. Bush administration — made the calculation that it had no choice except to agree to the legislation, which the president signed in October of 1992.

Three years later, with a different party in control of Congress and the executive, Congress again asserted its role over the U.S. economic relationship with Cuba. The executive, no surprise, again sought to protect what it considered its prerogatives and initially opposed the legislation. The confluence of events, including the brutal shoot-down by Cuban forces of civilian aircraft in international air space, convinced the executive at that time to accept and sign into law the Libertad or Helms-Burton Act.

As noted, I was the principal congressional staff member with responsibility for that legislation, so it has been interesting for me over the years to observe the evolution and the attention given to that act's provisions. At the time — and we're talking '95, '96, and actually up through '97. At the time, the most controversial provisions were those creating a right of action for U.S. nationals holding a claim to expropriated property in Cuba against third parties benefitting from those properties. That's, by the way, how I met Bob Muse, agreeing to disagree over those provisions.

Adding to this controversy was the bill's creation of a statutory basis for excluding from the United States any alien involved in the expropriation of property or who benefitted from property to which a U.S. national held a claim. These provisions, which receive relatively little attention today, were the principal focus of the executive's — of the president's — concerns about the Helms-Burton bill.

Administration lawyers, fully empowered to make decisions on behalf of the executive, were present and active during the House-Senate conference committee deliberations on the Libertad Act. Out of the conference committee came revised wording, a revision to the bill that addressed the executive's — the president's — concerns about the provisions on confiscated or expropriated properties in Cuba. The president wanted authority to waive the Title III right of action provision, and he received that authority from Congress. In exchange, Congress wanted the restrictions in place as of March 1st, 1996, codified.

The executive branch representatives, again, fully empowered to speak for and make commitments on behalf of the executive, agreed to that deal. Based on that, Congress revised the legislation, providing a waiver to the president on the right of action provision. The president has exercised that waiver every six months since then, since he signed it.

Now, let me emphasize, the executive, the president of the United States, knew what he was getting when the bill hit his desk and he signed it. And I'll emphasize again: he signed it.

So with this review of what happened, I think it's instructive, also, to go back and look at the president's signing statement. Again, this is history for most of you, but it's, to me, relevant because a commitment by one president passes on to other presidents, especially when it has to do with statutory law.

So what did the president say in his signing statement? Of course, he makes the standard refrain, and I will quote: "Consistent with the Constitution, I interpret the Act as not derogating from the president's authority to conduct foreign policy." He then in his statement enumerates six specific provisions which he believes in some way impinge on his authority in foreign affairs. He then goes on and says that he will treat those as "precatory"—his word. That means as wishes from Congress.

Now, what's interesting to me about this statement is, of those six provisions that are specifically enumerated in his signing statement, a codification provision is not there. There is no reference that he will treat it as wishful. Instead, he puts it into the context of — and, again, I will quote: "The President must also be able to respond effectively to rapid changes in Cuba," talking about his, again, concern to make sure that he has the ability to deal with any change in Cuba.

He goes on to say — and, again, let me quote from his statement: "I" — in this case, the president, "I will continue to work with the Congress to obtain the flexibility needed if the United States is to be in a position to advance our shared interest in a rapid and peaceful transition to democracy in Cuba." The phrasing is artful, but reflected a recognition of what those provisions — what the codification provision and actually the Title II provisions mean for the president's authority.

The Libertad Act is not simply a codification of the president's authority to manipulate the embargo. The act codified the restrictions in place at the time of enactment, which was March 12th, 1996, and the language is very straightforward. The act states: "The economic embargo of Cuba as in effect on March 1st, 1996, including all restrictions, shall remain in effect upon the enactment of this embargo," and then goes on to talk about another section of the bill. The act does not speak of codifying the president's authority under the Code of Federal Regulations. It does not speak to the president's authority to codify embargos under the Trading with the Enemy Act. It speaks clearly to the restrictions in place as of a date certain. Now, in the view of Congress, you can't get any more precise than that.

The executive branch understood congressional intent behind this language. It understood the plain language of the act and it understood what, in fact, the law effected, which is the codification of the restrictions.

Also, remember, the executive branch got the legislative outcome it wanted in the final bill: a presidential waiver for the Title III right of action provision. Furthermore, in case there's any question, the Libertad Act met the constitutional test set by the Supreme Court for valid legislation. This isn't something that's a legislative veto; this is a statute. And that test is bicameralism, approval by both houses of Congress, which was achieved, and presentment. It was approved by both chambers and presented to the president for his approval or veto. The president signed it with full knowledge of its provisions. Again, I'll repeat: he got what he wanted out of that legislation, a Title III waiver, in return for what Congress wanted, which was codification of the restrictions.

Now, let me quickly go to the president's concerns about his ability to respond effectively to rapid change in Cuba. Title II of the bill sets out the requirements for and parameters of assistance to Cuba. Title II does not preclude the president from submitting proposed legislation to Congress to change U.S. policy in any way. President Obama can submit legislation today to the Congress and say: I want the embargo wiped out; I want to give aid to Cuba. He's free to do that. Nothing changes in his power to do that.

But, further, in the case of U.S. policy, at least in terms of the president's flexibility to respond to rapid events in Cuba or in other parts of the world, Congress intentionally did not restrict or condition certain other authorities which contain what is called notwithstanding language or which allow the president latitude to maneuver in extraordinary circumstances. Now, I put that out there, but he cannot just simply wave away the embargo, by the way. That's codified as far as Congress is concerned. But in terms of having latitude to react, he has it. Helms-Burton, Libertad, does not constrain that. So, depending upon the facts of the situation, and, again, having been in the executive branch, I'll emphasize the president has the ability to make the first determination as to what those facts are.

There are authorities for action in the Foreign Assistance Act. That act contains a number of what are called extraordinary authorities that give the executive the ability to deal with what the law calls unanticipated contingencies. For all of you that just really want to know, that's Section 451 of the Foreign Assistance Act.

So it was after the enactment of the Libertad Act, after the executive cut this deal with Congress, basically committed to Congress that this is the arrangement we're going to have, the executive created an interpretation that the Libertad Act really only codified the president's authority to promulgate and modify the Cuban Assets Control Regulation, the embargo.

Now, from a congressional perspective—and I’m not presuming to speak for any current member, but I would say generally from Congress’s perspective, this interpretation is based on what only can be called as a willful blindness to the agreement reached with Congress during the House-Senate conference committee. From the president’s point of view, he sees his authority as resting, of course, on his inherent foreign affairs powers. But he also — if you go back and look at repeated executive branch and presidential statements on his authority under the embargo, there is also reference to the Trading with the Enemy Act. I’ve always found it ironic that the president rests his inherent authority on foreign affairs on a statutory delegation of authority. There’s something about that that means that his authority is not inherent; it is delegated.

Now, it is under this legal argument that Helms-Burton did not codify the embargo’s restrictions and that the president somehow has freestanding power, despite the plain language of the Constitution in terms of who has power over foreign economic relationships, that he can adjust elements of the embargo. And Presidents Clinton, George W. Bush, and Obama have made the adjustments under that legal framework and they have done so based not necessarily on a legal analysis, but depending on their respective policy assessment of how the United States can best help the Cuban people transition to a society respectful of human rights and based on the consent of the governed.

Let me go simply back and refer to my, briefly here, experience from the other end of Pennsylvania Avenue. Like I said, I’ve seen this from the presidential implementation point of view. Specifically, I will note that the presidency of George W. Bush — I’ll refer to it sometimes as Bush 43 — modified the Cuban Asset Control Regulations during his tenure. In 2004, the administration tightened restrictions in a number of areas, including policies on travel and remittances. These actions were deemed by the administration consistent with congressional intent underlying the Libertad Act’s codification provisions. The basis of that is a conference report that accompanied the original 1996 piece of legislation, where Congress writes, “It is not the intent of this section” — the codification section — “to prohibit Executive branch agencies from amending existing regulations to tighten economic sanctions on Cuba or to implement the provisions of this Act.”

Another initiative pursued by the George W. Bush administration was the promulgation in 2008 of regulations licensing the provision of selected information technologies, especially involving telecommunications. And this goes to a question that was asked in the earlier panel. Let me note here on telecommunications, it has a unique carve-out in the history of the embargo, actually going back to the very earliest days of the embargo. That carve-out was codified in the Cuban Democracy Act, which stated very directly and, again, in what I think is plain language, the law simply read: “Telecommunications services between the United States and Cuba shall be permitted.” Pretty straightforward on that one.



The Helms-Burton Act did modify that language, but only to the extent that it created a statutory prohibition on U.S. investment in Cuba's domestic telecommunications sector. It did not prohibit the provision of telecommunications equipment to the Cuban people. Both the George W. Bush and Obama administrations, which built on those telecommunications initiatives started by the Bush administration, based their decisions to increase the flow of communications technology to the Cuban people on the Cuban Democracy Act and the Libertad Act.

I'll close with one comment. If there is one country where Congress has spoken and spoken repeatedly and clearly, it is Cuba. You can like it, dislike it, agree with it, disagree with it, you can tell your congressman what you think, and please do. Use your First Amendment rights. But the pathway to removing sanctions is with and through the United States Congress.

Thank you very much.

**MEYER:** Thank you, Dr. Fisk. We'll turn it over to Ambassador Huddleston.

**VICKI J. HUDDLESTON:** This morning, Secretary of State John Kerry announced that, in the interest of the Cuban and the American people and after extensive review, he has taken the following actions:

He is changing the interpretation of the Cuban Adjustment Act. No longer will only dry feet — of the wet-foot/dry-foot policy — be allowed to enter the United States. Now only those people who have arrived in the United States with the appropriate and legal documents will be allowed to enter.

The president of the United States has also indicated that he intends — and in conversations with the Cuban government they have agreed — to open a consulate in Santiago de Cuba, and the Cuban government is considering opening a consulate in Tampa, Florida.

The secretary of state also indicated that he intends to put into place new initiatives on investment and trade. He intends to modify regulations in order to ensure the free flow of information and the sale and donation of all communications equipment, including computers, televisions, radios, cell phones, thumb drives and the like.

He also intends to allow the importation into the United States without reference to sanctions of all medicines approved by the FDA. He is also approving two-way trade in communications equipment, environmental equipment, medicines, and food. And, finally, he is considering, but has not yet approved, a reciprocal investment treaty which would allow investment by each country in private sector businesses up to one million dollars.

Treasury will now set up a panel of Republicans and Democrats, a bipartisan group, to consider how to finally settle the expropriation claims.

The president is well aware, the secretary said, of the concerns of the region. It is his view that the region should begin the process of reviewing Cuba for entry into the Organization — or, reentry — of American States. That entry, of course, will be based on Cuba's meeting the criteria of rule of law, human rights, democracy, and a review of its justice system.

The president looks forward to conversations with the Congress on whether or not to remove Cuba from the terrorist list. The executive in theory can do so, but he would like to consult with Congress because any intention to remove a country must be presented to the Congress. However, the secretary of state indicated that he considers that Cuba should be removed from the list because at this point there is no reason to keep it on the list. In fact, Cuba was instrumental in assisting the United States in housing illegal combatants in the prison in Guantánamo. The Cuban government did not object. They said, well, even if we did object, there wouldn't be any possibility the United States would be listening. But more than that, Cuba shared its airspace control with the United States military in order to ensure that there were no outside attacks. Actually, had any other country in the world assisted the United States by allowing us to place illegal combatants in a prison in their country, they would have received millions in assistance from the United States.

Okay, this didn't happen. Secretary Kerry did not make this announcement on Cuba. I know you're all amazed. I have made this pretend presentation by the secretary because I want to make two points. First of all, all sorts of things can be done without Congress. Yes, it would be good to have Congress, because it's always bad to be on the wrong side of Congress. But if the president really wants to make a breakthrough, if Kerry wanted to be like Kissinger in China — let's say a Kerry in Cuba — he could do it. He can't name an ambassador, but he can send a special envoy. He may not be able to pull Cuba completely off the terrorist list, because Congress can object. But, overall, those points I have made to you can be accomplished by the executive without congress. And, I'm sure Mr. Muse is going to speak further on why this is the case. But basically it is because when Helms-Burton codified the embargo, it codified all the regulations. "All the regulations" means it codified the parts of the regulation that say the embargo may be modified and it may be changed by the secretary of the treasury.

The second point I want to make is: There are so many vested interests. You know, I look at this panel and, other than Jonathan [Benjamin-Alvarado] and Ricardo [Torres], I think we're all a little long in the tooth. This debate has been going on for a half of a century. I'd like to see those young people in the back of the room up here talking about what could be done on Cuba, instead of those of us who have been talking about this way, way too long. I go away from it, and then I always end up coming back. Unfortunately, I find that not very much has changed when I return to the discussion.

But because of congressional vested interests — we've already talked about that — because of cottage industries in Miami, and the aid contractors, and the former foreign service officers — yours truly included — who are on the lecture circuit or in the think

tanks, and because of emotional, psychological, and all sorts of issues no progress is made. In addition there are vested interests all over the U.S. government, whether it's judicial, whether it's executive, or whether it's legislative.

And, so, Cuba policy will remain in a rut — status quo — unless the president — from the top — has the courage to design a better policy toward Cuba. And he can do it.

Thank you.

**MEYER:** Thank you, Ambassador. And our final set of remarks from Mr. Muse.

**ROBERT L. MUSE:** Thank you. I've pretty much had to scrap everything I was going to say in light of Dan's careful exposition of law and foreign policy in relation to Cuba. You might be interested to learn that Dan Fisk and I fought like wolverines over Helms-Burton. How many years ago was it?

**FISK:** I was only twelve at the time.

**MUSE:** We may rejoin battle here at some point.

Let me begin with a description of the U.S. embargo on Cuba. Then I'll give you my thinking on the specific topic of a pathway to lifting that embargo.

There are two schools of thought about the embargo as it relates to our foreign policy toward Cuba. One is a unilateralist approach: We should lift the embargo. It has not achieved its foreign policy objectives. It's even counterproductive so scrap it.

Another school of thought holds that the embargo should be used instrumentally to gain concessions from Cuba, and it should be lifted only when Cuba meets those conditions. (Those conditions are found in the Helms-Burton Act and relate to the ultimate aspiration of the act, that is, a "democratically elected government in power" in Cuba.) When those conditions are met, then the embargo can be lifted, again, according to the instrumentalist school of thought.

What is the embargo as a matter of law? It began with executive orders issued by President Kennedy. The triggering event was the expropriation of U.S. properties (corporate properties primarily) in 1960. Congress followed with the Foreign Assistance Act of 1962, which decreed that Cuba shall receive no benefit of U.S. law (aid, trade privileges, etc.) until it either pays compensation for those U.S. expropriated properties or returns them to their original owners. This seems like ancient history now because so much has happened between the U.S. and Cuba since then, and so many different rationales (e.g. removing the current government of Cuba) have been given for the embargo since the Kennedy administration.

In our tripartite system of government, we of course have a judiciary, an executive branch, and a congress. Historically it's been, as Dan Fisk said, the president that

has the primary authority for the nation's foreign policy. In the famous case of *U.S. vs. Curtiss-Wright Export Corporation*, the Supreme Court described the powers of the president, in terms of foreign policy, as the very delicate and *exclusive* power of the president to function as the sole organ of the federal government in the field of international relations.

Some of the court's reasoning was doubtless based on tradition, going back to the early years of the Republic when Congress was not in session for months at a time and many members had to travel two weeks by mule to get to Congress, so it was thought the executive branch should be given the powers to react quickly and flexibly to foreign events when it was the only political branch of government actually in town most of the time. This historical background is reflected in the jurisprudence that relates to presidential powers. In any event, Congress traditionally has played a subordinate role in the formulation of foreign policy.

However, not with Cuba. If you were to go to a law library and look under the heading "Dominican Republic," for example, I'm not sure that you would find a single statute devoted to that country. And that's true of virtually every nation on earth except Cuba. Cuba, by contrast, appears in statutes repeatedly over time, and not just laws that restrict access to trade benefits contingent upon Cuba returning expropriated U.S. properties.

I want to now talk about pathways to lifting the embargo or modifying it. Let's look again at the three branches of government. The judiciary has been unwilling to strike down, to my knowledge, a single regulation or statute relating to Cuba. In short, it has shown an extreme deference toward both Congress and the executive branch in the case of Cuba. We are in a law school, so I think it matters that we discuss the fact that Cuba is the only country that U.S. citizens are restricted from freely traveling to. You can go to North Korea; you can go anywhere else you want. Cuba is the only country you can't visit without a permit from the Treasury Department. How have the courts treated this obvious infringement of freedom?

Jimmy Carter lifted all travel controls on Cuba. President Reagan reinstated them in the early 1980s. His action went before the Supreme Court in the *Regan v. Wald* case. The Court upheld the restrictions on travel to Cuba (even though there's a constitutional liberty in travel abroad) because it said there was a U.S. national security dimension to those restrictions. (The Department of Defense and the Department of State had submitted affidavits to the Court demonstrating Cuba's support for Sandinistas in Central America and the FMLN in El Salvador). Based on that, the Supreme Court said: We find it convincing that there's a national security dimension, so we're going to uphold the restrictions on travel to Cuba.

The Soviet Union fell apart in 1991. Cuba's economy plummeted. The Sandinistas and the FMLN were elected to power in Central America. The national security basis for the ban on travel to Cuba no longer applied. A case was brought in 1995, and the appeals court in San Francisco upheld the travel restrictions *again*. The judge said: "I

will defer to the executive branch in this matter,” even though there was no longer any national security dimension to the travel ban.

In 2004 the Bush administration changed greatly the rules on U.S. academic institutions’ programs in Cuba. Essentially they put those programs out of business. For example, one of the regulatory changes made was this: to teach a course of higher education in Cuba on behalf of a U.S. college or university one had to be a full-time faculty member. This excluded a man named Wayne Smith, who had been Vicki’s predecessor many years ago as the chief of mission in Havana. He had established the Johns Hopkins [University] program in Cuba, but was an adjunct professor, so he couldn’t teach in Cuba – notwithstanding his preeminent credentials.

I was the lawyer who sued the government in that case on behalf of a consortium of university professors. We alleged First Amendment academic freedom issues and tied them in to a Fifth Amendment liberty interest in traveling to Cuba. We had barely set foot in federal district court before the case was dismissed. We appealed, and a three-judge panel in the D.C. Circuit Court of Appeals unanimously ruled against us. One of the judges was bemused and perplexed by how academic freedom could be implicated in a case that was about *who can teach a course in Cuba*. It was deference to the executive branch that had got to the point of being an abdication of judicial responsibility. (I’ve been rather hard on the judiciary, I know, but they deserve it.)

The executive branch promulgates regulations, as Dan [Fisk] said, under delegated authority; in the case of Cuba the chief enabling statute is the Trading with the Enemy Act. The regulatory power is devolved onto the secretary of the treasury, then delegated once again to a subordinate Office of Foreign Asset Control. They control the embargo as you will know it and see it (codified at 31 CFR, Part 515, for any law students in the room). The embargo’s been tweaked over time. But in the Helms-Burton Act, in 1996, Congress codified the embargo as in effect on March 1st, 1996.

I have been described, as the godfather of the argument that the codification was ineffectual. My reasoning has been that when they codified it, they codified the discretion to amend the embargo in place. In other words, Congress said the economic embargo of Cuba, as in effect on March 1st, 1996, including all restrictions, shall remain in effect upon the enactment of this bill (Helms-Burton), and shall remain in effect subject to another section of the statute that conditions the embargo being lifted on certain things happening in Cuba of a very specific political nature, including [that] neither Raúl nor Fidel Castro holds office in Cuba. Those were the preconditions for lifting the embargo.

The problem is that the very first section of the regulations that were codified says: “All transactions involving Cuba are prohibited except as specifically authorized by the Secretary of the Treasury by means of regulations, rulings, and licenses.” So, the codification codified in place the discretionary authority of the president to modify the embargo. Now let’s go back to the historical deference the courts have always given the president; with that in mind, it would take the clearest and most definitive

of showings that the president's authority had been restricted in this area for the codification to have been effective. That simply can't be demonstrated.

Accordingly, a GAO [Government Accountability Office] report in 1998 said it was clear that the president's broad foreign affairs authority allows the executive branch a great deal of discretion in making changes to the Cuban embargo restrictions. Various committees of the Congress have also said that executive branch discretion contained within the embargo remained in effect.

An early use of that discretion was by President Clinton in 1999, three years after Helms-Burton was enacted. Clinton instituted a new category of travel called people-to-people travel that allowed people to travel to Cuba for cultural and other purposes.

One other, I would submit, piece of evidence in favor of the codification having been ineffective in 1996 was that four years later, in 2000, a bill was passed allowing food sales to Cuba. The deal that was made was the food sales would be allowed if the travel ban was codified. And that time, I submit, they got it right. I've said that the travel ban is the principal exception to the theory of executive branch discretion regarding Cuba.

Just a couple of words on how far the executive branch licensing, rule-making authority might extend: Hilton could be given an OFAC [Office of Foreign Assets Control] license to build a hotel in Cuba. They're not going to do that of course at present – but that's a political not a legal decision. But there are limits on executive branch authority alone to end the embargo: For example, only Congress can vote a bilateral investment treaty that offers real and substantive protections for U.S. investors in Cuba. Only Congress can approve a free trade agreement with Cuba. (Cuba can bring things into the U.S. under a presidential executive order, but in some cases they're subject to extreme duties — not all, but some.)

At the end of the day, Congress is indispensable in any normalization of relations with Cuba. So, what I would like to see is some melding of executive and congressional authority to end the U.S. embargo on Cuba. The courts, by the way, as soon as the president of the United States signals very strongly that he favors rapprochement with Cuba, will be as deferential to that president as they've been to presidents that have fought any normalization. The courts will just go along, trust me on this.

So if the executive branch can move in areas that Vicki's talked about, and she did a very interesting Brookings [Institution] report on that subject in 2009, I think —

**HUDDLESTON:** '10.

**MUSE:** — '10 — Vicki chaired the Brookings Institution's project on Cuba that produced a number of recommendations to the president on things he can do. Environmental protection for example — start anywhere: baby steps, build on them.

Relations between nations are not going to be in the end managed by Congress effectively. There has to be a diplomatic initiative. They have to lead. They have to build trust. With confidence-building measures, they can go further and further and further. At some point we will have a quasi-normalization, i.e. there's enough activity licensed that Congress can be brought into it to do the necessary clean-up work of things like repealing the Helms-Burton Act.

I said earlier that I've never seen the embargo so strong as in Congress today. That doesn't mean I endorse the embargo; I'm just being realistic. Why would it be so hard to lift the embargo there? There are several reasons. One, there is no strong constituency in favor of lifting the embargo. In terms of public opinions, the majority of people think the embargo should be lifted. If we lived in a true democracy, that would be relevant. But we don't; we live in a representative democracy, so it doesn't matter what most people think – it matters what elected officials think, something that correlates with campaign contributions.

The other side has a committed, disciplined, intelligent strategy of maintaining the embargo, and they use our electoral laws (i.e. campaign contributions) to their advantage. They're entirely free to do it, and do so through artfully targeted campaign contributions. They have converted many Democrats who now vote for the embargo along with Republicans. In 2000 there was a caucus in the House of twenty-five Republicans that were in favor of repealing the embargo. I cannot identify, since Ron Paul retired, a single Republican congressman in the House that supports repealing the embargo.

So there's going to have to be a peace made. The end of the embargo can't be rammed through Congress. And we don't have powerful corporate actors to make that happen. They view Cuba as a relatively small market, 11 million. They have concerns elsewhere (Iran, for example) and they're reluctant to — they understand how heavy a lift this is going to be and are reluctant to devote resources to it.

So I think quiet, confidential negotiations, are the way forward. Agreements should be reached in the indisputable national interest of protecting the marine waters we share with Cuba, drug interdiction, and [then we] keep building from there. Some reciprocal trade in agricultural products makes sense: We sell close to a billion dollars a year of food products to Cuba. Cuba can't sell one product here, so, some reciprocity there would be helpful. And let's hope that it all produces a climate where normalization of relations is possible, and that Congress will do its part in achieving that.

Thank you.

**MEYER:** Thank you very much to our panelists. I'm now going to open it up to questions from others who are sitting up here first. Yes, sir?



**JONATHAN C. BENJAMIN-ALVARADO:** This question is for Dan. This has always fascinated me, as a political scientist. How does one get a president to sign off presidential prerogative on foreign policy? You've given us the actual structural, functional explanation of it. Why don't you give us a contextual, you know, kind of the back story so to speak, of what was actually happening in the Clinton administration while you were working on this, because it's a fascinating story from any perspective.

**FISK:** In some ways the Cuban Democracy Act comes into play, and I will reinforce for some of you the view that Cuba is only about domestic American politics. Bob [Muse] and I will disagree. I happen to think we do live in a democracy, and democracies can have eccentric political outcomes, and the Cuba policy that comes out of Congress represents that, because it depends on how you ask the question on Cuba how the American people answer the question.

But in terms of what happened in 1992 politically, candidate Bill Clinton, Governor of Arkansas Bill Clinton, managed to get to the right of George H.W. Bush on the Cuban Democracy Act. And that legacy, as well as the legacy of [the] Mariel [boatlift], strongly influenced the Clinton administration. Adding to that was the fact that when the Brothers to the Rescue aircraft were shot down over international air space on what appears to be the direct orders of Raúl Castro, the Clinton administration was hard-pressed with an alternative. We do know now that some rather interesting options were put in front of the president, including bombing the runway from which the Cuban aircraft took off. And there were some other options put in front of the president, and none of them looked attractive. And I'm not here to advocate any of those one way or another, but just to give the context.

So the president was left in a situation of: What does he do? The other thing that happened — and really, as a political scientist, you should keep this in mind and it's an important lesson. Whenever you're in Congress, always have an alternative in your pocket, because after the shoot-down occurred, every member of Congress who had voted against the earlier consideration of the Libertad Act, either in the House or the Senate, was left politically naked. They were in the position of having basically to say that by their inaction, or by their opposition to Helms-Burton, at least the proposed legislation at the time, they were, I guess at best, acquiescing in what was considered a very brutal, and actually what was, a very brutal act of cold-blooded murder.

There was a great statement at the time by Nancy Kassebaum — I've quoted it in other contexts — kind of talking about the circumstance they were left in. So the story was: the administration came to the Hill and they said basically, "Save us. We don't have a policy alternative. Save us."

And, Bob, to kind of anticipate your question in some ways, I think, everyone at the conference committee thought the language that Congress put into subsection 102(h), the codification, achieved the objective of codifying the restrictions, which is why Congress used that word, both in terms of the statutory language and the report



language, and which is why in what's called TSRA, the Trade Sanctions Reform Act, Congress said in effect to the administration: "You lied to us once. We're now not going to be lied to again, so we're going to now draft language on trade."

So, frankly, the view from Congress was that the administration double-dealt the Congress and they weren't, you know, "fool us once, shame on us; fool us twice. . . ." Well, they weren't going to be fooled twice. And, that's why on travel we are left with this. That was, again, part of the legislative bargaining process. Helms-Burton and the Cuban Democracy Act and the Trade Sanctions Reform Act are all products of our legislative process, with all the messiness and uncertainty and push and pull of that process.

And so those are the dynamics. But, nonetheless, I will go back to the bottom line. Those are statutes. And I think it is a dangerous circumstance for the United States to be in when the president gets to pick and choose which he will apply and which he will not. Statutes are not — unless they have waiver authority — are not multiple-choice exercises. Bill Clinton could have vetoed — in fact, he possibly could have stopped the conference committee report if he had ordered a filibuster. It's a possibility. I actually doubt it politically, knowing how the winds shifted. But he could have never been confronted with it [Helms-Burton]. But nonetheless, he made the decision [to sign it].

So from my perspective — and, by the way, I specifically noted I worked for a president that modified the embargo. I had many arguments with the State Department legal advisor's office about their wrong interpretation of the codification provision, even though I sat in the executive branch. So, again, having known the history and understanding legislative intent and what the administration understood, that's why I am kind of so forceful in the view I take.

But I will add one final note. I don't mean to filibuster or cut off others. There are many things that I do agree with that Vicki [Huddleston] outlined that are within the authority of the president or of some executive branch official. Clearly, Congress has delegated — by the way, the Cuban Adjustment Act, it's a delegation of authority. And until Congress revises or withdraws that, that is within the executive's power to manipulate.

Consulates? Actually, I will tell you I think the president can nominate an ambassador. I'm not advocating that. I don't think the ambassador will get confirmed. But I think the president has that power to at least nominate someone. I think the president has the power to open consulates. I think, as I said on freedom of information, there are broad authorities there. Reentry into the OAS is a diplomatic matter. That's a plenary power of the president. Property claims could . . . I think there are avenues there. Again, I'm not advocating with the current Cuban government that we reach an agreement. There are some other things I don't think in terms of investment where the president can go. But, as we all know, presidents will interpret the power broadly when asked.

**HUDDLESTON:** I am very, very happy to hear Dan say, you know, these are the areas where the president can act. And, of course, what we're debating is this ticklish one of codification. But I would just say that both President Bush and President Clinton did modify, using essentially the provision that provides that the regulations can be modified by the secretary of treasury.

But what I wanted to say, because I was listening to Dan talk about Helms-Burton (Cuba Libertad) — I remembered very well the process of voting into law the Cuban Democracy [Act] . . . Dan was talking about what happened on one side, but one of the most interesting things to me was that President [George] H.W. Bush really did not want this legislation. He specifically did not want it because Cuba had complied with the tripartite agreements on Angola and it had just returned from Angola 50,000 Cuban troops. And so he felt that it wasn't the time to punish Cuba. The Soviet Union was withdrawing its aid. It was pulling out of Cuba, ending four billion dollars in annual subsidy. As a result, many people thought, ah, well, just take away that subsidy and then add a little bit to it, vis-à-vis the Cuban Democracy Act, and that that will be the end of Castro.

So actually what happened is that Bush didn't want to do it, Clinton undercut him by endorsing the Cuba Democracy legislation. Then, as Dan said, the rest is history.

**FISK:** The rest is history.

**MUSE:** My question to Dan, if I could: There's quite a lot of revisionism around the Bill Clinton presidency, and Cuba is one example. Bill Clinton has said in recent years that "we were making progress with Cuba and then they shot the planes down, and I didn't have any choice but to sign that legislation [i.e. Helms-Burton]."

Dan — we have a living history moment — was there. When I registered as a lobbyist in opposition to the Helms-Burton Act, every time I went to the White House, the legislative affairs people would say in response to my question: Is Clinton going to issue a veto notice? If this thing passes, is Clinton going to veto it? — they would say, "Stop it in the Senate." What they were saying is: "He's not going to veto it."

Then I heard after Helms-Burton became law that, in fact, there were backside negotiations with the Clinton administration, that they were willing to sign Helms-Burton if there were minor modifications made. So this new history of Bill Clinton's pressing ahead toward normalized relations with Cuba, the planes are shot down, and he has no choice but to sign this bill is disingenuous. That's not really true, I believe. Can you just confirm that?

**FISK:** Well, let me just — I'm not going to criticize President Clinton, though I will convey some of the dynamics of the moment, which always is interesting. And if you live and work in Washington, you tea leaf read.

The first thing that we took into account was: when the administration would oppose legislation, they always sent the State Department, not the White House. So that was the first indication for us that, okay, the White House is keeping its options open.

The second thing was—and not to dispute in any way, Bob, what maybe the congressional affairs people told you, but you know, the White House has multiple offices, including something called Political Affairs. Those people actually remembered 1992 quite vividly, and the signals we were getting from Political Affairs people were quite different than what we were getting specifically from the State Department.

So, with all due respect to the State Department, having worked there I have a lot of respect for the institution and the professionals who staff it. But when we'd get a letter from the secretary of state, then Warren Christopher, we would say, okay, yeah, it's just the State Department. We don't have to pay attention to that, because Warren Christopher doesn't sign the bill. And the message we got is: If you get the bill to the president's desk, he'll sign it. And these were signals we got before the shoot-down. So it wasn't simply that incident. That's part of the mythology, that all of a sudden it was just that moment. What that moment did was galvanize the fact that the opponents of the policy had no alternative to give to anyone. And the alternatives in the policy realm that were given to the president in hindsight are almost laughable, I'm sorry to say. I understand how they came about. They were put together by serious people, but some of them were not serious. Frankly, if you think about it, bombing the runway, I mean, we could talk about the shoot-down of Brothers to the Rescue in many ways, but I don't think it was an act of war. Bombing the runway, I think, would have crossed that threshold by the United States.

So that was the dynamic going on. And, you know, if this is a rude awakening, if Claude Rains needs to walk in now and say, oh, I'm shocked that politics is going on in a policy discussion, again, I would say, welcome to democracy.

**MEYER:** Yes, sir?

**AUDIENCE MEMBER:** Thinking about 2004-2005, what do you think the impetus was for the change of trade policy for the U.S. of changing to a cash in advance policy for shipments to Cuba?

**FISK:** You know, the cash in advance policy had a couple of iterations to it that actually are interesting. There is no doubt that there was a significant effort by the agricultural community, farm bureaus and others, to get the Trade Sanctions Reform Act, which allowed cash sales or sales through third party mechanisms, approved. And, again, that happened under the Clinton administration and, again, given it was law, it was accepted by the Bush administration and implemented.

One of the things that happened is that several private entities, corporations, approached the Treasury Department because they were concerned about the lack of clarity in the

regulations. I mean, again, my own take on something that Bob [Muse] said in terms of corporate or private sector interests in Cuba, it's a calculation for private actors on the business side to have to deal with Cuba. They want as much clarity as they can get in terms of the parameters. In fact, I'll just put a footnote here. I've been accused of all sorts of things, of poor drafting and other things of Helms-Burton. Well, I didn't want to — in some cases we intentionally kept language vague. We didn't want to give anyone clarity. We wanted the businessmen — I'm sorry to say this to all you businessmen out there, but to you law students this is hope for the future. I wanted every businessman to say: I'm going to have to hire a bushel or a boatload of lawyers to sort out what I can do in Cuba. And you know one thing businessmen don't like is lawyers. So you've got to circumvent —

**MUSE:** That's unfortunate.

**FISK:** Frankly, part of our legislative strategy was to create a certain edifice and then to create some areas where we had a natural hesitation on the part of actors to act or to engage.

The Trade Sanctions Act tried to clean that up, but even then had a lack of clarity, so some private sector representatives came to the Treasury Department and said: We need clarity. That, frankly, coincided or converged with the fact that President Bush, George W. Bush, felt very strongly about the issue of Cuba. Needless to say, he had a brother that he heard from; he had members of Congress that he heard from. And the decision was made that we would write the rules — I use the royal "we" — that the rules would be written as the way they were, keeping with what we thought were both the letter and the spirit of the law. So there were cash in advance sales, but in which there was a more restrictive, from some people's perspective, reading of those.

**WALSER:** Vicki and Bob, a quick question. I asked a person fairly high-ranking or, you know, sort of upper mid-level at the State Department, if there is any policy review going on under the new regime on Cuba policy, and he basically said that, as far as he was aware of, there is no policy review going on at this point. But where — you know, in that list of things that you have mentioned, where would you see maybe in the next year a Kerry State Department trying to move forward?

**HUDDLESTON:** Well, unfortunately I think Bob is right, the logical thing is they're going to do environment; they're going to do medicines; they're going to continue the general licenses; and some scientific exchanges, basically back to the Clinton administration and the new measures. But that won't change anything. You know, the next administration will maybe go backwards, maybe go forwards. For real change it would take initiative from the top, and that, to me, is a huge possibility for a president, because if you could be the president who opened up Cuba, especially because of the money interests — and, rest assured, there would be lots of Cuban-Americans going down — then you may go down in history as a very perceptive and strategically minded president.

**MUSE:** May I say something? John Kerry is interesting as secretary of state. We're in the second half of the Obama administration, so the Florida election results are showing that . . . . They used to say that we'll always have the Cuba policy we have, we'll always have the farm policies we have, because the presidential race begins in Iowa; and we'll always have the Cuba policy we have because it ends in Florida. And the year 2000 memorialized that. But Florida is changing. It doesn't seem to be that a small one or two percent factor in the vote may be dispositive. Anyway, Obama doesn't have to worry. He doesn't have a second term.

Kerry interests me because, as a senator — and I don't want to sound, I don't want this to sound critical — he, I think he had five pieces of legislation. One was naming a federal building in Massachusetts and a couple of others. He was not, by any measure, a successful legislator, except in one area. He did, with John McCain, engineer the rapprochement with Vietnam. I think he considers that to be his legacy in the Senate, and it's not a small one. And my hope is that he tries to reprise that. He's been over that ground and may attempt — and I hope he attempts — the same thing with Cuba.

**MEYER:** Yes, sir?

**AUDIENCE MEMBER SCHIEFFER:** My interest is in the relaxation of the exit visa policy, and I'd like to get your, the panel's, thoughts on why you think that was done. And the second part of the question would be, because it has been done under the Helms-Burton or any other regulation, does that make it possible for a United States company to then sponsor a Cuban for a work visa?

**MUSE:** I think the first problem Cubans have, a Cuban national — the Cubans have relaxed the exit restrictions, but if a Cuban goes to the U.S. Embassy and says, I want to go to the United States, they're a presumed immigrant. It's very difficult to get a visa. The irony is, if they show up, if they enter illegally — they show up at a border post or wash ashore at Key West — they're in. But if they try to go through a regular procedure, the presumption that they're intending immigrants, particularly with younger people, is overwhelming.

So to sponsor them for a work permit, you can't really do that until you have the appropriate visa. So they're caught in a no-win. Is that everybody else's understanding?

**HUDDLESTON:** I agree, but I wanted to add something here because I think that this policy has been a tragic policy. Initially we let all Cubans in, whether they were found on the ocean or whether they were found on land. And then after the '94 mass migration we had an agreement with the Cuban government, the '94 migration agreements. And at that point Clinton said okay, through his attorney general, Janet Reno, it will just be people can enter if they make it to land.

This policy pulls Cubans to the United States. This caused a lot of loss of life, and we don't even talk about it. We say, oh, we're not sure; how do we know how many have died? It's a tragedy because a lot of Cubans died this way. And Miami Cubans and

other Cuban-Americans are complicit in helping their relatives and loved ones come to the United States. Initially the Coast Guard could pick up Cubans being smuggled because the straits are only ninety miles across, but now smuggling has moved to Mexico. And it feeds right into the big drug cartels, to the Mexican mafias, to the arms trade. You know, we're breaking our own laws by allowing people, Cubans, to come to the United States, who are undocumented. We're putting them in jeopardy and we're putting our own laws in jeopardy.

**MUSE:** And it becomes ludicrous. The theory of the Cuban Adjustment Act is that they're given an irrebuttable presumption that they're fleeing political persecution. Now, with the relaxation of Cuban-American travel, people virtually commute to Cuba weekly. They come here, within a year they have a green card, and there was not the slightest asylum basis for their expatriation to the United States. The Cubans are opposed to it, and they recognize that it is a magnet that's created a lot of human misery and a lot of death.

**FISK:** Just a real quick point. Like I said earlier, to pick up on Vicki's point, the Cuban Adjustment Act is within the executive's authority to change. So they can change wet-foot, dry-foot. Having been on that side of the discussion — it's a really hard policy to change. But the other thing that drove it for the Clinton administration and why it has continued in place — and there's possibly some changes that happened I'm not aware of; maybe the representatives from Cuba can speak to this — it was the regime in Havana that said to the United States: We will not take back anyone we, the Cuban regime, deem to be dry foot.

So it was a deal that was struck and it was the parameters we were given. The United States would have returned everyone unless they could have passed some kind of fear of persecution standard. But because of this difficulty that was created by a Cuban policy, it's not just all the fault of the U.S. I mean, there seems to be a lot in this conversation about it being our fault. I guess the only thing we haven't been accused of so far is causing the common cold, but I guess that will come with the next panel.

**AUDIENCE MEMBER SCHIEFFER:** Yeah, but I'm not talking about whose fault it is. I'm just talking about the practicality of it. Could an American company today sponsor a Cuban and get a work visa under the exit policy that now exists? They can get out of Cuba; I understand they can get out of Cuba. But can they come to the United States and work in the United States?

**MUSE:** They'd have to meet the same qualifications of any immigrant, which would be exceptional merit and ability. There are a few very narrow categories. The baseball player who had, you know had . . . .

**FISK:** But they get here dry-foot.

**JOHNSON:** I would like to introduce the last questioner. Tom Schieffer is a former ambassador to Japan and ambassador to Australia and a good Democrat, but a good

friend of George W. Bush and also heavily involved with baseball, now that you mention that.

**AUDIENCE MEMBER:** My question is a little more strictly legal. If, in the Libertad Act we have a congressional enactment of the embargo as it existed under the power to regulate foreign affairs or the power to regulate interstate commerce and it incorporates the section of the CFR that says basically all transactions with Cuba are prohibited except as the president provides, where are the standards governing the president's discretion to accept certain transactions? Because we've delegated congressional authority to the president, I'm just trying to figure out where we would find the standards governing that.

**MUSE:** Under the Administrative Procedures Act, if there are no standards put on the delegation of authority, then it's committed to the discretion of the executive branch. That is the position the courts take with OFAC licensing. If you quarrel with the Treasury Department giving a license or not, the courts have largely said there's no subject matter jurisdiction under the Administrative Procedures Act — you'll remember the language better than I — because it's committed by law to agency discretion: "Get out of here. There's nothing for us to do."

**MEYER:** Yes, sir? In the back.

**AUDIENCE MEMBER:** Many years ago I had a professor, a political science professor by the name of Kendall Myers, who apparently now is in jail for having passed security information to Cuba. I was wondering if you were aware of that case. And how much harm did he really do?

**HUDDLESTON:** No, I — honestly, I've never heard of it. Ana Belen Montes is the major spy that I was aware of.

**FISK:** I'm generally aware of the case from press reports, but I don't know the extent of the damage. It was deemed sufficient, though, for a criminal prosecution. And that's actually a pretty — those cases have a pretty high standard for criminal prosecution.

**AUDIENCE MEMBER:** What would be the sorts of damages that could be done? What is so sensitive?

**WALSER:** Well, Kendall Myers worked for the State Department. He was with Intelligence and Research. Intelligence and Research has access to all the materials coming in from the agency, from the NSA. He also taught at the Foreign Service Institute. But, yeah, when you get into the classified area, they generally don't release the sorts of information. But he was in a position at the State Department to have access to very sensitive high-level intelligence.

**MEYER:** Is there a final question? Yes, in the back.

**AUDIENCE MEMBER MENDEZ:** Mr. Muse, you said that there is no one that is putting pressure on either the president or Congress to abolish the trade embargo, and I recall that in the 1980s students all over the nation had a lot to do with the bringing down of apartheid in South Africa. Do you think that today — I hope that you give an opinion because I see that several people say they don't want to criticize Congress or the president — do you think that it would be effective if student groups all over the nation took this up as their cause to bring down the embargo? Do you think it would have some effect? Thank you.

**MUSE:** I often wonder about this. I was in college in the late 1960s when mass student protests were routine on many, many issues. I think the modern — yes, if, you know, 500,000 people marched on Washington. . . . But it seems that the dynamic of the university has changed and students . . . I suspect part of it is that it's more existential: jobs, future. You know, we were — we had an easy time, so we could take a sleeping bag to Washington. I don't know that many of your undergraduates feel they have that. But that's probably a stupid answer.

**HUDDLESTON:** I wanted to tell you that if you want to know more about what steps can be taken, I have written a book with Carlos Pascual, *Learning to Salsa: New Steps in U.S.-Cuban Relations*. Several people on this panel were absolutely involved in it: Jonathan, Archibald, and Robert. And really the most interesting thing about it is: it does make very clear what can be done and what can't be done. But the most interesting thing about it is: it took a spectrum of Cuban-Americans and just Americans — about half are Cuban-Americans — across the ideological spectrum, and they all came to an agreement on a possible process to move forward on Cuba.

**MEYER:** Well, I believe we're out of time, so I'm going to close our proceedings here. And you all have earned lunch, I believe, so let's thank our panelists.





# The Cuban Embargo: Policy Outlook After 50 Years

Keynote Address  
Ambassador José R. Cabañas



**C. DONALD JOHNSON:** We have a wonderful opportunity this afternoon in not only the panel that's coming up, but with our honored guest today, who's going to give the keynote address at the end of this luncheon.

As I said, it's a real honor for me to introduce to you Ambassador José Ramón Cabañas Rodríguez, or as we call him, Ambassador Cabañas. He is, since November, the Chief of Mission at the Cuban Interests Section in Washington, which operates under the auspices of the Swiss Embassy, since we don't have direct diplomatic relations with Cuba. You met Vicki Huddleston in the last panel. She was the counterpart in Havana back in the late Clinton and early Bush administrations.

We are very honored to have him with us today. He has a Ph.D. in political science from the University of Havana. He started with the Cuban foreign ministry in 1984, where he has had a number of very important jobs. In the early '90s, he was at the Cuban Embassy in Ottawa, a place where they do have diplomatic relations, as we know from Archibald Ritter. We're lucky to have diplomatic relations with Canada, after all that skirmish with the British in 1812, but some of these embargos last longer than others, you know.

From 1993 through 1994, Ambassador Cabañas was the deputy director of the North American Affairs Division of the Foreign Ministry, and he's been heavily involved with the Division of Cuban Residents Abroad, which he headed for four years, and from 1998 to 2001 he was involved with the Division of Cuban Residents Abroad and Consular Affairs. He served as Cuba's ambassador to Austria from 2001 to 2005 and then ambassador to the international organizations in Vienna from 2005 to 2006. From 2009 to 2012 he was the deputy minister at the Ministry of Foreign Affairs, a very high position, and we're lucky to have him in Washington, I think.

Thank you again for being with us and, without further ado, I'll turn it over to you. Thank you.

**AMBASSADOR JOSÉ R. CABAÑAS:** Well, thank you, Don. First, let me thank the University of Georgia and, of course, the Dean Rusk Center, you particularly, and Dean White, who was with us in the morning, and many others that we understand have worked hard to make this conference possible.

I will agree with Vicki [Huddleston] that we should talk for the new generation. Every time we have the opportunity to go to a university, what is really wonderful for us is to provide information and to respond to questions from the young people, the students who will be in charge of our bilateral affairs in the future, in the near future, I will say.

In order to talk about the subject — the main subject of this conference, we understand it would be important, it would be relevant to comment and list a few [pieces of] historical background information, and probably we can ask the question, when [did] all this begin?

By the time Cuban patriots had decided to start a rebellion against Spain, the Cuban colonizer in 1868, ninety-two years had passed since United States patriots had declared their intention to become independent from English colonizers. The reasons for both rebellions were about the same: the economic exploitation of a territory by a foreign power by virtue of its force, preventing social, economic, and political integration of all its components. By the way, there was an important difference between the two causes. In Cuba, our patriots considered that the slave should be free; in the case of the United States, that was a different consideration and that was something that was fixed afterwards.

The U.S. founding fathers cemented the basis of the U.S. future; however, unfortunately, in their imagination this future often related [to] Cuba. Thomas Jefferson said, in 1908: “I frankly confess that I have always regarded Cuba as the most interesting addition that can be made to our system of state.” Later, in 1823, the U.S. Secretary of State John Quincy Adams, announced Cuba’s geographic fatalism, using the doctrine of the ripe fruit, saying that “there are laws of political as well as physical gravitation; and if an apple, severed by a tempest from its native tree, cannot choose but to fall to the ground, Cuba, forcibly disjointed from its unnatural connection with Spain and incapable of self-support”— which is something that has been repeated several times about Cuba – “can gravitate only toward the North American Union, which, by the same law of nature, cannot cast her off from its bosom.”

Another figure of the time is James Monroe, the proponent of the famous doctrine “America for the Americans,” and a U.S. president, to whom Thomas Jefferson wrote: “The annexation of Cuba to our Confederation is precisely what is needed to complete our national power and maximize its interests.” In May 1847, the *New York Sun* newspaper states in one of its editorials that “due to its geographic position, Cuba by necessity and by right should belong to the United States; it can and should be ours.” One year later, then U.S. president Polk would make preparations for acquiring Cuba through payment to Spain. The *Creole of New Orleans Journal* reflected the essence of this craving: “Cuba, by destiny of Providence, belongs to the United States and should be Americanized.”

In 1881, the U.S. consul in Cuba stated in its consular report that “commercially, Cuba has been transformed into a U.S. dependency, although politically it continues to depend on Spain.”

The Cuban struggle for independence lasted thirty years. The best Cuban blood was poured into this project that ended up in 1898 with U.S. military intervention when Cuban patriots had almost won the war against Spain in spite of being underarmed and outnumbered by Spaniard troops. On March 2nd, 1901, the U.S. Congress, a Democratic Congress, imposed an amendment to the Cuban Constitution authorizing the U.S. to leave government of the island in the hands of the Cuban people, but only after a government had been established there under a constitution in which the future relations with the United States — and, I repeat, it was 1901 — were to be rigidly defined. This became known as the Platt Amendment, after Senator Orville Platt. Under this amendment, the U.S. limited the country's sovereignty and turned it into a neo-colony. It legalized U.S. military intervention. It assumed the right to seize part of Cuba's territory by leaving ownership of the Isle of Pines. It limited Cuba's rights to enter into treaties with other countries. Finally, it forced the country to sell or lease part of its territory for the establishment of naval stations. Other separate treaties were applied to secure the economic and political dependence of the newborn Cuba.

With the beginning of the pseudo-republic on May 20, 1902, José Martí's project to create a nation "with all and for the good of all" was supplanted by a government "on behalf of the people, without the people and against the people." U.S. troops invaded Cuba and occupied Cuba in three different periods: 1906 to 1909, 1912, and 1917 to 1922. The U.S. warships remained off Cuba during the failed revolution of 1933, and the U.S. influence was visible in the political, economic, cultural, and social life of Cuba. Washington was able to establish and consolidate a series of interventionist measures that allowed it to dominate the country and to protect its hegemonic interests from any threat from popular unrest.

In 1957, the Cuban population was 6.2 million people, of whom 4.1 million were of working age. Total unemployment reached 35 percent of the population. Of the 194,000 women identified as employed, 75 percent worked in housekeeping. The agricultural sector employed 47.4 percent of the population. A hundred forty thousand peasant families were living in extreme poverty. Sixty-four percent of farmers did not own the land they worked and were forced to pay rent.

In 1958, over two million people in Cuba were illiterate or semi-literate. More than 600,000 children had no school, while 58 percent of teachers were unemployed. Only 45.9 percent of school-age children were enrolled. Fifty percent of them did not attend classes and only 6 percent reached grade six, while the school level for the [children] older than fifteen years old was less than third grade.

Domestic production responded almost exclusively to a mono-exporting sugar profile with a production structure devoid of integration, so that the country depended heavily on imports for the functioning of the economy. Foreign trade was highly concentrated in the U.S. markets — 64.5 percent of exports and 73.5 percent of imports on average in the years 1954 to 1958 — and consequently depended on this market in terms of foreign exchange earnings, technology, equipment, spare parts, fuel, raw materials,

industrial goods, and food. Virtually all equipment in the country came from the United States.

The United Fruit Company dominated the sugar industry, while other U.S. companies prevailed in oil refining, mining, railways, tourism, communications, electricity, pharmaceuticals, rubber, chemicals, and banking. Some banks, such as Chase Manhattan, came to have so much power that they dictated the budget and fiscal policies of the Cuban government and forced it to make changes in the cabinet.

But there was still hope that the ballot scheduled for 1952 could steer the country through a reformist solution if it was won by the Cuban People's Party, well-known as orthodox, as expected. That hope was frustrated at dawn, March 10, 1952, by the military coup that the young lawyer of twenty-five years, Fidel Castro, once described as a blow against the people. The unconstitutional coup was perpetrated by then army chief Fulgencio Batista, which is a name that we have to refer to and is usually missing in some explanations about the Cuban situation. Under his regime, gangsterism and corruption reached unprecedented levels. It is estimated that 20,000 Cubans were killed, I would say brutally killed, mostly youngsters, pursued by the Bureau for the Repression of Communist Activities (BRAC). While the Batista police, army, air force, and navy murdered the Cuban people in cold blood with weapons supplied by the United States, U.S. officials and military missions and the CIA consultant assigned to BRAC remained impassive.

In 1958 in Cuba, one did not need to be a Communist to be a radical anti-imperialist. It was enough to be a patriot.

U.S. President Dwight Eisenhower adopted the first economic sanctions against Cuba, like the denial of the Cuban request to be given back the 424 million dollars stolen by Batista's thugs and taken to U.S. banks in February 1959; the significant reduction of the quota of sugar purchases set by the U.S. for Cuba; and the general prohibition of exports to Cuba, which I have to say have an important impact in limiting the possibility of Cuba to compensate all the goods nationalized and the properties nationalized in Cuba. You have to wonder why we were able to cut deals and to pay back property nationalized for Canadians, Italians, Spanish, and not in the case of the United States.

In his youthful performance and charisma, Obama has often been compared to John F. Kennedy. The Cuban issue dominated Kennedy's thousand days in office. As president, he led the country and the world through the Cuban Missile Crisis. He also oversaw some of the most egregious acts of U.S. aggression towards Cuba, including the failed and, I would say, brutal Bay of Pigs invasion, the trade blockade, and Operation Mongoose, a set of covert actions designed to destabilize the country and overthrow the Cuban government.

While Eisenhower unilaterally broke off diplomatic relations with Cuba on January 3rd, 1961, on March 31, the new president, Kennedy, totally suppressed the sugar

quota. In January 1962, the U.S. displayed an intense maneuvering, culminating in Organization of American States sanctions and the breaking off of diplomatic relations by most Latin American countries with Cuba. Probably some of you who have researched that moment will know how the United States delegation got all the votes they needed in order to accomplish that. On February the 3rd, 1962, by Executive Order 3447, Kennedy formally implemented the total trade embargo against Cuba.

In July 1963, the Cuban Assets Control Regulations came into force, banning all transactions with Cuba and freezing all Cuban assets in the U.S. In May 1964, the Commerce Department implemented the ban on shipments of food and medicine to Cuba.

On April 6th, 1960, the then deputy state assistant secretary for inter-American affairs Lester Mallory wrote a secret memo to the president, declassified in 1991, in which he said, “The majority of Cubans support Castro. There is no effective opposition. The only foreseeable means of alienating internal support [from the government] is through disenchantment and disaffection based on economic dissatisfaction and hardship to bring about hunger, desperation, and overthrow of Cuban government.”

Article II of the 1948 Vienna Convention on the Prevention and Punishment of the Crime of Genocide defined genocide as any of the following acts committed with intent to destroy, in whole or in part, a national, ethnic, racial, or religious group, such as (a) killing members of the group; (b) causing serious bodily or mental harm to members of the group; (c) deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part; (d) imposing measures intended to prevent births within the group; (e) forcibly transferring children of the group to another group.

The entire structure that supports the blockade and the aggressive policy implanted by successive U.S. administrations qualifies as an act of genocide by virtue of the Geneva Convention. During all these years, the political, legal, and administrative mechanisms of that policy have been tightened and reinforced, aiming at a more efficient implementation of it.

The “embargo” definition does not fit in with the actions exerted against Cuba by the U.S. government. “Embargo” is generally known as the legal manner of retaining assets in order to assure the fulfillment of an obligation lawfully accepted. It can also be a preventive measure of patrimonial character authorized by judge, court, or competent authorities with the same purpose of obliging the debtor to fulfill its commitment to its creditors.

All the way around, those actions go beyond that definition to typify a “blockade,” and they pursue Cuba’s isolation, suffocation, and immobility with the crooked purpose of pushing its people to give up their decision of being sovereign and independent. The blockade concept comprises all the aforementioned, since “blockade” means to cut

and close the bonds with the outside world in order to isolate and oblige the besieged country to surrender by force or starvation.

To consider the blockade a “war action” was a principle accepted by international law since the Naval Conference was held in London in 1909. In accordance with this principle, such a measure can be exerted only among belligerents. On the other hand, no international law justified the so-called “pacific blockade,” which was a practice developed by the colonial powers during the nineteenth century and in the beginning of the twentieth century. In a 2007 report, David Gootnick, Government Accountability Office director for international affairs and trade, affirmed that the so-called embargo on Cuba is the most comprehensive set of U.S. sanctions on any country.

In the wake of the collapse of the Socialist camp in the decade of the 1990s, Cuba lost 85 percent of its foreign market and 80 percent of its foreign investment sources. As a result, 1992 marked not only the beginning of the worst economic crisis Cubans have ever faced, known by the Cubans as “the Special Period,” but the date the Torricelli Act, promoted by then New Jersey Democratic representative Robert Torricelli, was passed in Congress and signed into law by the Republican president, George Bush.

The Torricelli Act, also known by its commercial name, the Cuban Democracy Act, reinforced economic sanctions against Cuba and offered legal support for additional extraterritorial measures. It banned subsidiaries of U.S. companies in third countries from doing business with Cuba or Cuban nationals, and banned third countries’ vessels that had touched Cuban harbors from entering United States territory in a six-month period. Moreover, it also forbade Cuban families living in the United States from sending any cash remittances to Cuba.

Afterwards, in 1996, Democratic President Bill Clinton signed into law the Helms-Burton Act, sponsored by the then Republican senator Jesse Helms from North Carolina and the then Republican representative Dan Burton from Indiana. The Helms-Burton Act, ironically known as the Cuban Liberty and Democratic Solidarity Act, among other things codified all previous sanctions, preventing the president from lifting them, and furthered the international scope of the sanctions and was aimed at discouraging foreign companies from investing in the Cuban economy. Through this act, third countries’ entrepreneurs are denied entry into the United States if they dare to have invested in properties nationalized by Cuba in the 1960s, and it opened up the possibility of filing suits against them in U.S. courts. It also authorized annual funds for anti-Cuban television broadcasting from the U.S. territory and funds for “democratic and human rights groups and international observers.”

It’s not difficult to realize that the U.S. strategy in the 1990s during Cuba’s hardest time was to choke the Cuban economy and blame the Cuban government for the sensitive situation. This purpose was hidden under the disguise of promoting democracy in Cuba and is no different from the policy inherited and still applied by President Obama.

While the U.S. blockade has attempted to bring about hunger, desperation, and overthrow of the government, the program of fostering internal dissent was kept secret from 1959 to 1990. However, in 1991, following the collapse of the Soviet Union, the financial and logistical support of Cuban dissidents became public and was integrated into U.S. law.

Today, none of the legislators who directly sponsored major laws against Cuba are in the political landscape. Robert Torricelli is a former representative who had to resign because of corruption allegations. Jesse Helms, whose ultraconservative views on almost every issue, including foreign policy, would have no room in the current domestic debates, passed away five years ago. But still we remember his phrase about Fidel Castro leaving Cuba, “in a vertical or horizontal position.” And Dan Burton is retired after a political life stained by periodic political, personal, and judgment-related scandals. On March 29, 1995, during congressional hearings on the U.S. “War on Drugs,” Burton, then-House Western Hemisphere Subcommittee chairman, proclaimed that the U.S. military “should place an aircraft carrier off the coast of Bolivia and crop dust the coca fields.” It was later pointed out to him that Bolivia is landlocked and has no coast.

By saying this, I don’t mean to disrespect these American elected officials. My purpose is to emphasize that the U.S. Cuba policy has almost never been in the hands of responsible politicians or driven by common sense. This was particularly true during the George W. Bush administration, whose obsession with Cuba increased to unthinkable levels. Almost every day, top-ranking officials, including the secretaries of state and commerce and the president himself, issued rhetorical public statements on Cuba. In 2003 Bush created the Commission for Assistance to a Free Cuba, which was directed to report to the U.S. president by May 1, 2004, with recommendations to overthrow the Cuban government and dismantle the Cuban economic, political, and social systems. I remember that, among other recommendations, they considered that old people in Cuba didn’t deserve the kind of coverage they have when they retire, and they said that the young people, they have to work hard to produce something. That’s on the document of this commission. And a country like Cuba, being small and coming from the Third World, doesn’t deserve and doesn’t have to invest so heavily in sectors like biotechnology, it also said on the document.

The 2004 report recommended, among other things, forming international organizations to support Cuban opposition groups, which the media call independent; to fund internal groups opposed to the Cuban government and grant scholarships to dissidents’ children; use an aircraft C-130 to broadcast TV and Radio Martí propaganda to Cuba from U.S. soil. By the way, we have never had any problem with the programming of the Voice of America or any other service that the United States has for the Caribbean or for Latin America. We are against any program conceived particularly towards Cuba. It also imposed new sanctions on businessmen involved in Cuba-related transactions. Furthermore, the [George] W. Bush administration assaulted the Cuban families, which is something that is not often recalled, by limiting the amount of



remittances the Americans of Cuban origin could send to their relatives on the island, redefined the concept — and the only time in history, probably — of family itself, by curtailing the remittances' recipients to parents, children, and grandparents, nothing else, and limited family travels to Cuba to once every three years.

In July 2006 additional measures were taken, such as enforcement of criminal sanctions against the violators of the blockade, the creation of the Cuban Nickel Targeting Task Force to impede the trade of Cuban-origin nickel, and the strengthening of persecution of the Cuban commercial and financial assets. It also established the Cuban Assets Identification Group to discover the input or output ways of Cuban finances, which works until today. And from time to time you read news about how many fines have been imposed on foreign banks doing business with Cuba.

From 1996 to 2012, the U.S. government, only through the State Department and the USAID, allocated 205 million — only in those years, in sixteen years — 205 million dollars in its effort to subvert the Cuban society, of which 75 million dollars have been granted by the Obama administration. According to a diplomatic cable revealed by *Wikileaks*, on April 15th, 2009, the then head of the U.S. Interests Section in Havana, wrote: “[W]e see very little evidence that the mainline dissident organizations have much resonance among ordinary Cubans. Despite claims that they represent thousands of Cubans, we see little evidence of such support.”

Radio and TV Martí were established in 1983 and 1990, respectively, and are both run by the federally funded Office of Cuba Broadcasting (OCB) based in Miami, Florida. They were formerly based in Washington, but as another gift from the right-wing group in Florida, it was established in Miami. Their unlawfulness has been denounced bilaterally and before the relevant international organizations. They are offensive to the Cuban people since they manipulate the name and ideals of Cuban national hero José Martí. Since the OCB's inception, more than 530 million dollars have gone into funding of Radio and TV Martí broadcasts. A 2008 poll of the Cuban population, conducted through a random telephone survey, showed that less than 1 percent of the population tuned in to Radio Martí, paralleling TV Martí's audience, which was less than 1 percent as well.

In contrast, National Public Radio here in the United States received in 2011 only 5 million dollars annually in federal funding and provides award-winning coverage to 27.2 million listeners every week. All this occurs when most politicians currently talk about the necessity of reducing government spending. Well, this could be a nice place to start with. Both [Radio and TV Martí] are expensive and fruitless remnants of Cold War era propaganda battles. Their termination would go largely unnoticed by Cubans and be applauded by most U.S. taxpayers.

At the end of this recounting of several acts of different U.S. administrations, and, being in Georgia, we have to mention the role of President Carter in trying to get both people closer. He did what he could in order to enhance bilateral links. He

was responsible for the opening of the U.S. Interests Section in Cuba and the Cuban Interests Section in Washington, and, certainly, we have to recognize his efforts in that direction.

The Obama administration, on one hand, by issuing a general license, restored the right of Americans of Cuban origin to freely travel to Cuba and send remittances to their relatives and allowed more educational and religious travels to Cuba. That policy, while positive in its letter, its declared spirit — what they say officially — was not to reverse senseless, inhumane measures that separate families but to increase the influence over the Cuban people by exposing them to the American values.

We accept that challenge. Before the Obama administration's travel regulations, almost two million foreign tourists came to Cuba every year, from capitalist countries of course. Being islanders, Cubans generally love exchanging with the outside world. For decades Cuba has been exposed to American culture. The passion for baseball came to Cuba through the United States and also became the national pastime. Cuban music has historically been influenced by the best sources of American music, and we are known for importing jazz and exporting Latin jazz, as well.

The Cuban government and its leaders have always shown willingness to find a *modus vivendi* with the United States. As early as 1959, Fidel Castro traveled to the U.S., and during an interview with then vice president Richard Nixon, explained the economic, social and political goals of the nascent revolution. The meeting with Nixon lasted just over two hours and the judgment of the U.S. vice president was declassified years later and what Nixon wrote was: "With regard to his visit to the United States, his primary interest was not to achieve a change in the sugar quota or obtain a government loan, but to win the support of the American public for his policies." "I must admit," Nixon said, "that I hardly found in his arguments reasons to disagree."

In August 1961, Che Guevara arranged an all-night meeting with White House aide Richard Goodwin by using an Argentine diplomat as an intermediary to dare Goodwin to smoke a Cuban cigar. Che emphasized several salient points that would be repeated in almost all future negotiations that remain relevant today. First, as Goodwin wrote in a secret memorandum of a conversation to President Kennedy, Cuba was clearly interested in a dialogue that would lead to coexistence. Quoting from his memorandum: "They would like a *modus vivendi*, at least an interim *modus vivendi*," Goodwin reported. Second, the nature of Cuba's political system was non-negotiable. Goodwin continued, "He said they could discuss no formula that would mean giving up the type of society to which they were dedicated." Finally, Che Guevara raised the issue of how the two countries would find "a practical formula" to advance toward an accommodation. He made a pragmatic suggestion, one that Cuba would invoke again and again in pressing for a diplomatic dialogue over the next forty-eight years. "He knew" — meaning Che Guevara — "it was difficult to negotiate these things, but we could open up some of these issues by beginning to discuss secondary issues as a cover for more serious conversation." This position was reiterated by Fidel Castro [over] the years and every year since 2006 by Cuban President Raúl Castro.

On March 12th, 2013, only ten days ago, hardliner Florida senator Marco Rubio — who doesn't know Cuba, but has manipulated his origins to build a political career; he doesn't remember that the Cuban Revolution was in '59, and he keeps saying that his parents left Cuba in 1957, exiled from the revolution — criticized the more than 400,000 Americans and Cuban-Americans who traveled to Cuba last year, and said something like, "You just went to Cuba to fulfill your curiosity, which I could have told you about if you had come and seen me for five minutes." Some legislators of Cuban origin and a few others who, I emphasize, do not know Cuba at all, have entitled themselves with the capacity to tell the American people what to think when it comes to Cuba. Cuba, being only ninety miles away, which is a little bit more than the distance between Atlanta and Athens, is the only country American citizens are banned from traveling to, and this includes countries with which the United States is at war. Perhaps they don't really trust you as the best U.S. ambassadors, or there is some other reality in Cuba they don't want you to see.

After fifty years, the U.S. government should treat Cuba as an adult neighbor and put in place a policy that responds to its national interest and the desire of the vast majority of its citizens, including, but not limited to, those of Cuban origin, and not to the childish whims of a handful of personal-interest-driven, short-sighted politicians. American citizens should have the right to travel to Cuba to enjoy the Cuban traditional and modern culture, unparalleled beaches, and its hospitality, whose solid rock is in its highly educated people, as it was said in one of the panels.

American citizens should have the right to enjoy Cuban products that are often unique. American citizens shouldn't have to smuggle Cuban Havana Club cigars into the United States, or otherwise purchase bad copies produced elsewhere by companies like Bacardi, which contributes financially to maintaining the current policy.

But let's forget about leisure, which, however, is an important part of life. Let's talk about the human dimension of the sanctions against Cuba. Around 24.6 million people suffer from diabetes in the United States. There is a 15 to 25 percent lifetime risk of foot ulcer development in diabetic patients. More than 100,000 diabetic patients had a foot amputation in 2007. Sixty-nine percent of diabetic amputees will not survive past five years. Diabetic foot ulcer treatments have an annual cost of 1.5 billion dollars to the Medicare system. In 2007, the average cost per episode of treating a lower extremity diabetic ulcer had risen to \$8,000. The average cost rises to \$17,000 for infected ulcers. The U.S. society shouldn't have to witness how 100,000 Americans are amputees every year as a result of diabetic foot ulcers, while ninety miles away Cuban scientists produce Heberprot-P, a unique drug known for its high effectiveness against this disease.

The American Cancer Society estimates that over 210,000 new cancers of the lung and bronchus are diagnosed in the United States every year. Fifteen percent of all diagnosed cancers are lung cancer. The association also reports that over 150,000 Americans will die from lung cancer every year. This represents 28 percent of all

cancer deaths. Lung cancer is responsible for more cancer-related deaths than any other type of cancer by a wide margin. In 2011, Cuban medical authorities released the first therapeutic vaccine for lung cancer. CimaVax-EGF is the result of a twenty-five-year research project at Havana's Center for Molecular Immunology, and it could make a life or death difference for those facing late-stage lung cancers. CimaVax-EGF doesn't prevent cancer from existing in the first place, but attacks the mechanism by which it does harm. Chemotherapy and radiotherapy are still recommended as a primary means of destroying cancerous tissue, but for those showing no improvement the new vaccine could be a literal lifesaver.

The Cuban pediatric cardiological center William Soler lacks a medicine called levosimendan that is used in the treatment of decreased cardiac output and is only manufactured by Abbott Laboratories in the United States. Besides, the hospital is prevented from the possibility of purchasing in the United States market the laminar tissue required for tissue expanders, which are used to treat children suffering from deep burns. Between 100 and 110 children under the age of one are treated every year at the cardiovascular surgery service of the William Soler Children's Hospital. More than 90 percent of them require parenteral nutrition before undergoing surgery for a better prognosis. Cuba has no access to the parenteral food supplements that are manufactured in the United States, considered to be the best for the uses they would be destined for at that hospital.

This and several other examples are included in the annual report that Cuba sent to the United Nations at a time when we wrote the resolution against the blockade. Several other examples you will find in every annual report that Cuba submits. Neither Cuban nor American patients would have to suffer if a common-sense policy was in place. These are just a few examples.

In 2010, the United States imported a total of 118,000 metric tons of nickel products. Of that number, 46,700 tons were from Canada, which represented 39.5 percent; from Russia, 20,700 tons; and several others from several countries. Well, perhaps you would be surprised to know that only ninety miles away, Cuba is one of the world's top five largest nickel exporters and in 2010 produced 69,700 metric tons, much more than what you need in your market.

Since 2011, Cuba has increased its effort to develop its hydrocarbon resources in its exclusive economic zone in the Gulf of Mexico. To perform the drilling activities, Cuba used a Chinese-built drilling rig, owned by Italian oil giant Eni and contracted by a Spanish oil firm, Repsol YPF. After being anchored in Singapore, it departed for a journey of more than 100 days that included stops in South Africa and Brazil before reaching Cuba in December. All this had to be done to avoid a blockade sanction banning Cuba from using technology with more than 10 percent of American components. The U.S. oil industry shouldn't have to silently witness how Cuba develops its oil resources with the help of companies from China, Russia, India, Norway, Angola, or Malaysia, when Cuba has repeatedly invited them to participate.

Cuba could be a valuable partner for the United States in several fields of national security. In this regard, in July 2009, Cuba presented to the United States government a new migratory agreement draft, which was not accepted by the United States. In January 2010, Cuba presented a draft agreement on cooperation to fight drug trafficking, which hasn't been responded to. And in early 2012, Cuba reiterated its willingness to create a cooperation mechanism to fight terrorism, which is unanswered.

Along fifty-four years of revolution, Cuba has been the target of terrorist acts multiple times. In the 1960s, the CIA's secret plans to sabotage the Cuban economy and provoke internal destabilization encompassed the explosion of the steamboat La Coubre, the firing of commercial stores like El Encanto, and the systematic burning of sugarcane fields.

Cuban embassies were attacked and Cuban diplomats were murdered in the late '70s and early '80s, including the killing of Felix Garcia, a Cuban diplomat accredited before the United Nations in New York. This happened, ironically, September 11th, but in 1980. The visible hand was that of Pedro Remón Rodríguez, a member of the terrorist organization Omega 7. In 1976 a Cuban airliner was blown up in the air, brutally blown up in the air, killing seventy-eight people, including all twenty-four members of the youth Cuban national fencing team that had just won all the gold medals in the Central American and Caribbean championships. Many were teenagers. Two Cuban exiles were immediately linked to the explosion by the CIA and the FBI — no way Cuban agents — Orlando Bosch and Luis Posada Carriles. The former, Orlando Bosch, died of natural causes at eighty-five years old in Florida, and the latter still lives in Florida. In 1998 Posada confessed to the *New York Times* to being the mastermind of a string of bombings of Havana's tourism facilities that resulted in economic damage and the killing of an Italian citizen by the name of Fabio Di Celmo. After those events, Posada admitted that he could sleep like a baby and that Di Celmo was at the wrong place at the wrong time.

Cuba sent people [to the United States] with the mission of infiltrating U.S.-based terrorist organizations. That same year, 1998, on June 16th and 17th, the Cuban government provided the FBI with two hundred thirty pages, eight audio recordings, and five video recordings on terrorist activities being organized from U.S. soil. The FBI was surprised by the abundance of evidence and agreed to offer a formal response within two weeks. The response was the arrest of the Cuban agents who were the source of the information provided, among them five Cubans known as the Cuban Five. Current Director of National Intelligence James Clapper served as a witness at their trial, along with three retired U.S. generals, and declared that none of the Five had accessed secret government information. A 1998 report by the U.S. Defense Intelligence Agency concluded that "Cuba does not pose a significant military threat to the U.S. or to other countries in the region."

If the U.S. is serious about its fight against terror, it should immediately release the Cuban Five. They have endured the harshest conditions for fifteen long years.

That's enough suffering for them and their families. Besides, the U.S. should stop designating Cuba as a state sponsor of terrorism, which the international leaders and sober American politicians know is a joke.

The United States' Cuba policy is the international issue on which the U.S. is most isolated. In 2012, for the twenty-first consecutive year, the General Assembly of the United Nations passed a resolution calling for an end to the United States' blockade against Cuba. United Nations delegates urged President Barack Obama, fresh off a re-election victory, to "act on the right side of history and lift Washington's crushing economic, commercial, and financial embargo on the island nation."

Today, Cuba has diplomatic relations with all countries, 190 in general, but with all countries of the Western Hemisphere, except the United States. During the last Summit of the Americas in Cartagena, Colombia, Cuba was absent but present. Most countries agreed that there would be no next summit without Cuba. In 2010, the Community of Latin American and Caribbean States was created, which brings together 33 countries in the region without the U.S. and Canada. On January 28th, 2013, at one hundred sixty years after the birth of Cuban national hero Jose Martí, Cuba was elected unanimously as president pro tempore of the organization as a result of the history of solidarity and social justice that Cuba holds and shares.

Cuba has shared its social achievements with many countries worldwide. In education, methods developed by Cuban experts, such as "Yes I can" (Yo sí puedo) and "Yes I can continue" have been very useful for the literacy of millions of people, including indigenous black women in rural areas. [By] 2009 these methods [had contributed to the literacy of] more than 3,400,000 people in 24 countries. More than 30,000 young people from 124 countries and five overseas territories study in Cuba, of which almost 24,000 are studying medicine. The so-called Miracle Operation, a solidarity program to perform eye operations, has restored sight to more than 1,300,000 patients from 33 countries from July 2004 through October 15, 2008. Not bad for a country with Cuba's demographic, geophysical, and climate characteristics. No one knows what Cuba would look like if it had developed its economic, political, and social goals without the hostility of the United States government.

Cuba will continue developing its system with the active participation and support of the majority of its citizens. Beginning in April 2011, the Cuban government subjected to public scrutiny a policy update of the Cuban economic model in order to put itself on the path of development. Of the 11.2 million Cubans, more than eight million discussed the changes, or 80 percent of the population. Over three million Cubans provided comments during meetings. Of the 291 original guidelines, 181 were modified and were accepted, 39 new, gathering a total of 313 guidelines. The guidelines are intended to give greater prominence to the private sector and less to the government as an economic agent, and I have to say that those guidelines are much more than a wish list. I mean, they are discussed by the government; they are sent to the National Assembly; and a lot of new pieces of legislation have been approved.

During the last Cuban electoral process to elect national deputies and provincial representatives early this year, a total of almost 7,090,000 people exerted their right to vote, representing almost 90 percent of registered voters. The average age of the Council of State elected by the Parliament is fifty-seven years old, and 60.3 percent were born after the triumph of the Revolution. Of its 31 members, 41.9 percent are women and 38.6 percent are blacks and browns. Similarly, 67 percent of the National Assembly's lawmakers are newly elected. Women increased their stake to 48.86 percent, and blacks and browns to 37.9 percent. Eighty-two percent of its members have a higher level of education and the average age is forty-eight years. Of the fifteen provinces, ten women were elected to chair the Provincial Assemblies of People's Power. The average age in these charges is forty-seven years, and all have university levels.

As shown, the political, economic, and electoral Cuba, while it has to be improved, is legitimized daily in their people's willing participation. Cuba will continue to work to achieve a most prosperous and fair society, whether the U.S. government wants to accompany Cuba in this effort or not. Cubans know very well that the U.S. government, unlike its people, has never been on the side of the Cuban people.

This administration and this Congress have the unique opportunity of adopting the smart, brave, and creative policies of the future for which they would have the support of most of the American people and the international community, or otherwise it would be the eleventh president and the twenty-ninth Congress that continue to waste taxpayers' money in a failed and immature policy.

Cuba will be ready for any of the two scenarios.

Thank you very much.

**JOHNSON:** Ambassador Cabañas has agreed to take a few questions.

**AUDIENCE MEMBER:** Will you be giving that speech — will you be distributing what you just spoke?

**AMBASSADOR CABAÑAS:** Yes.

**AUDIENCE MEMBER:** Okay, because there's a lot of propaganda in there and since there's no representative of any Cuban-American organization, Foundation for Human Rights, the Institute of Cuban-America — there's not one Cuban-American group speaking here. I would like you to submit that. But besides that, I have three deals: You say you want the release of the Cuban Five. What if you release all of your political prisoners? You have the highest percentage of political prisoners per capita of any country in the world. You release those political prisoners; we'll release the Cuban Five.



Next, you said that the American citizens should have the right to travel. Well, do not the Cuban citizens have the right to go to resorts where the Americans travel? Why do you prohibit the Cuban people from going to those resorts? That's two.

And, lastly, people blaming America. And I've been hearing "blame America" all morning, but [inaudible] from you. I would like a list of all the private Cuban companies that we, when we lift the embargo, can sell and buy from, because when we do business with China we sell to a Chinese company. When we buy from China, we buy from a Chinese company. You control the military; you control tourism, tobacco, rum, et cetera. I rest my case.

**AMBASSADOR CABAÑAS:** Well, ma'am, I have to say that what I have in my presentation were history and facts —

**AUDIENCE MEMBER:** Well, I would like to see —

**AMBASSADOR CABAÑAS:** — and no misrepresentation of the facts.

**JOHNSON:** We're going to publish this whole conference.

**AMBASSADOR CABAÑAS:** Then I have facts. I was quoting —

**AUDIENCE MEMBER:** How about those three deals I offered?

**AMBASSADOR CABAÑAS:** If you'll allow me to respond, because you are coming to a university and I listen to you and then you should listen to me, as you did with several other panelists. I was at my table listening to everybody, no matter if I was against several things that were said here or I heard misrepresentation of the facts.

I was quoting from even American documents, even from U.S. politicians. Those are the facts. No propaganda. I'm afraid that you wouldn't react when some presentation has a lot of weight on propaganda.

Regarding the political prisoners, well, I don't know which are your sources. In the case — you will remember that in the case of the — yes, like this — I don't know which are your sources, in the case of the Spanish government, they came to us several years ago. We discussed, and they presented a list of several people who they pretended were political prisoners. Most of them are free. Of course, we do have prisoners, like any country has, and the government is responsible to put in place security for its own sake and the sake of the citizens. And, certainly, we have to admit that people question the capability of our government to do that.

Regarding tourist resorts, I'm afraid that you probably, again, do not consider the right sources because Cubans can visit any Cuban resort and they have been benefitting from that for a long time. Now, if you'll tell me your source of information, I can tell



you and probably some people here who have visited Cuba, they know that Cubans can go freely to tourist resorts.

Regarding private companies, a lot of them are being created these days. I don't think that President Nixon requested a list of Chinese companies before going to Beijing the first time. This is a process that will be unfolding, and I do have the right to request a list of American companies who would like to do business with Cuba.

That's my response.

**JOHNSON:** Thank you. Next question. Yes, sir?

**AUDIENCE MEMBER:** Yes, sir. Mr. Ambassador, just to fast-forward a number of years, if you had to predict which industries would be most welcome in Cuba, what would be the two or three top opportunities based on your understanding of needs where U.S. and Cuban interests would be a good fit?

**AMBASSADOR CABAÑAS:** Well, something that is well overdue probably from our side and from your side as well is to conduct a study of how our economies could complement [each other]; probably not the United States, but at least some of the states. I would say that definitely tourism, whatever is related to that, would be one industry. And, as you know, tourism works as a chain. I mean, it pulls other industries, like agricultural products. On that, you shouldn't be looking at Cuba only as a market to import but also as a market which could provide. We are, I would say, widely developed by accident on organic agriculture, by accident because in the '90s we were not able to get the chemicals we needed.

Now there is a new situation regarding oil. I mean, we are producing already at 60 to 70 percent of our power in Cuba with our heavy oil, but we are drilling offshore in the Gulf of Mexico and other areas. And I think that is a new opportunity for cooperation.

You have to consider that now our economy is not a mono-production economy. We are not that tied anymore to sugarcane. Among others, I mentioned nickel, but we are presently developing biotechnology and hopefully we are able to organize a conference like this, at least every year. In the next one we will talk definitely [about] our last improvement regarding telecommunications. We have just one university for informatics students, more than one thousand graduated, and our country is investing heavily in that sector as well.

Probably mining is something that could be related or bilateral, and definitely I failed to mention that among our service sectors we have health. I mentioned we have several physicians — it was mentioned here by panelists how many physicians we have abroad. We do not cover only our own health system but other countries' systems as well. In the case of Haiti, which is a country that it seems has been forgotten by the Western Hemisphere, we have stopped cholera with our own people. I mean, if you

are not suffering cholera in Florida and probably Georgia, it's because our team was able to stop it.

But definitely health services and location services should be part of any kind of bilateral relationship.

**JOHNSON:** Okay, we'll take one more question.

**AUDIENCE MEMBER MENDEZ:** I just want to make a statement to what you said. Right now, for example, in Alabama we have ThyssenKrupp to produce hot-rolled steel. It's going to a plant in Georgia, like Kia, and we have Hyundai in Alabama, and to produce that you need the nickel. Well, Sherritt, which is a Canadian company, is in Cuba operating. But we cannot buy the nickel from Cuba or from Sherritt, and we have to bring it from somewhere else, while, if we could, it would reduce the cost of appliances and automobiles that are produced right here in our states. And you have it within less than thirty-six hours transit time. So I just wanted to say that.

**JOHNSON:** I'm going to let Arch Ritter ask one question. We're running a little bit late. This clock, I think, is five minutes fast.

**RITTER:** Thank you very much. In the spirit of tomorrow being a new day, I wonder if I could ask two things. First, are there any policy changes that you would recommend the government of Raúl Castro undertake in order to facilitate the process of reconciliation and normalization? And, second, would you agree with Yoani Sánchez when she refers to Miami as Cuba's northern province?

**AMBASSADOR CABAÑAS:** Well, Arch — I can call you Arch because we've known each other for twenty years. Regarding policy changes, we are not making — trying to make a fool of anybody. I mean, we have said publicly that all changes we're introducing in our life are to enhance the system. We do believe it works for us. When you listen to people asking about policy changes or policy reform, my question would be: In order to get similar to what? I mean, the so-called tradition of multi-party elections we had in Cuba before. It didn't work for us, absolutely. When the Cubans fought Spain, Martí founded just one Cuban Revolutionary Party, and I just mentioned the nature of the Cuban People's Party or Orthodox back in 1952; I mean, it was the main Cuban party to fight the situation we had in Cuba. And, regrettably, it was not left to win the elections in 1952.

And the second question was related to —? Ah, Florida. Well, that depends. We call it from time to time the Independent Republic of Florida — I mean, the United States, because sometimes it's difficult to understand how federal agencies are not able to govern that down there. But in a very respectful way, because I was — as Ambassador Johnson said, I was involved in this for eight years of my life, visiting communities all over the world, Cuban communities in Miami, in New York, Washington, and other U.S. cities. And I have to say with respect to the large majority — it was said already

here — of our citizens living in those communities are open to and actually they are participating in some way in Cuban life. A lot of new businesses that are being opened in Cuba are financed by those families; it's pretty well-known. Anyone who visits Cuba would realize about that. A lot of profits are coming back to the original source, and then we do have and for several years we have had a policy unfolding of enhancing relations with our communities. Regrettably — and this is something I insist on — I have, since we arrived yesterday here, we have been talking with a lot of Cuban-Americans who live here, and some of them are present here, insisting on reconnecting with the country, visiting again. And we are the same country; we have the same culture. And some of them, a large amount of them, definitely have a presence in Cuba. It would be probably clearer in the case of Cuban artists. As it was said, we implemented new measures this January, migratory measures, which is not only the possibility of people to travel freely, but also [for] people to be back in Cuba to adjust back with society as we have now thousands of people doing that.

**JOHNSON:** Please join me in thanking Ambassador Cabañas.

# The Cuban Embargo: Policy Outlook After 50 Years

Panel 3 - Trade and Investment Opportunities and the U.S.-Cuban  
Economic Relationship in a Post-Embargo Regime

Moderator: Marisa Anne Pagnattaro

Panelists: Jonathan C. Benjamin-Alvarado, Gary W. Black,  
C. Parr Rosson, III, Jorge Mario Sánchez Egozcue



**MARISA PAGNATTARO:** Welcome, everyone, back to the afternoon panel. I'm Marisa Pagnattaro. I'm a professor of Legal Studies at the Terry College of Business, and I'm pleased to introduce our panelists for this afternoon. I'll go through the biography in more detail for each speaker, but we'll have Jonathan Benjamin-Alvarado, Gary Black, Parr Rosson, and Jorge Mario Sánchez. And despite the fact that it appears unclear if there will be any kind of lifting of the embargo soon, we'll proceed with great optimism for the final panel, which is "Trade and Investment Opportunities and the U.S.-Cuban Economic Relationship in a Post Embargo Regime."

So with great optimism I'll introduce our first speaker, Jonathan Benjamin-Alvarado. He's a professor of political science at the University of Nebraska at Omaha with an emphasis on foreign policy, international development, and national security. He's traveled to Cuba over twenty-six times; he's the author of numerous short articles, longer articles and edited a collection on Cuba's energy future, and also the author of *Power to the People: Energy and the Cuban Nuclear Program*.

And so I'll turn it over to him. Thank you.

**JONATHAN BENJAMIN-ALVARADO:** Thank you very much.

It's always welcome for me to be back in Georgia. I went to graduate school here, and so I actually cut my teeth on Cuba while I was here at UGA and started doing my active research in the early part of the 1990s and continue to do so to this very day.

And so my charge is to talk about what type of opportunities would exist in a post-embargo environment, and so I get to look into the future. And to do that I've put together a presentation that kind of employs some mapping of future scenarios so that it gives you a better idea of what the prospects and the challenges are going to be for both the United States and Cuba if we get to that magical moment.

Here are some of the questions that I wanted to kind of ask to inform, you know, the analysis:

- How might Cuba's offshore oil production impact investment opportunities in a post-embargo world?
- What are the obstacles to trade in this emerging environment?
- What opportunities will the normalization of relations create for U.S. firms?
- What measures should be undertaken to mitigate against the possibility of an environmental disaster *à la* Gulf Horizon?

And I think these are all questions that have been raised tangentially by the other panelists here today, and they're all, I think, highly relevant. They're salient to the future prospects, both in terms of economic cooperation and diplomatic relations between these two countries.

As I'm going toward the end of the day, a lot of people have already stolen my thunder on a number of the issues. But it's at the science and technical level where I think we could probably have the most traction in beginning to ameliorate the relationship between Cuba and the United States and perhaps [this will] offer us some hope for deeper cooperation.

Here are some base assumptions for the scenarios that I've laid out:

- The U.S. and Cuba have normalized diplomatic and economic relations.
- Most, if not all, of Cuba's relevant bureaucratic leadership and expertise remains in place – MINBAS, CUPET, CITMA, etc.
- Cuba's desire to achieve increased energy independence remains central to its energy development policy.

The first one should be in quotations there. What that's going to consist of I could write an entire book on, what normalized relations between the two countries would look like, diplomatic and economic relations.

I would also argue that most, if not all, of the relevant bureaucracies in Cuba will remain intact. We're not going to see a wholesale departure of Cuba's bureaucratic science and technical leadership in this particular area for two reasons. Obviously, this has been a significant investment on the part of the Cuban government. We've heard a lot talked about in terms of human capital development, human capital potential. These are the areas where it's been most critical and actually most successful. And then I think, finally, Cuba's desire to achieve increased energy independence remains central to its development policies. Everything that I've read dating back to before the Cuban revolution has held this objective out as the goal that Cuba has been trying to achieve this entire time. And if you talk to the economists at length, they would concur, I imagine, that this is really Cuba's key priority in this area.

So what are some of the situational contexts that we need to be aware of as we begin to launch into this?

- Driven by uncertainty: With Chavez gone, does the flow of Venezuelan oil continue?
- Cuban offshore oil production will come to pass, eventually.
- This investigation seeks the causes, not events, for the evaluation of potential outcomes.

Obviously, for reasons of [Chavez's] recent passing, Cuba's relationship with Venezuela remains in flux. But I would make [the prediction], from the political science perspective, that Mr. Maduro will probably be elected president of Venezuela, so we will see a maintenance of the present relationship [with] Cuba, but not for a moment think that the Cubans are satisfied with having the relationship because they would seek to have energy independence first, as opposed to having the type of dependency that ended up crippling their economy at the time of the fall of the Soviet Empire. I think that people have been somewhat misguided— if you didn't have an opportunity to see Cuba in the throes of the Special Period, you could not have an appreciation for what the Cuban people had to endure. They use this as a baseline for how they are going to map out their future as well.

I'm going to argue and I'm actually going to present some evidence today that just came hot off the press yesterday. It's not official yet, but I think that Cuba's turned a corner and we're going to begin to see offshore oil production in a very short-term scenario. And I'm really looking for the causes of what might then create cooperation or investment opportunities moving forward.

So in order to achieve some clarity in all of this, I had to do an extensive review of the literature that's out there, of both academic but also in popular media, of some of the driving forces and key factors central to the development of the energy sector. And here's a list of driving forces and key factors:

- Increased foreign direct investment from Cuba's trading partners
- China potentially becomes Cuba's chief oil investor
- Cuban dependency on imported oil from Venezuela
- Norway, Brazil, Spain and China may begin a wholesale transfer of first generation oil technology (including environmental safety and accident prevention techniques and materials) to Cuba
- Cuba's potential emergence as an oil refining and trans-shipment entrepôt
- Oil production timelines
- Political stability
- Peaceful transfer(s) of power
- The impact on the regional tourist industry
- The influence of U.S. foreign policy and trade priorities vis-à-vis Cuba
- The potential of an environmental disaster
- The rise of a Cuban rentier state

I'm not going to go through all of them. And you see they kind of cover the entire gamut. These are things that other authors and analysts have brought to the table.

I actually would call some of them and I'd say, well, you know, of the three things you've talked about, what do you believe to be the most important moving forward? And so I've put that list together. But then what I wanted to do is turn back to the original research question that I asked: How might their offshore oil production impact the investment opportunities in a post-embargo world? And part of my job here then, in order to carry out these scenarios, is to actually prioritize them. And I would normally do this in concert with two or three other analysts so that it wouldn't be just all my thinking alone, and so I have kind of sent it out for some, you know, review by some of these other folks.

But what we kind of came up with, this is a list of the more critical uncertainties as [related] to developments in this particular field:

- Expansion of oil production (offshore, upstream and downstream)
- Cuba's openness to FDI in the energy sector
- Cuba's trade relations with Venezuela and the other energy sector investors
- Domestic economic development priorities
- Domestic energy demands
- Impacts on Cuban trade policy
- Potential of environmental damage
- Regional energy security demands
- Access to first generation production technologies

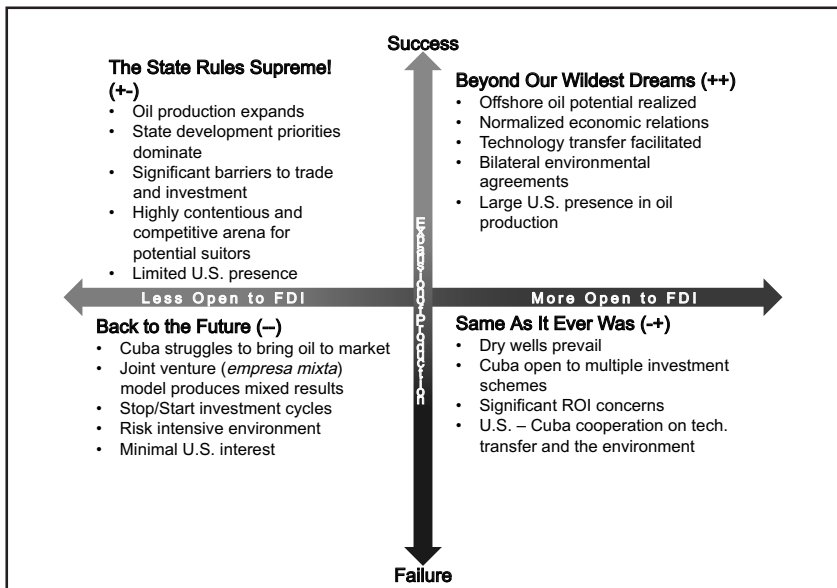
And the top two are the ones that I want us to focus on: the expansion of oil production, both offshore, upstream, and downstream operations as it relates to Cuba, and I'll expand that to include the possibility of oil and gas, shale gas, LNG, because of all the opportunities that it would afford people in terms of investment and production as it relates to Cuba.

Moreover, I think one of the critical factors — and this is something that's going to be developed over time — [is that] we cannot expect in an immediate post-embargo-warm-and-fuzzies period that the decks are going to be cleared of all the impediments to trade. And so there's going to have to be some back and forth. And by normalized relations I mean that there are going to have to be real, real serious bilateral negotiations to determine the terms of trade between Cuba and the United States. And so one of the things I wanted to gauge in those scenarios was the extent to which Cuba was going to be able to increase or have more open foreign direct investment opportunities. Or are there going to be limits now, in part, because, you know, there would be a tsunami of sorts in a post-embargo environment? And we need to be sensitive to these things because it could have a significant upside. But in terms of also disrupting Cuba's economy, it could be potentially harmful, [in] that it

would destabilize many of the things that the Cuban government has been attempting to do over the course of the past twenty years or so.

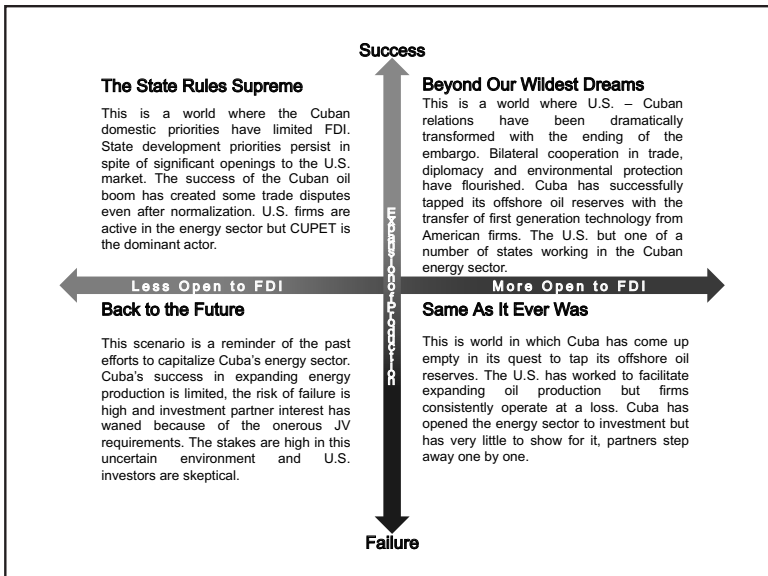
And so really quickly, because I've got limited time here, what I did is I wanted to create four scenarios using as an X and Y axis expansion of production of oil and the extent to [which] Cuba's going to be more or less open. [Fig. 4] I had the liberty of being able to name the scenarios based on how they come up, but giving you some indicators as to how those all play out. I think the one scenario that if we could have it beyond our wildest dreams would be where everything coincides with — in a very positive type of outcome — I call it almost a dream world . . . . We have a — what they call “the state rules supreme,” somewhat limited access in terms of foreign direct investment opportunities in Cuba. But the role of the state and its objectives in terms of its economic development policy remain sacrosanct. And I think this is an important consideration here.

We could go back to the future, where Cuba found itself in the early 1990s in the period immediately after the Special Period, where Cuba had very limited opportunities in terms of investment, and part of that also implies that there may not be as much oil as we thought, or it is not going to be as accessible as some people had projected that it might be. And I could say that right now we've been in the quadrant that's “same as it ever was,” where most of the exploration has come up dry at a significant cost, both to the Cubans and their investment partners. The ambassador explained the process of bringing Scarabeo 9 from Singapore all the way to Cuba, and the high cost — I think it's \$600,000 a day for the rental of this semi-submersible offshore drilling rig that's been brought to Cuba.



[Fig. 4]





[Fig. 5]

And so part of what this entails is . . . , if I could be the guy that does the thing, “in a world . . . ,” with the movie trailers — you want to do this as well with the scenario so that you have a better sense of what the world would look like in terms of the relationship between production capabilities and the openness to foreign direct investment in this sector of the Cuban economy. And so I’ve gone ahead and drawn them up, and you can see them for what they are up there. And I’ve kind of gone through and given a lot of detail to it. [Fig. 5]

I’m going to settle on what I think is actually going to happen, because I’ve got some new evidence that allows me to make that type of prediction. Before we do that, though, you know, one of the questions that you have to ask in order to have a really clear idea is: How are these scenarios going to unfold? What are the indicators that I’m going to have to see in order to be able to say that this one is better than that one? What are the specific developments that are related to the questions that I’m asking? Who are going to be the winners and the losers in all of this? And this is always something that we have to take into consideration, especially if you’re seeking to be a potential investment partner. Or what would be the cost to the Cuban government if they attempt to, you know, really aggressively pursue development in one particular sector of the economy? What’s going to be the good news about this; what’s going to be the bad news? And what you want to look at in terms of those scenarios: Is it evolutionary? Is it a part of a path-dependent process that’s been at play inside the country that’s been carefully calculated? Or is it something that’s revolutionary in nature that causes great disruption or instability within the economy? Or is it one that is static that really doesn’t force us to have to really think too, too creatively about what may happen?

And so this is what I believe today to be the most likely scenario, if indeed the United States and Cuba were in some way able to conjure up a rapprochement or an amelioration of their relationship. And what's important about this is one consideration that I've learned by dealing extensively with oil and gas people: It never really matters where the oil is at, and it doesn't matter if it's a democratic or non-democratic regime, or if it's an international oil company or a national oil company. Oil companies, oil investment will adjust to the market conditions wherever oil is.

Let me give you one little side fact that I think is important here. Of the top five exporters of oil to the United States — Canada, Mexico, Venezuela, Nigeria, and Saudi Arabia — four of them have suspect, I would argue, either government practices [or] human rights [records]. Are they really friends of the United States, if you look at it from an energy security perspective? I would argue there's only really one, and that's the Canadians at this particular moment.

Oil companies will adjust their market evaluations to accommodate the Cuban investment environment, so the extent to [which] the Cubans are more or less open is somewhat immaterial. And if you talk to oil people, they will tell you this: "We will adjust our operations accordingly." It doesn't mean that the United States is shut out, because there will be people who will be willing to take those chances in terms of investment. It's not going to be optimal, by any stretch of the imagination. But I think that they will adjust their expectations to the domestic reality. Why? Because the core of all of this is that the Cuban energy development objectives will remain firmly in place. Cuba will invest; Cuba will try to develop in the oil and energy sector to the extent that it's going to satisfy the multiplicity of interests that are related to oil development. Now, if somebody says, "Is this a game changer if it occurs?" — perhaps it may be. You know, would it solve all of Cuba's energy woes if they were to be able to magically begin drilling and producing oil in the next six to twelve months? Perhaps it might. But let me give you some information that I've just come across.

There are going to be significant opportunities in natural gas and LNG within the Cuban energy matrix. This is what we already know. And there's a possibility that we could look into shale gas and the U.S. as the main exporter of the LNG from the Cuban market if, indeed, this comes to pass. You know, the Russian firm Zarubezhneft drilled a prospect well and it likely is successful, and they're probably going to do one more in the very short term before the rig has to leave in June and July of this next year — of this year. I think it's important to note that perhaps the Cubans have finally turned the corner in this area. This isn't official yet, but this is [from] talking to some oil people in the industry.

There's a Cuban delegation in the Bahamas right now talking with the Bahamians about the remediation of oil spills and joint environmental protection plans. The question is: Why would they be doing this if they didn't already have some really deeply vested interest? The well that I'm talking about is only eighteen miles south of the economic exclusion zone, at the very northern portion of it. And it may be that the work will be trans-boundary in this area, so it makes sense that they would convene

some sort of an agreement with the Bahamians. I would also argue that it would be very important to the Americans to be a part of this discussion. We don't want to have a Gulf Horizon incident anywhere near Cuba, because it would damage Cuba, the Bahamas, and both east and west coasts of South Florida.

It's interesting that we're seeing this unfold at this particular moment. One of the things that's also very important that I want to remind people of is that Cuba seeks — although it's a very comfortable relationship at this moment, they seek to end their dependency on Venezuela. They understand what it's like to be tied to one sole provider, as they were with the Soviet Union during the latter part of the 1980s and early part of the 1990s. Granted, the Soviets gave them an excess of what they were consuming on a daily basis so they could sell it on the open market. Margins are much, much tighter in all of this right now, and the Cubans would rather see that dependency lifted.

I would end here by stating that there is another area that has yet to be explored — and the Brazilians would have a big hand in this — and this is the recapitalization of the sugarcane industry. It is estimated, with existing technology being utilized in Brazil today, that we could perhaps — you know, just kind of back of the envelope types of sketches, that we could see Cuba producing about 60,000 barrels of ethanol daily if indeed they were able to bring this back up to market. And that would be a game changer because it would change the structure of consumption inside the country. You know, they would probably begin to import cars from Brazil that run specifically on, strictly on ethanol, or, in the case of some of those cars in Brazil, on cooking oil.

All that is to say that there are incredible prospects in a post-embargo environment. One of the things that I would caution people [about]: there's going to have to really be deep, deep negotiation between both the United States and Cuba to establish the terms of trade that are amenable to the interests of the Cuban government, that respect its sovereignty first and foremost, and are beneficial to their objectives. Granted, whoever is going to be the partner is going to go ahead and make money anyway. We know this. But I think the sensitivity is going to have to be moving forward.

I think you've gotten a good grasp of the historical antagonisms that have brought us to this particular point, and those have to be kept in mind. You know, there are some very, very eloquent theses and books that have been written on that and the basis of those types of relationships, and so I think it's vitally important that we keep those in mind as we move forward.

And, with that, go Dawgs!

**PAGNATTARO:** Excellent points about the deep negotiations and a really fascinating sector to watch.

Our second speaker is Gary Black, who is the sixteenth Commissioner of Agriculture in Georgia. He began his career with the Georgia Farm Bureau, leading the young

farmer leadership development program. He served twenty-one years as president of the Georgia Agribusiness Council, a chamber-like organization representing all facets of Georgia's food and fiber industry. During his career, he's led the development of AgriTrust of Georgia, a renowned workers' compensation insurance program for farmers and agricultural businesses, and he advanced policies throughout Georgia, ranging from private property rights to food safety to science-based environmental stewardship, and he's a strong supporter of programs for young people, including 4-H and FFA.

Commissioner Black.

**GARY W. BLACK:** Thank you. Good afternoon, ladies and gentlemen.

Will y'all quit kicking one another? I'm satisfied that's one of my jobs this afternoon, a Bulldog separating a Longhorn and Aggie this afternoon.

Ladies and gentlemen, it's a pleasure to be here with you today, and I thank my good friend Ambassador Johnson. We've known one another a long time, and I appreciate the chance to be here. In case there needed to be a checkup today, the outstanding College of Agricultural and Environmental Sciences has sent two distinguished professors to make sure that if I mess up anything today, they can clear it up. It's good to see Dr. [Forrest E.] Stegelin and Dr. [Glenn C.W.] Ames today, and others probably. I'm real pleased to participate in this.

I kind of think about these kinds of presentations — and don't try to think that there's anything hidden in this message — let's just face it, we're all adults in the room. All of us have been to lots of meetings like this, right? We're going to go to lots more meetings like this. In a lot of times at meetings like this you'll get maybe three or four or five different kinds of people that would serve on a panel like this. The first, there's no doubt, would be a very eloquent representative from academia, whom you've just heard from, that offers some real good information. You might get a boring bureaucrat that goes over lots of numbers. You might get a former someone in government who, from their experiences, is the expert, or you might get a current politician who has some aspirations for something.

I am going to be the boring bureaucrat today. I do not — and, actually I don't ever want that name ascribed to me. But perhaps that may be what you determine after my presentation today.

I thought it was important to look at some of Georgia's numbers of where we were and also a little comparison, maybe, with the three biggest trading partners when it comes to things relative to agriculture. And perhaps that would be something that would at least frame a few of the opportunities, if you view them that way. The one thing I can do — I can't predict the future, but I can frame what's going on today. And it brings up a — you know, a pretty interesting thing to discuss when it comes to the future of agriculture.

But before I do those, I would like to call our attention to the importance of Georgia when we look at ourselves as an agricultural state. Agriculture in Georgia is still number one in economic importance in our state's economy, but it's really such an important part of our past. And I don't know if the ambassador — I don't think he's ever heard this; maybe one or two of you over the last couple of years since we've been talking at various meetings. But I had a very interesting discovery about the history of Georgia — almost four years ago. If I ask you today to tell me what is the seal of the State of Georgia, what does it look like, I would suppose that many people in here could tell me what they know the great seal of the State of Georgia looks like, because it actually features this arch that's just right down the way. It has inscribed thereon what we would call the state's motto, which is "Wisdom, Justice, and Moderation." It's built upon the constitution, and we would all say, when we see the governor, when we see someone — actually, much of that's incorporated in the University of Georgia's seal as well. We would say that is the seal, the great seal of the State of Georgia.

Many people don't know, though — and I promise this ties together — that, in fact, Georgia's is one of the handful of seals that actually is a double-sided seal. It's very interesting, the law. We're at the law school, so I thought the lawyers in the room might like this because you might could help me understand what comes in order of importance. Usually things are ordinal, I would think. But at least there are three paragraphs in Title 50 that talk about Georgia's great seal. And the first paragraph, in order of importance, says something very profound. It says: "There shall be a great seal." Well, that's great. It prescribes the size, and it says: "It shall be kept by the Secretary of State." And Brian Kemp is doing a wonderful job doing that in Atlanta.

Paragraph 2, though, says this: "On the seal there shall be a ship at wharf flying the colors of the United States." It says: "It shall be taking on hogsheads of tobacco and cotton, emblematic of our state's exports." Then it says: "There shall be a smaller vessel on a small waterway, taking on the same, bearing the same, emblematic of our state's internal trade."

Then it says: "There shall be a man in the act of plowing, and on the side of the hill should be a small flock of sheep at various postures underneath a flourishing tree." And it says: "It shall have inscribed thereon the motto, 'Agriculture and Commerce'."

Now, what I love, Don, is that the third paragraph starts out like this. It says: "And the device on the other side shall have the arch." Ladies and gentlemen, that is the front of the great seal of the State of Georgia; we adopted the back one sometime along in our history. But what I want you to know: it was important enough back in 1799 that those were the inscriptions. That was our priority. Agriculture and commerce were the foundations of this state and much of, I'd say, our nation. But agriculture is still a vital part of our future as well, and we should never forget that.

And so when we look at this opportunity or other opportunities across this globe, when it comes to Georgia-produced products, either manufactured or in their raw state, certainly we'd love to add more value to them here and have those jobs as well. I thought we'd just take a quick snapshot: What does Cuba look like today through those eyes of trade that already exist?

First, it is important to note that 86 percent of Georgia's counties have businesses that are involved in international trade. So we're exporting lots of agricultural products in general across this globe. It goes without saying, the wonderful port resources that we have on our coast and certainly that's expanding to meet the demands of the twenty-first century: 34.7 billion in Georgia exports in 2011. That winds up being 187,000 jobs. Now, our major areas there, as you can see, are: 36 percent of our exports went to the Americas; Asia was 33 percent; and then to the EU 21 percent.

And when you look at Georgia in the agricultural sector, we are the poultry state of this nation, still leading in production. On a side note, if you look at poultry coming out of our Savannah ports, do you know that of every ten birds that are exported from America, four of them go through the ports of Savannah and half of those birds are from Georgia? And so it is a dramatic — the deepening of the Savannah port and the importance of advancing our port resources has a very dramatic impact on the future of agriculture in Georgia.

Peanuts are still an important industry here; cotton, timber, horticulture crops, just to name a few. Now, many people know ag statistics get bent different ways. But when you look at fruit and vegetable industry today, if you combine them all, all the fruits and vegetables together, it's over a billion dollars. If you incorporate with horticulture, turf grass, and those other ancillary products, that's over a billion dollars of agricultural production in Georgia today, too. Now, those are not value-added activities. Those are from the farm. So there are many members of the billion-dollar club in agricultural production in the state of Georgia, and these are just some of their highlights.

Our nation's largest exports to Cuba are poultry, and that totals, I believe, in the past year 157 million. Meats, corn, food — our food industry residues that may wind up actually being a part of animal feed, soybeans, they comprise over 95 percent of the U.S. exports to Cuba and are valued at 443 million dollars.

Georgia does rank fifth — and that's up one. In 2011-2012 we actually climbed an additional stair towards the top amongst U.S. states exporting to Cuba. Our 2012 exports were a little over 36 million dollars, and that doubled. We've had a low back in 2007 of 15 million and a high in 2008 of 61 million dollars in exports to Cuba. Of course, our six-year total I think is important. When you look at 218 million dollars, that's a lot of money, a lot of activity. Our number one: We are number one in exports of soybean oil, frozen beef, and sausage products in 2012 — some interesting topics to consider.

Now, trade opportunities: I thought it would be important to maybe look at just a handful of other statistics. If you look at the top three — I wanted to look at the top three trading partners with Cuba and look at some of these agricultural products that we have discussed and then just compare and contrast a little bit. And, so, if y'all will bear with me on a few of these numbers, we'll put a bow on this little part of the presentation.

First, the top three, and it may have been discussed during the conference already, but the top three are China, Spain, and Brazil. Now, total exports from those countries were: —these are 2012 numbers — China, 1.17 billion; Spain, about 900 million; and Brazil, 568 million. Now, the U.S. number in those total exports was 465 million.

Now let's look at the ag products from those three countries, and there's one in particular that's a very interesting standout. First, from China's perspective, the leading trading partner: In 2012 there were 22 million dollars worth of vegetables that came all the way from China to Cuba; 17 million dollars worth of cotton, and this did include some manufactured yarns. But I wonder — and these statistics are very difficult to put a hand on, but I wonder if we've loaded bales of cotton at Savannah and sent them to China, and then that yarn came back to Cuba. That would be very interesting to know; my guess would be probably.

Eight million nine hundred thousand dollars in fertilizers came from China to Cuba. That was interesting: a little over a million dollars each of edible prepared meals and prepared veggies and cereals. So, prepared meals, over a million dollars each of prepared meals came all the way from there. It's fascinating.

Now, Spain, while they're the second-leading trading partner with Cuba under the statistics that I've looked at, the ag sector is not really that big. From agriculture there are, again, vegetables and animal oils, those types of things that would come from vegetables, 5.8 million; meat products, 3.4 million; and then \$1,600,000 in cotton in the past year came from Spain.

Brazil, on the other hand, is the big player, the third-leading partner, and just above the United States; you know, a difference there of about 100 million dollars in trade. But the ag sector is where it's really happening when it comes to Brazil: 130 million dollars of cereals and cereal products; 84 million of those animal products that we mentioned earlier; 26 million dollars of meat; 19 million dollars worth of paperboards and paper products; and 10 million dollars of oilseeds, grain, and fruit.

So it's pretty fascinating when you look at those numbers. You see that certainly Brazil is a big player on the agricultural scene worldwide and a big competitor of the United States, but there are several of those that, if one wanted to say that if things changed, would Georgia be in a competitive position to service some of that market? Certainly we have a wonderful capability of meeting demand in these products that have been mentioned.



Now, to my colleague who spoke first, I hung on your last words about the dangers of being solely tied to one industry. And we have an outstanding opportunity — and Dr. Ames and Dr. Stegelin have probably heard little bits and pieces. But Monday week we will depart, post-Georgia General Assembly, hallelujah. They'll come home and then we can go back and get back to our work. But we've been working on a project with the West African country of Gabon since last May. Fascinating opportunities. We will depart, the Dean of the College of Agricultural and Environmental Sciences and I. We're leading a delegation of about fifteen folks going to Gabon. There's an opportunity — there will be a presentation from the University of Georgia, one of the most game-changing opportunities of advancing the cause of this university on foreign soil, I believe, that's ever taken place. They import 85 percent of their food; they've stabilized their government; they have excellent things going on in the economy; and they have money to pay for it because they have oil. But the reason they're in the shape they're in is because they've relied solely on one industry for so long, plus being a French colony, which was another set of dynamics. But it's fascinating that that is precisely the discussion that we've been having over the past year: that they've relied so long on one thing. It's put them in an extremely vulnerable situation on others.

And, so, we may have a very good opportunity to help them build a regulatory system and build an extension and agricultural research system and do it on their dime and use our resources and hopefully build some markets. There will be some business incubator opportunities for us. That's the reason we're going. We're taking some agribusiness folks, and so that was the last little bit on that.

But, as the boring bureaucrat today, I hope those numbers didn't cause you to want to leave. It's fascinating to see what maybe perhaps our opportunities are.

Thank you very much.

**PAGNATTARO:** Thank you, Commissioner Black. Those sound like exciting opportunities for business as well as the university.

Our third speaker I'm pleased to introduce is Parr Rosson. He's a professor, department head, and director at the Center for North American Studies, Department of Agricultural Economics at Texas A&M University. He's been there since 1989. Prior to joining Texas A&M — we should probably gloss over this fact — you were at Clemson for seven years. At Texas A&M he teaches undergraduate courses in international agribusiness marketing, international trade and agriculture, and does research in the areas of economic impacts of trade and trade agreements, U.S. exports to Cuba, invasive species trade policy, and, most recently, international trade disruption. He also serves on the Grains, Feeds, Oilseeds Agricultural Trade Advisory Committee for the USDA/USTR.

**C. PARR ROSSON, III:** Thank you very much. Good afternoon.



I want to thank Don for inviting me to participate in this. It's always great to come back over here. As Marisa mentioned, I was at Clemson for a number of years, back in the '80s, and had several very close colleagues here at the University of Georgia. We used to make the drive back and forth several times a year, and, in fact, on one of those trips former secretary of state Dean Rusk was here in residence and we actually were able to get him to do a video on the importance of trade to international development and political stability. And we spliced that in to some workshops we were doing, and the thing went around the country and was really very, very effective. And so it's always great to come back. In fact, I was here in October at the invitation of the Department of Agricultural Economics here at the university.

So thank you again, and I really have enjoyed it and look forward to interacting with you.

What I want to try to do this afternoon is talk a little bit about where we've been with respect to our exports to Cuba, because it's a very new market in many ways, and some of the changes that we've experienced and some of the things we might experience in the future. And so I'm going to kind of start a little bit basic and focus on a couple of things. [ . . . ] I'll just emphasize this to illustrate some of the potential complexities that might exist in a post-embargo world: prior to the embargo U.S. interests either controlled or had significant access to about a quarter of the arable land on the island. And I don't know how many liens or claims have been filed against that, but it's potentially something that will have to be dealt with when things do change in a post-embargo environment.

Right now, of course, about anything we want to do in Cuba from the U.S. standpoint — and we've heard about this — is prohibited. We can't export. We really can't import. Bank financing is prohibited. Tourism and spending of dollars are prohibited. You can't spend U.S. currency in Cuba. And so things are very, very restrictive. And the final point is, no cigars!

The first time I went in — I think it was April of 2004, you could buy cigars, and I brought back a couple of boxes of these really great cigars. After that, the law changed, of course, and that's prohibited; just to illustrate how restrictive things really are. However, because of the Trade Sanctions Reform Act, we have exemptions to that embargo, and food and medicines are now allowed. One of the big changes that happened a few years ago is that if you're an exporter or you represent an export company, you can actually travel to Cuba on what's called a general license, which means you don't have to go to OFAC to get approval to go. You submit your itinerary, you make the trip, and when you get back you file a report, which is much easier than it was prior to 2009. So for those of you thinking about going, keep in mind there is still a process, but the process has been opened up and it's much easier to go now than it has been recently.

The second thing is that you need a Cuban visa. Don't go there and just expect to walk up to the gate and tell them you're there to do business and get a visa. That can

be a real problem. I was with a group, oh, about three years ago, and they left their visas in a desk drawer in Waco, Texas. And they got to Cuba and they did let them in the country, but they said if those visas don't arrive tomorrow it's going to cost you \$350 each to stay here and meet with Alimport and do business.

I was in Miami in a hotel room, and I got a call about one in the morning saying the visas are here. So, pretty amazing what can happen when you need it to happen. FedEx actually handled that and got them from Waco at 5:30 in the afternoon to Miami by one the next morning. I didn't know that kind of service existed, but it does.

But the point is: be sure you get a visa to do business. And, of course, we do have restrictive cash payments that we've talked about, and the estimates on what those do to the cost of U.S. goods and how they affect our competitiveness vary anywhere from about 10 percent at the minimum to about 30 percent maximum. The truth is probably somewhere in between. It probably varies by product, by time of shipment, by the bank involved, the third-party bank and so on. But there is an additional cost associated with the payment terms.

One factor we haven't talked a whole lot about and [is important] for those of us who are agriculturalists: the weather, a real big issue. In 2008, seven or eight major hurricanes moved through the Florida straits. And you'll notice that Cuba is right in the middle of what's called Hurricane Alley, and it's one of the reasons that when we look at some numbers in a minute there's a couple of things I want you to keep in mind. One of those numbers is going to be really, really out of line on the high side, and part of the reason is the 2008 hurricane season.

The other thing is that from the standpoint of production of temperate zone agricultural products, like wheat and corn and soybeans, this kind of weather is very disruptive and it makes it real difficult to make progress in the production, and not only production, but the handling, storage, and distribution of those temperate zone products. So weather can be a real big factor affecting trade.

The second thing is that the government agency Alimport handles all food business when you're trying to export there. So, for those of you who are in the business community and want to export, working with Alimport is fairly straightforward. It does in some sense eliminate the need to go out and meet with several different competitors to try and sell your products, but at the same time it doesn't eliminate the responsibility you have to try and go out and see how those products are used. When I've gone down with companies, particularly taking processed meat products or dessert products and things like that, we've actually invited in chefs, hotel restaurant managers, other restaurant managers from around the country, and put on food demonstrations on how products are prepared, how they're served, and talked about price. There's a strong propensity on the part of Alimport to want to get down to price. That's a big issue [for a country] on a limited budget trying to import these products, particularly from a country whose costs may be out of line 20 or 25 percent.

So price is an issue. Cuban negotiators tend to be very price sensitive, so don't expect not to talk specifics when you go in and negotiate.

There's a dual exchange rate system. There's two pesos — we haven't talked much about this. I'll just touch on that a second. There's the convertible peso and then there's the national peso. The convertible peso trades at about 1:1; the national is about 24, 25:1. And if you take U.S. dollars and you make that exchange, they're going to discount that by another 10 percent. So it works out to be about one dollar worth about .9 convertible pesos, a 10 percent tax on top of that.

The national pesos — these are, again, worth quite a bit less. You don't see a lot of these. I've been about five times. I've never come across the national pesos in circulation. They're primarily used for the small shops, the government food stores that are located throughout the country, and not in wide circulation for most commercial purposes. So pay attention to what you receive because one is worth quite a bit more than the other.

Market prospects: On average, salaries [are] the equivalent of about \$20 a month, which does limit the potential for the average consumer, particularly in times of high prices, like now and the last couple of years. That does limit food purchases. However, there are estimates that roughly 60 percent of the Cuban population has access to some type of hard currency, either because they work in the tourism business — taxi driver, waiter, hotel staff — or because they might have access to remittances from the United States. And those two things, the tourism industry and remittances, are very important from the standpoint of the ability of the average Cuban to be able to purchase the products that we'd like to sell there.

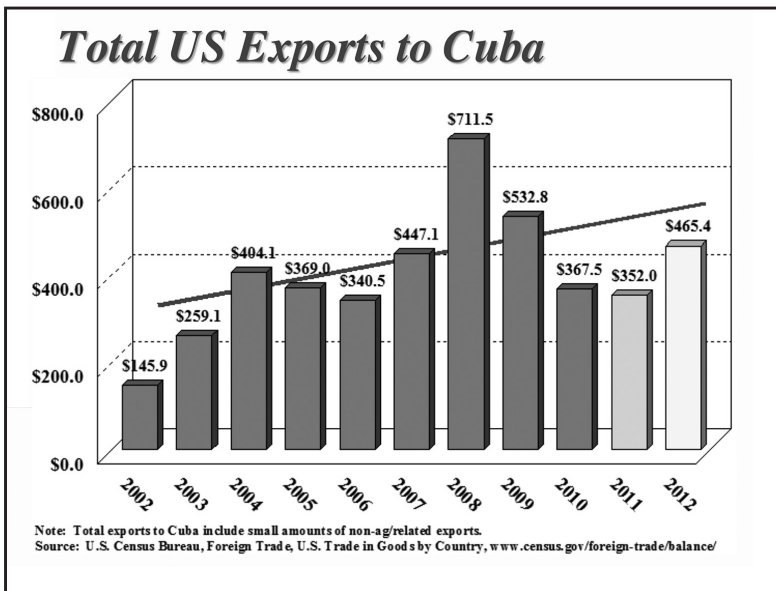
The things that really drive the ability to import, aside from tourism and remittances: We talked about nickel. Nickel exports are very important, generating well over a billion dollars in most years. Tourism generates well over a billion, and remittances are estimated somewhere over a billion and a half to two billion. So those three things together are pretty significant in affecting the ability of the Cuban government to allocate money to Alimport with which to buy food.

Here is just a shot of nickel prices, to show you not only the level but the volatility. [Fig. 6] Five years ago that red line would have been twice as high as it is today. Back in '07, '08, nickel prices were closer to \$14 a pound. Now they're down in the 8, 7, 7.50 to 8 dollar range, and that really is a major budget constraint.

Okay, here are our exports, and this is one of the points I wanted to make. [Fig. 7] You notice in '08 the number really shot up. There was a lot of optimism that that was going to be the norm. Think back to Hurricane Alley that we looked at. That was the seven or eight storms. That I think was the reason that we saw this. Where we are now, that blue line, is the trend. Last year we were almost back up to what would have been a trend line after economic recession on a fairly broad-based scale.



[Fig. 6]



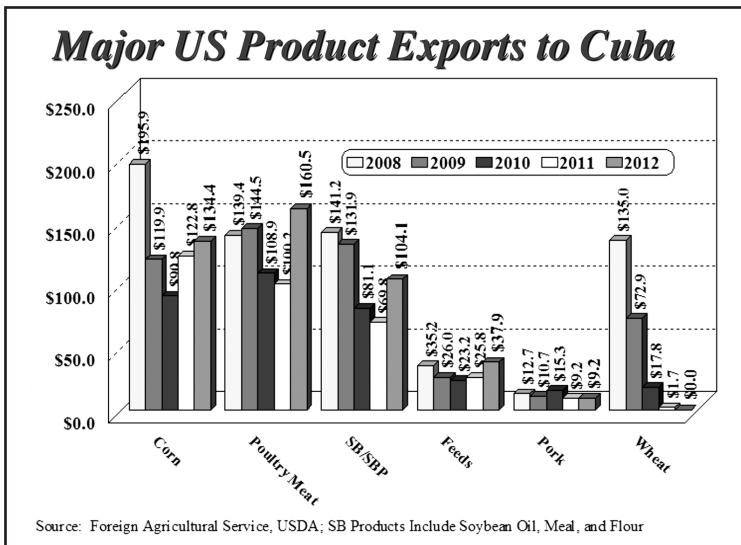
[Fig. 7]

And in a post-embargo world, what might we be looking at? About twelve or so years ago, we were asked to actually analyze that question, and we've updated it several times since then. Our estimates indicate that in a post-embargo world, with travel allowed, with the lifting of constraints on the way business is done on the financial side, that 465 million dollar number would approach one billion dollars near term and probably over three to five years we'd be looking at about a billion and a half dollar market.

Now, that's roughly a tripling of where we are today, which would be huge. But to put it in perspective, remember the United States exports. Last year our agricultural exports were about 141 billion dollars. So, yes, very important, particularly for those of us on the Gulf Coast, Texas, all the way around to Georgia, South Carolina, North Carolina. Alabama is a big shipper as well. Louisiana moves a lot of product there. A big impact on those states, as well as pulling products out of the upper Midwest and the North Central region, particularly the soybean, soybean meal products that come from those regions of the country.

Okay, what moves? We've been given a snapshot of this. [Fig. 8] The important things are the purple numbers. That was last year. Really, three products account for about 95 percent of the exports we ship to Cuba. That's poultry, primarily chicken parts, leg quarters, thighs; corn is very important; and then the soy complex. About half of that's the raw beans; the balance is in meal and oil. So those are the three biggies.

The other thing that's started to creep up in the last several years is in feeds, and you'll notice that those numbers have held pretty steady. That's mainly distillers'

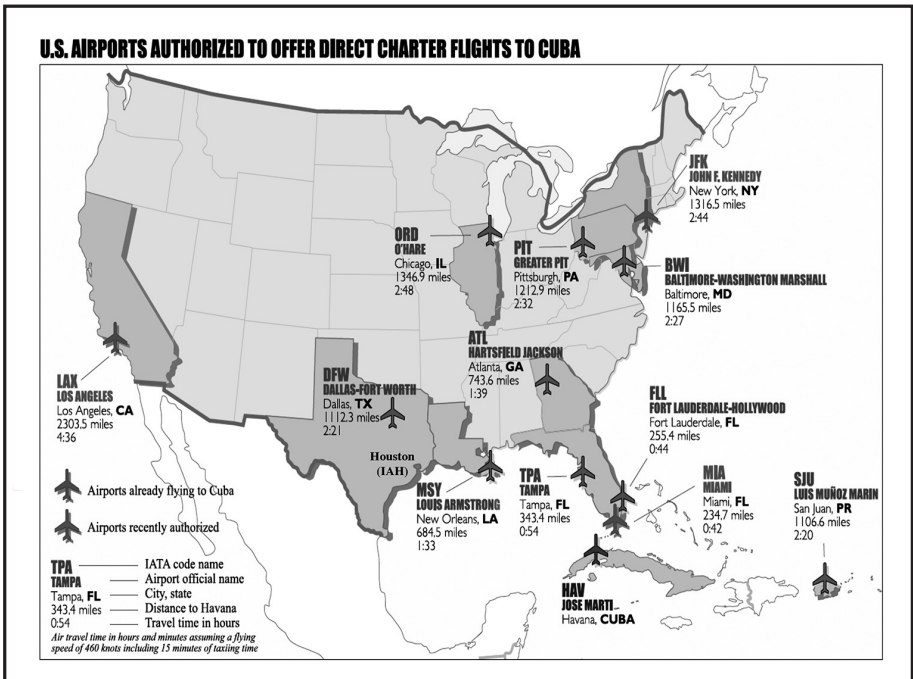


[Fig. 8]

dried grain, which is a byproduct of wet milling of corn, which is used as an animal protein product. And that one has really begun to take on some importance and is one that in Texas we're pretty excited about.

There have been prospects for cotton. We had a very good market for rice until a few years ago, and then we were always concerned about Thailand because they were such a big shipper, and, of course, China. But the real surprise was Vietnam. And since Vietnam has come into the market, we have not moved any U.S. rice into Cuba. And that remains a big issue for Texas. We'd like to do more rice business, but we haven't been competitive. And it's really been a price issue.

Okay; here's how you go [to Cuba]. [Fig. 9] We haven't talked much about how you get here. But currently you have to go by charter. The red airports are the three that were what I call the legacy charter routes from the West Coast, and two on the East Coast, Miami, New York. We added many more a couple of years ago. The blue airports are the ones that are new. Houston even did a trip last year one time just to check the logistics and see how it worked, and it was successful. So there are more options now, but you must go by charter. A lot of times when I go, I go to Miami, spend the night, and go out early the next day. And a lot of times coming back, I have to come to Miami and spend the night and go home the next day. But some people actually go through Mexico, and you can do that. If you have a legitimate reason to go and a



[Fig. 9]

license, it's no problem to do that. It's legal. It's just a little bit more logistics because you've got to go through immigration twice, because you go into Mexico, stay in transit, then go to Cuba.

Remember that the Cuban government manages the food system, everything from purchase and payment to negotiation, distribution, marketing. But I encourage you when you go to get outside of the negotiating room and get out and see how your products are utilized. We've been very surprised at the level of processing, sophistication, and development of products. In fact, the very first time I went, I had the opportunity to go to a dairy plant just outside of Havana. And we went through the plant, looked at what they were processing, and towards the end we sat down with the manager and he said, "Would you like some ice cream?" We said, "Well, sure, yeah, let's have some ice cream." So they brought in ice cream in these cups and we began to eat it, and he said, "This is made with soy." We said, "What?" He said, "It's made with soy." — imported meal and vegetable oil imported from the U.S. blended in with other dairy products to make soy. It was smooth, it was perfectly sweetened, and really, really a good product.

So that's why I say get out and see how things are used, because you might be surprised at what you learn about how your products end up being consumed in the marketplace. You can travel there, do business, and see the market firsthand. There are not a lot of restrictions on what you do, where you go. Every time I've been, it has been a very positive experience.

And, finally, keep in mind that most of the limits on what you're going to do there are based on our rules and regulations, so start early. I'd say, if you're serious about going down there to do business, give yourself 90 to 120 days to get everything lined up: the travel, the Cuban visa to enter the country and do business, the logistics of where you're going to stay, who you're going to meet with, because you have to have all of that worked out in time, so when you submit your schedule to OFAC, they see that it's a legitimate business trip and that you aren't going to kick back on the beach at Varadero, which is one of the real nice resorts, and not do any business.

By the way, out of all those tourists that go, roughly a million tourists a year, nearly half of them are Canadians, and most of that business is in January and February, a little bit in March. So expect to see a lot of tourists there, particularly from Canada. I've seen them from Latin America. I've actually run into a few U.S. spring-breakers who went to Mexico and took the flight across. So it's always a surprise to see how the market develops and how things unfold.

So I'll stop there. And thank you, again, for the opportunity.

**PAGNATTARO:** I would be happy to introduce our final speaker, Jorge Mario Sánchez, a senior researcher and professor at the University of Havana from 1990 to 2010. He served as a senior researcher at the Center for U.S. Studies. His research focuses on foreign policy and economic development. Currently, he is co-president

of the Cuba Section of the Latin American Studies Association in the U.S. He's held multiple positions as a lecturer and visiting scholar in the United States, Canada, Europe, and Latin America.

And I will turn it over to you in the interest of time. Thank you.

**JORGE MARIO SÁNCHEZ EGOZCUE:** I was checking the presentation because we have almost the same slides, just in different colors. But it's good to know we have the same diagnostic basis, which is an important step forward.

**ROSSON:** Well, that's good.

**SÁNCHEZ:** First, I want to thank Don and the university for inviting me for this gathering over here. It's been a terrific day so far. My presentation, while originally I was thinking from the perspective of basic opportunities, I prefer, later on, after a conversation we had over dinner, to do a little bit of spicing up with some political perspective on alternative channels for academic diplomacy, just to show by example that sense.

It's been terrific to see in the morning, through the presentations, how the dynamic of a bilateral lack of relations has been approached from the State Department, White House, the Congress, and executive. Most of them have been focusing on the constraints on shifting the reference or reframing the path. I would prefer to talk about how to find ways to jump over the automatic response button, both sides, because that's a real challenge, how to dismantle a mechanism that has very strong inertia and is very difficult to approach from a more pragmatic perspective.

So, my presentation: First, there will be something about the economic relations, what the surface of contact between the two countries is. The first one I will be briefly referring to: What are the channels of change we have today? Later on: how to approach the distorted pattern we have. The souvenir, the diplomatic souvenir I added later on, last night.

So with regard to the Cuban exposure to foreign risk on trade and investment, that is the Cuban profile of trade insertion. You have what is normal market insertion for Canada and the European Union, and special market access, that is, special conditions for one reason or another. You have the United States, Venezuela, and China, each one with its own specific format. In the case of the United States, it's the Trade Sanctions [Reform] Act and specialized mechanisms. In China and Venezuela, it's government-to-government agreements with tied in financing support. Later on, you have Brazil and the Caribbean as underused, but in the case of the Caribbean, I mean, it's very hard. We have exactly the same profile of exports, services and primary commodities. So hardly will we be exporting bananas to Jamaica to receive bananas back. So that's one of the reasons within the Caribbean, plus lack of infrastructure and incentive. But in the case of Brazil, it's very important because when Lula [former Brazilian president Luiz Inácio Lula da Silva] visited Havana, his first public statement was that



Brazil is willing to become the first partner for the Cuban economy. And it was years ago. So still they are working on that sense.

What is the degree of exposure in terms of trade concentration? You have imports: 50 percent is concentrated in Venezuela, China, and Spain. You have the United States with a very small proportion of trade in regard to today’s Cuban balance, 3.8 percent. And you have exports: again, Venezuela and China account for more than 50 percent and Canada nearly 14 percent.

If we go into a second level, we will see that special conditions today represent 62 percent of the Cuban international insertion. In other words, the Cuban strategic challenge is to reduce that profile of insertion, to make it more normal, but with a different reference, and the United States is part of that equation. The profile of imports, you’ve already seen that. The only difference here is what they represent for the Cuban side, the Cuban perspective: 100 percent of some of the commodities, soybeans, beverage, and nearly 80 percent of chicken, corn, and so on. So these are some details about the profile, summarizing that the U.S. represents for Cuba the fourth provider of food, even today under extremely restricted conditions.

So in terms of market rank, on volume of trade relations, the high was in 2008 when the U.S. exported 700 million, as was mentioned, because of the hurricanes. Under special license mechanisms still the potential shows that it could be an extremely responsive opportunity just because of weather change, not political variables, not the Congress, not the laws.

And that’s a summary of some of the framework from both the legal and the technical side, what Ray [Walser] has referred to several times over here, the Trade Sanctions Reform and Export Enhancement Act. [Fig. 10] So far for the U.S., as we participate

**CUBA, Food Imports from the U.S.**  
*Trade Sanctions Reform and Export Enhancement Act (TSRA) 2000.*

	Market Rank (from total purchases)	Value (millions of USD)
2012	35 (of 223)	251
2011	30 (of 232)	358
2010	45 (of 228)	366
2009	36 (of 232)	528
2008	29 (of 228)	710
2007	37 (of 230)	438
2006	34 (of 227)	340
2005	30 (of 228)	350
2004	25 (of 228)	392
2003	35 (of 219)	257
2001	144 (of 226)	4

*Source: U.S.- Cuba Trade and Economic Council (November 2012)  
 - 2012 Data up to October.  
 NOTE: TSRA data do not include collateral costs .*

[Fig. 10]

in twenty-three ports and trade relations with Cuba, Cuba has been ranked as the twenty-fifth market in absolute terms only on the permitted items, and the highest level, as you see, is 700 million. So the most important thing is to focus on is what the variable from the Cuban perspective is: price, the value of price increase. It represents 61 percent of the value of increase of exports, so it doesn't mean that trade has been increased so impressively, but the value of the same amount of exports.

Specific frustration that plays out in the Cuban case is constraints in the form of the Administrative Procedure Act. Delays in payment are not allowed. Just a delay of four minutes on receiving the letter and the transaction from the banks might represent 25 to 250 thousand dollars, for four minutes, because of the nature of the requirements. There are other alternatives that are forbidden for the Cuban case that are applied to Latin American countries, such as the Federal Farm Promotion Act and the Market Access Program and many others. It is not important to go over that here.

Scenarios: The U.S. International Trade Commission has made two studies by using gravity model specific techniques and the estimate goes to the first case without financial constrictions that will lower the cost 2.5 to 10 percent. Cuban agricultural imports will rise from 10 to 90 percent. I put just some commodities over there: fruits and vegetables, 34 to 60 million, and so on.

The second scenario: With simultaneous release of travel and financing restrictions, the increase was estimated from one to eight million for at least four products. In general terms, there have been very few studies. There was one that was submitted through academic channels at the University of Texas in 1992 and '94 — I participated in that. And the estimate was, using the same techniques, between one and three billion in the first year, if there weren't constraints. There were similar studies from the Inter-American Development Bank, the U.S. International Trade Commission. So the basic scenario is a consensus on the big numbers for trade.

And other things are the conditions and the state responses. Let me give you a particular example. With the signing of the free trade agreement, the Mexican interests of a free trade agreement of North America, Cuba was in part of the agreement, but benefited from that because Mexico relocated cement exports from the United States markets and Cuba was able to reactivate the same industry by exporting to Mexico. So without signing onto every trade agreement, there was a wave effect that came to re-energize domestic production and exports.

In the case of travel, over ten thousand American visitors [according] to the last report under the people-to-people or TSP (Travel Service Provider) license, and Cuban-Americans and Cubans living abroad surpassed 300,000 visitors. It's a second surge of tourism in Cuba. Up to the past April, 170 licenses were authorized for organizations such as National Geographic Expeditions, Smithsonian Journeys, Stanford Alumni Group, Distant Horizons, Harvard Alumni, and so on. There's a long list.

The point is that in the hearings in Congress the fact was stressed that it was too much salsa and mojitos on American visitors. In other words, it was a reinforcement of the application of the license of the procedures in such a way that the application passed from 18 pages to 174, with a requirement that the agenda for those travel service providers shouldn't be explicitly said primarily tourist-oriented, with the penalty of fines up to \$65,000 in case of failing that demand.

What happened with travel and its potential and socioeconomic impact? First, you have on the top American visitors; usually you have Cuban-Americans down there and Americans. They impact through differentiated channels. The estimated potential for visitors, according to the USITC, is 171,000 to 1.1 million just in the first year — that's the touristic tsunami we were talking about for many years on the economic environment — with an annual minimum increase of 226 to 358 thousand. So there is no capacity: not enough parking lots, not enough hotels, not enough glasses of mojitos, not enough people to play Guantanameras.

How to deal with that? It's infrastructure; it's logistics; it's advertising. But it's also medical insurance; it's also American card transactions; and it's also family and economic impacts. The American Association of Travel Agencies estimated that in two years there would be 850,000 visitors, plus another half-million on cruise ships. The Americans came with a hat, a bottle of water, and just a backpack. But Cuban-Americans came with almost a ton of what? Everything from electronics to textiles. And here comes the point: that is not only consumption, but market-driven micro-investment. And all the new wave of private sector entrepreneurial energy that is taking place finances these waves through informal channels. It's not only Western Union; it's not remittances to third parties, but through these channels. So the best way to see it is through these profiles.

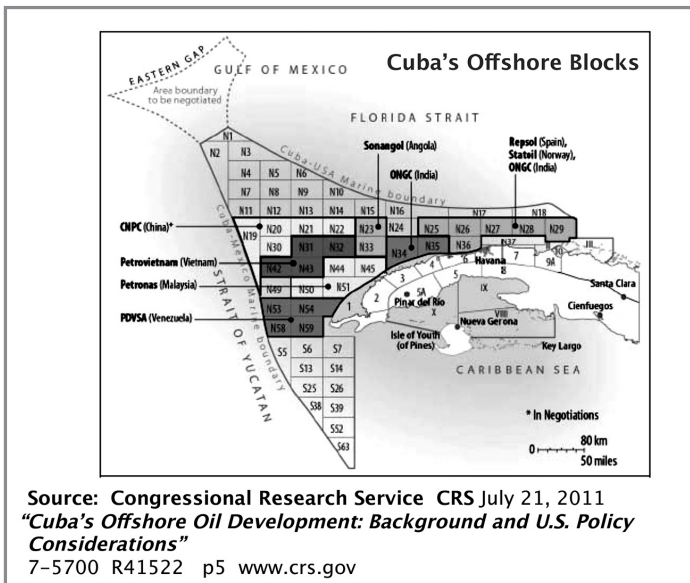
In the case of direct income, direct impact through normal tourism, which is the blue line, there are packages sold to tourists, and be aware the pack is Canadian winter ducks — it's not Americans or Cuban-Americans — highly concentrated by provinces in Havana. They go through the agency, maybe 80 percent, transportation, hotel, and service, while in the case of Americans and Cuban-Americans, it is agencies, transportation, the hotel, exchange rate, houses, and the domestic demand for durable commodities, plus construction, plus micro-investment, plus exchange rate pressures . . . .

And in the case of the profile of insertion, the way in which it used to be approached from, you know, universities, countries in Latin America used to be divided into two basic export profiles: *maquila* or primary commodities, textiles, oil, bananas, or sophisticated electronic equipment and assembly. But in the Cuban case, we have a very specific profile: from sugarcane to tourism on the top; from tourists to medical exports. It means that in the Cuban case the challenge is to take advantage of human capital, the accumulated investment in education. It's not going back to *maquilas* or to primary commodities, although that's an important potential over there.

Summarizing the proposals in the U.S. Congress and the Senate on tourism, this is about synergies in the short term. In tourism, I just put between parentheses the proposals in the House and in the Senate. Short-term: Cuban-Americans, you really see some numbers over here. Golf courses, the fact that the Cuban government for the first time changed the law to allow leasing for ninety years; it's an important step forward in another direction. Although I did google the golf courses, and they are highly predatory for the environment and the use of water and everything else, it's part of the trend. Medical services require marketing, require certification. They have a very important potential, but it is restricted by a more rigid environment to maneuver, to expand. However, pharmaceutical services and equipment have a very large potential. And oil and derivatives, we've already talked about that briefly.

There was no doubt in the fact that the oil was there. [Fig. 11] The question was: how long would it take to drill the oil on an operational basis? According to the experts here in the States, from Jorge Piñon and the rest, the median was from five to seven years long, which means that, from the Cuban side, that's enough to have a learning process, a learning curve with foreign companies. But it posits also the stress of environmental concern and protection. Remember the BP disaster, which is important.

This is about telecommunications. You will see three cables surrounding Cuba and another three over here. That's the cable with the Venezuelans. So we are in the middle of a black spot. The cost of investment to connect with those cables is less than fifty days, less than 12 million. It's nothing. And without telecommunication there is no development; there is nothing in any society.



Source: Congressional Research Service CRS July 21, 2011  
 "Cuba's Offshore Oil Development: Background and U.S. Policy Considerations"  
 7-5700 R41522 p5 www.crs.gov

[Fig. 11]

The *Christian Science Monitor*, in talking about Obama's election briefly on the issues — I'm just making a transition to the political souvenir. Areas for change include taking Cuba off of the list of state sponsors of terrorism, taking into account the conversation with FARC; open discussions with the Cuban government on several issues, including, but not limited to, Alan Gross' release; relaxing the rule for non-tourist travel to Cuba; increasing cooperation on issues of mutual interests; and relaxing the Office of Foreign Asset Control's enforcement regulating the laws on business.

Well, that's the perception from the media, but if we go into another story — and here comes an announced souvenir: Yesterday evening over a meal, Arch Ritter asked me: "Did you hear about the memo of Ted Piccone to the president?" And I said: "Well, I heard it, but did you hear about the rest?" And he said he hadn't. The rest is that that memo from the Brookings Institution, in the first line, if you wanted to check it, is an example of how constrained the access to information is that would leverage a better understanding. The memo came after an effort coordinated through the academy, entitled U.S.-Cuba Academic Workshop, or TACE in Spanish, *Taller Académico Cuba-EEUU*, coordinated through American University and the University of Havana, with CRIES, *Coordinadora Regional de Investigaciones Económicas y Sociales*, the original coordinator for social and economic research. It's an institution based in Argentina and Brazil that served as facilitator. There were nine meetings held over time since June 2009 up to very recently in different places: in Brazil and Panama, Argentina, Canada, Mexico, in Havana, and in Washington. So there was an effort to bring to the table former U.S. diplomats and officials, academics, people with expertise and knowledge, with no influence at all on the other side on picking the people, just to sit at the table and talk about what to do to open a new environment, as it was said today, and to produce a new climate, as you were saying earlier.

So the concept of academic diplomacy is based on consensus, on the two sides, on the participants. Second, they recognize a legacy of mistrust, which cannot be ignored. It appreciates that reciprocal visions are not derived merely from political difference, but also have historical roots; therefore, different opinions but common ground on some issues, maybe for different motivations. And despite that, there's no impediment to jointly exploring opportunities for improvement in bilateral relations on issues of mutual interest.

The distinctive value of TACE is that for the first time ever we have a binational team working on recommendations for policy. And it's just becoming true for the academy on an informal basis. There is no compromise at all. The process passed through four steps, and TACE identified twenty-three strategic topics or priorities between the two countries. And of them, five issues were prioritized, the five you have: academic, scientific, and cultural engagement; freedom to travel; international commerce and development; terrorism and security; and the environment. Each of the topics has a basket, from five to nine recommendations. I was struck today, listening to Vicki [Huddleston], and I said, "That was on the list; that was on the list; that was on the list; that's where you start." I couldn't present it over here because we have an

agreement to present it at Brookings [Institution] next May, at the LASA conference. But I could talk about it. And so basically the process involves help with the support of the Ford Foundation, the Royal Norwegian Ministry of Foreign Affairs, Global Partnership for the Prevention of Armed Conflict, the Catholic Organization for Relief and Development Aid in the Netherlands, the Christopher Reynolds Foundation, Arca Foundation, the Foundation Heinrich Böll from Mexico, the Center for Latin American and Latino Studies at American University, the University of Brazil. For example, they will bring in even the advisor for President Lula at that time for the conversations. And Panama City, another institution, including Brookings, that came at the last moment.

This is just an initiative from the academy, trying to create an environment to foster dialogue and to find common ground under the simple rule of consensus respecting difference. It was not until this past May 21st that it was made public in Brookings. There you have the address line, you can find it, Cuba TACE, and after that came the Ted [Piccone] article — memo. I just wanted to point out how much was hidden behind that memo, how much could be done just with willingness.

Thank you for your patience.

**PAGNATTARO:** I think some of our panelists actually need to leave, and I'm sure other people do, too, because we've run over. So maybe the questions should be informal. Should we do that?

**JOHNSON:** Yes.

**PAGNATTARO:** Okay.

**AUDIENCE MEMBER:** [Inaudible] Taking into consideration the monetary inconvenience due to the lack of international banking, have you considered the possibility of countertrade to bypass some of these inconveniences until the normalization?

**ROSSON:** Well, after? No, we have not. Post-embargo?

**AUDIENCE MEMBER:** Yes. No, no, no. Now.

**ROSSON:** Now? It's got to be cash. Now, there may be some way around that rule, but I'm not aware of it because we —

**AUDIENCE MEMBER:** Well, you know, the reason why I'm saying this is years ago I had the opportunity to help a division of Sears & Roebuck, Sear's World Trade in Venezuela.

**ROSSON:** Right.

**AUDIENCE MEMBER:** And we were setting up a system to take iron ore and aluminum and influx agricultural goods and services. And it works. I mean, this —

**ROSSON:** Commercially, yes, it will work. But because of U.S. restrictions on the acceptance of those goods and then reselling them, I'm not sure that we can get around those rules to do countertrade.

**AUDIENCE MEMBER:** Well, those goods can be sold in the third market environment.

**ROSSON:** Yes.

**AUDIENCE MEMBER:** I mean —

**ROSSON:** And that may be happening now.

**AUDIENCE MEMBER:** Right.

**ROSSON:** I mean, that's really what happens with nickel exports —

**AUDIENCE MEMBER:** Right.

**ROSSON:** — to a degree. It's sold in the third market. That money then is fungible and can move in many different directions.

**AUDIENCE MEMBER:** Potentially that could be a way around until things get sorted out. That's my point.

**ROSSON:** Yeah, possibly.

**AUDIENCE MEMBER MENDEZ:** In Cienfuegos they're building the refinery, which is supposed to handle both light and heavy crude. Now, with the prices of gas here in the States, could there be in the immediate future a possibility of transporting in tankers crude to be refined in Cuba? Do you see that as a possibility?

**BENJAMIN-ALVARADO:** That's always been one of the considerations. When you talk to oil industry experts, what they convey is that the entire spectrum of possibilities is available in Cuba. One of them is the consideration of Cuba becoming a refinery entrepôt or a transshipment center for the entire Caribbean because of its proximity not only to Latin America but to the Panama Canal, now that we're going to have supertankers being able to transit through the region, especially in light of the fact that — and weather plays into this. But one of the important factors is that 35 percent of all our refining capacity and petrochemical plants in the United States are on the Houston Ship Channel. You know, Hurricane Rita hit, not even a direct hit, but

almost all of them had to go offline. Anybody living in the Southeast at that moment in time, you didn't have any gasoline, did you? Or the price went through the roof.

And so in terms of helping the industry collectively position itself so that there are no major economic disruptions, Cuba potentially could become a refining kind of port, you know, especially because of all the "not in my backyard" mentality that exists now in the United States. We built these industries up. Nobody else wants one in their backyard. This may be a possibility.

Now, like I said, the devil's always in the details. And one of the things that we have to consider as we move forward with all of this is: Is that what the Cubans want? You know, we have to be very careful and attentive to the domestic policy demands inside the country because a lot of times when you talk to business folks, there's a sense that some people are sensitive to this, but there's a wide majority of them who have no idea whatsoever. They think that the market's just going to be completely wide open. And I like to caution people against that because I think, you know, if you do your due diligence and you understand and you're sensitive to all the dimensions of this, it makes for smart investment down the road, as opposed to some piecemeal investment where you go in, you lay waste, and then you get out when you've made your profit. I think the Cubans are going to be very careful to watch that, and I would caution Americans to do the same thing.

You know, the Cubans are also developing, with the help of the Venezuelans, petrochemical processing. They've modernized the oil pipeline from Matanzas to Cienfuegos. They have significant investment in the oil infrastructure in terms of port facilities, storage, and all of that. So, you know, while this promise of oil production is certainly apparent, there is a lot of investment already going in, you know, to undergird it, to provide a foundation for it. And, actually, I see that as probably one of the most positive benefits that have come out of all this discussion. But, yeah, it would make sense because it would be able to process both heavy and light, both the Maracaibo and Orinoco types of oil that would come from Venezuela. And it helps also Venezuela because Venezuela's oil infrastructure has been significantly compromised over the last fifteen years. It needs a lot of renovation, a lot of reinvestment. The same goes for Mexico.

So we have to be very careful and look at it not just in terms of Cuba but the entire region and how that all plays into itself.

**AUDIENCE MEMBER:** I just want to mention to Jorge Mario [Sánchez Egozcue] that that was an excellent presentation and I really appreciate it. I think we all learned a lot. I'm very happy to hear that you have all these groups that were meeting in different places having a dialogue. That's overdue. I think it's so important that you continue that, but I have two worries. One is, I think one of you presented that the average income to a Cuban is still \$20 a month. Who are we going to — I mean, how



are they going to benefit if they barely have enough money to survive with \$20? That was the same number I heard fifteen years ago.

That's number one. And two is, honestly, the comment from the chief of mission that you like the government system you have and you have no intention of changing it.

So you've got to have some flexibility because this whole thing was about how we in the U.S. are going to change. I really would like to hear more about how you are going to change.

**SÁNCHEZ:** First, it's important to distinguish between wishful thinking and political realities. You play with the pieces you have, not the pieces you want, and that is so from trade to investment to everything. So, on one hand, you have the policies to manage risk, risk of position to uncertainty of global markets, small change in political conditions. In 2004, for example, during the second Bush term, we were forced to relocate all trade imports of food from Louisiana to Vietnam and China with ten times the cost. The immediate consequence: scarcity. So that's a natural concern. Doesn't matter if you wanted to have the Cuban American [National] Foundation governing the country right now, you have to deal with practical realities on the global stage first.

Second, with the income, level of income: you are right. The exchange rate issue is a big one for trade, families' income, and the whole economy right away. It's very good that it has been addressed over here. It has to do with oversimplification. It's taking the Cuban average wage and converting it into dollars by using the exchange rate of 24:1. That makes 25 to 30 dollars. The Economic Commission for Latin America and the Caribbean, ECLAC, from the United Nations, conducted a study over two years — with the participation of several American universities, by the way, not only the United Nations — to find a methodology to express the real purchasing power capacity of the Cuban and the real income, because you have to add it in a basket. When you have free access to health or education, you have to have a minimum value to add to it. Or, the poverty line: you have to define it one way or another. For Brazilians it's minimum income in dollars, below \$50 for Venezuelans and others. So they've worked over two years on that, on really finding the purchasing power capacity.

José Antonio Ocampo, one of the leading economists in Latin America right now, one of the most distinguished professors at Columbia University, already explained that from the American point of view for American audiences. So we prefer to refer you to that article. You have a very full explanation of that in detail. It is true; it was shocking, when you came to Cuba and you said 500 pesos is 30 dollars. But you have to make the real equation and that will explain it in detail.

With regard to political considerations or standing, ideological standing, the Cuban society is no different from any other society. You have the whole political spectrum:

people who think there's nothing worth staying in the country for; people who say everything is wonderful; and in between you have the whole society, from religious organizations, civil society, artists, all kinds of formal social considerations, groups and segments. What you need for the future of the country is consensus, and consensus means dialogue, the whole spectrum, and legitimacy for the other positions. That's what we are trying to do for the future.

Thanks.

**AUDIENCE MEMBER:** And democracy means a vote?

**SÁNCHEZ:** Sure. It's part of the change, absolutely.

**JOHNSON:** Let me thank you all for participating and thank all of you for coming.



# The Cuban Embargo: Policy Outlook After 50 Years

March 22, 2013

About the Speakers



Keynote Speaker

**José R. Cabañas** was appointed Chief of Mission of the Cuban Interests Section in the United States in November 2012. He began his career as a Special Assistant to the Cuban Ministry of Foreign Affairs in 1984. From 1990 to 1993, Cabañas served in the Cuban Embassy to Ottawa, Canada, before being appointed Deputy Director of the North American Affairs Division at the Cuban Ministry of Foreign Affairs. From 1994 to 1998, he headed the Division of Cuban Residents Abroad, and from 1998 to 2001, the Division of Cuban Residents Abroad and Consular Affairs. During that period, as a member of the negotiating team, he participated in the migration talks held between Cuba and Mexico, the Bahamas, the United Kingdom (Grand Cayman) and the Dominican Republic. From 2001 to 2005 he served as Ambassador to Austria and Permanent Representative to the International Organizations in Vienna. From 2005-2006, he headed the Committee to Implement a Comprehensive Document Management System at the Ministry of Foreign Affairs, and from 2009 to 2012, he was Deputy Minister at the Ministry of Foreign Affairs.

Panelists

**Jonathan Benjamin-Alvarado** is a Professor of Political Science at the University of Nebraska at Omaha, with an emphasis on Foreign Policy, International Development and National Security, and a Faculty Associate with the University of Georgia's Center for International Trade and Security. He has conducted research related to Cuba's efforts to develop a nuclear energy capability and broader energy development issues. Since 1992, he has visited Cuba 26 times for field research on energy and economic development and has served as a technical advisor to a number of delegations to Cuba and Latin America on energy development, national security and strategic (nonproliferation) trade issues. In 2011, he edited *Cuba's Energy Future: Strategic Approaches to Cooperation* (Brookings Institution Press). He is also the author of *Power to the People: Energy and the Cuban Nuclear Program* (Routledge, 2000).

**Gary W. Black** is the sixteenth Georgian to hold the office of Commissioner of Agriculture since the department's inception in 1874. He began his career with the Georgia Farm Bureau leading the young farmer leadership development program and served 21 years as president of the Georgia Agribusiness Council, a chamber-like

organization representing all facets of Georgia's food and fiber industry. During his career, Black also led the development of AgriTrust of Georgia, a renowned workers' compensation insurance program for farmers and agricultural businesses. He has championed sound policies throughout Georgia ranging from private property rights to food safety, and from lower taxes to science-based environmental stewardship.

**Daniel W. Fisk** is Vice President for Policy and Strategic Planning at the International Republican Institute (IRI). Prior to joining IRI, Fisk served in a number of positions in the U.S. government, including as Special Assistant to the President and Senior Director for Western Hemisphere Affairs on the National Security Council. In his prior positions, Fisk oversaw the development and implementation of policies to expand initiatives towards Latin America in the areas of good governance, economic development and trade, health, education and housing. His experience in the U.S. government also includes service as the Senior Foreign Policy and National Security Advisor to Senator Mel Martinez (R-FL); as Special Advisor to the Assistant Secretary of State for Inter-American Affairs at the State Department; and as the Deputy Coordinator for Central American Public Diplomacy in the White House Office of Communications during the George W. Bush administration.

**Vicki J. Huddleston** was the U.S. Deputy Assistant Secretary of Defense for African Affairs in the Office of the Secretary of Defense from 2009-11. Prior to joining the U.S. Department of Defense, she was a visiting scholar at the Brookings Institution. Ambassador Huddleston is a former U.S. Deputy Assistant Secretary of State for Africa, U.S. Ambassador to Madagascar and to Mali, Principal Officer of the U.S. Interests Section in Havana from 1999-2002, and Chargé d'Affaires ad interim in Ethiopia. In addition, she served as Deputy Chief of Mission in Haiti, and Director and Deputy Director of Cuban Affairs at the U.S. Department of State. Ambassador Huddleston is the co-author of *Learning to Salsa - New Steps in U.S.-Cuba Relations* (Brookings Institution Press, 2010), has written opinion pieces in the *New York Times*, the *Miami Herald*, and the *Washington Post*, and is a former commentator for NBC-Universal.

**Robert L. Muse** is a lawyer in Washington, D.C. with substantial experience in U.S. laws relating to Cuba. Among his clients are major corporations engaged in international trade and foreign direct investment. He has testified on legal issues involving Cuba before the Foreign Relations Committee of the United States Senate; the Foreign Affairs and International Trade Standing Committee of the Canadian House of Commons; the Trade Subcommittee of the Ways and Means Committee of the U.S. House of Representatives and the External Economic Relations Committee of the European Parliament (Brussels) as well as the Parliament's inter-party group on Cuba (Strasbourg). Muse has delivered papers on the Helms-Burton Act and other U.S. embargo laws pertaining to Cuba at conferences sponsored by various legal and international relations foundations around the world.

**Archibald R.M. Ritter** is a Distinguished Research Professor Emeritus in the Department of Economics and the Norman Paterson School of International Affairs

at Carleton University in Ottawa. His experience also includes the UN Economic Commission for Latin America and the Caribbean in Santiago Chile (1973-1974) and the Canadian Department of Energy Mines and Resources (1979-1981). He has visited Cuba frequently since 1965 and was an initiator on the Canadian side and was the Canadian coordinator from 1994 to 1999 of the Masters in Economics Program provided with the University of Havana for young Cuban professors, financed by the International Development Research Centre and Canada's Aid Agency. He has published a variety of works on Cuba's development policies.

**C. Parr Rosson, III** is Professor and Head, and Director of the Center for North American Studies, Department of Agricultural Economics, at Texas A&M University. His extension responsibilities and applied research activities focus on economic impacts of trade and trade agreements, trade policy analysis, and other trade-related issues. Rosson also chairs the Education Committee of the Texas-Cuba Trade Alliance. Prior to coming to Texas A&M in 1989, Rosson spent seven years at Clemson University where he was Associate Professor and Extension Agricultural Economist and Director of International Programs.

**Jorge Mario Sánchez Egozcue** is a Senior Researcher and Professor at the University of Havana's Center for the Study of the Cuban Economy (CEEC). From 1990 to 2010, he served as Senior Researcher at the Center for U.S. Studies. His research focuses on foreign policy and economic development. Currently, he is co-president of the Cuba Section of the Latin American Studies Association in the U.S. Among other appointments abroad, he has been a research fellow at Columbia University, a visiting scholar at Harvard University, and a visiting professor at the Institut des hautes études de l'Amérique latine (IHEAL) at the Université Sorbonne Nouvelle and at the *Institut d'études politiques* de Paris (SciencesPo). He has also served as a consultant to the United Nations Development Program in Cuba and the Canadian Agency for International Development (ACDI). Sánchez Egozcue has published widely and his work on the Cuban economy is included most recently in *Debating U.S.-Cuban Relations, Shall We Play Ball?* (Routledge, 2012).

**Ricardo Torres** is an Associate Professor of Economics and Deputy Director of the Center for the Study of the Cuban Economy (CEEC) at the University of Havana and an Adjunct Research Scholar at the School of International and Public Affairs at Columbia University. He was a government scholar at Hitotsubashi University in Japan (2007-2009) and visiting researcher at Harvard University and Ohio State University (2012). He has published in the *Harvard International Review* and has chapters in several books, including *Cincuenta años de la economía cubana* (Editorial Ciencias Sociales, Havana, 2010) and *Cuba: hacia una estrategia de desarrollo para los inicios del siglo XXI* (Editorial Universidad Javeriana de Cali, 2012).

**Ray Walser** is a Senior Policy Analyst at the Heritage Foundation. He has authored numerous studies on U.S.-Latin American policy and testified before the U.S. House of Representatives and the U.S. Senate. He is a frequent guest commentator with major media outlets. Walser served as a Foreign Service Officer with the U.S. Department

of State for 28 years. As a specialist in political affairs, he was assigned to Colombia, Costa Rica, Mexico, Nicaragua, and South Africa. He also served in the Bureaus of African, European, and Western Hemisphere Affairs in the Department. From 2005-2007, Walser directed the program of Western Hemisphere Area Studies at the Foreign Service Institute.

## MODERATORS

**C. Donald Johnson** is director of the Dean Rusk Center. Previously he specialized in international trade and foreign policy issues as a Partner at Patton Boggs. From 1998-2000, he served as ambassador and chief textile negotiator at the Office of the U.S. Trade Representative. His tenure included the U.S.-China WTO agreement, the U.S.-Cambodia Textile Agreement, several WTO dispute cases and the Trade Act of 2000. He previously served as a Member of Congress for the 10th District of Georgia, where he concentrated on national security issues and on international trade, including NAFTA and WTO implementing legislation.

**Timothy L. Meyer** has taught international law and international trade at the University of Georgia School of Law since 2010. Before joining the faculty, he worked as an Attorney-Adviser in the U.S. Department of State Office of the Legal Adviser, where he represented the U.S. in commercial arbitrations and real property transactions and in negotiations with foreign governments on diplomatic law issues. In addition to a J.D., Meyer holds a Ph.D. in Jurisprudence and Social Policy from the University of California, Berkeley. His current research examines the design of international legislative institutions, the fragmentation of international energy governance, and the relationship between international energy institutions and climate change institutions.

**Marisa Anne Pagnattaro** is a Meigs Professor of Legal Studies at UGA's Terry College of Business, where she teaches a course on international law, focusing on trade. Pagnattaro is the author of a number of articles on trade and international employment issues, with an emphasis on China. She is the Managing Editor for the *American Business Law Journal* and will become Editor-in-Chief in August. Prior to joining the faculty, she earned a Ph.D. in English and was a litigation attorney with Kilpatrick & Cody (now known as Kilpatrick Townsend) in Atlanta.

## Terms and Abbreviations

**ALBA:** *La Alianza Bolivariana para los Pueblos de Nuestra América* (The Bolivarian Alliance for Peoples of Our America) is a bloc formed from a 2004 joint agreement between Venezuelan President Hugo Chávez and Cuban leader Fidel Castro that works towards cooperation and integration of Latin American countries and countries in the Caribbean

**Alimport:** *Empresas Comercializadora de Alimentos* (Marketing of Food Companies), Cuba's leading importer and distributor of food, drinks, and raw materials for the food, feed, and agricultural products industries

**CANF:** Cuban American National Foundation

**CDA:** Cuban Democracy Act, also known as the Torricelli Act: 22 USC § 6007

**CEEC:** *Centro de Estudios de la Economía Cubana* (Center for Studies of the Cuban Economy)

**CELAC:** *Comunidad de Estados Latinoamericanos y Caribeños* (Community of Latin American and Caribbean States) a regional bloc that pushes for greater integration among the Americas

**CFR:** Code of Federal Regulations

**CIA:** Central Intelligence Agency

**CITMA:** *El Ministerio de Ciencia, Tecnología y Medio Ambiente* (Ministry of Science, Technology and Environment)

**CRIES:** *Coordinadora Regional de Investigaciones Económicas y Sociales* (Regional Coordinator for Economic and Social Research)

**Cuba TACE:** *Taller Academico Cuba-Estados Unidos* (U.S.-Cuba Academic Workshop)

**CUPET:** *Cubapetroleo*, Cuba's state oil company

**DCM:** Deputy Chief of Mission

**EEUU:** *Estados Unidos* (A Spanish abbreviation for United States)

**FARC:** *Fuerzas Armadas Revolucionarias de Colombia—Ejército del Pueblo* (Revolutionary Armed Forces of Colombia—People's Army); a Marxist revolutionary guerrilla force engaging in armed struggle against the government of Colombia



**FBI:** Federal Bureau of Investigation

**FDA:** U.S. Food and Drug Administration

**FDI:** Foreign Direct Investment

**FFA:** Future Farmers of America

**FMLN:** *Frente Farabundo Martí para la Liberación Nacional* (Farabundo Martí National Liberation Front): A left-wing political party in El Salvador

**GAO:** Government Accountability Office

**LASA:** Latin American Studies Association

**LNG:** Liquefied natural gas

**MINBAS:** *Ministerio de la Industria Basica* (Cuban Ministry of Basic Industry)

**NSA:** National Security Agency

**OAS:** Organization of American States

**OFAC:** Office of Foreign Assets Control

**USAID:** United States Agency for International Development

**USDA:** United States Department of Agriculture

**USTR:** The Office of the United States Trade Representative

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