

POTENTIAL IMPACT OF THE HELMS/BURTON ACT ON CASTRO'S REGIME

Ernesto F. Betancourt

This is a policy paper, not a research paper. It analyzes the current Cuban situation from an operational perspective, including possible outcomes and policy suggestions as to how the Helms/Burton Act can be modified to encourage change inside the Cuba. The paper is based on a systematic review of discrete events in the context of previous patterns of behavior and some motivational assumptions. Underlying the analysis is the model of revolutionary propensity developed in my book *Revolutionary Strategy*.¹

The possibility of a conventional revolutionary process leading to a change of government in Cuba is a most unlikely outcome. The reasons why were discussed in the paper I presented at the 1992 ASCE meeting.² Despite the deterioration in the situation since then, it seems unlikely that a conventional revolutionary process could develop against the Castro regime. But although it may not be subject to the conventional revolutionary threat, Castro's regime is not going anywhere either, it merely survives. However, even if outwardly the Castro government conveys an image of stability, the regime's abysmal failure is eroding its base of support. And, for the first time since coming to power, Castro is merely reacting, within a rapidly narrowing political and economic space.

This paper is predicated on the assumption that this impasse is likely to end through other outcomes. The current propaganda offensive to get the U.S. Embargo lifted and rely on foreign investment and tourism as props for the Cuban economy is bound to fail. As is the other goal of Castro's diplomatic offensive of having access to the International Monetary Fund (IMF), The World Bank and the Inter-American Development Bank (IDB) over U.S. objections. It is also predicated on the assumption that Castro is psychologically unfit to lead a transition to democracy. In the short or medium term, therefore, the most likely outcome in Cuba seems to be a coup d'état or, if Castro manages to prolong his rule for too long, total regime collapse and widespread chaos and anarchy.

The regime's survival is due mostly to the effectiveness of Castro's repression in discouraging the emergence of an opposition leadership and the articulation of opposition movements or, if you may, a civil society. It is due also to the policies pursued by the U.S. and the Cuban opposition in exile, which unwittingly reinforce Castro's charisma and, by threatening basic interests of his followers, help Castro rally them around him. A systematic review of recent events reveals that on all scores, repression, Castro's weakening charismatic hold and cohesion of regime

1. Ernesto F. Betancourt. *Revolutionary Strategy: A Handbook for Practitioners*. New Brunswick, New Jersey: Transaction Publishers, 1991.

2. Ernesto F. Betancourt. "Revolutionary Propensity, Possible Outcomes and the Political Climate for Cuba's National Reconstruction." In *Cuba in Transition*. Vol. 2, Miami: Florida International University, 1993.

forces, there is a trend that may be converging at a point that, with proper external encouragement, could trigger a significant change in the internal political equilibrium. And, when real change comes in Cuba, it is likely to be swift, as it happened during the collapse of the Soviet Bloc.

The choices made by the Cuban people so far could be grouped as follows:

- a. supporting the regime, with diverse degrees of commitment, from the most violent activism of the Rapid Reaction Brigades to mere survival and the opportunistic corruption of some managers of joint-ventures;
- b. anomie, a loss of purpose in life that leads to a passive attitude of resignation, manifested in the highest suicide rate in the Americas, eight of every ten pregnancies ending in abortion, more than a hundred youngsters contaminating themselves with the AIDS virus as a way to live better for a shorter period of time and people taking refuge in the consolation of religion;
- c. exile, by legal means, desertion or rafting;
- d. dissidence, centered initially on human rights issues and extending now to independent associations of economists, journalists and lawyers, which so far have been peaceful and, realizing their vulnerability, have made extraordinary efforts to stay within the revolution's laws in order to survive; and,
- e. open defiance, which has been manifested in tearing Party membership cards, an increasing crime wave and in occasional outbursts of protests against excessive repression, as it happened in Cojimar and Regla in 1993 and in downtown Havana last August 1994.

The deterioration of the quality of life in Cuba as a result of the disintegration of the Soviet Union, the ideological collapse of Marxism-Leninism as a workable political and economic system and the end of the heroic phase of "internationalism," which was a heavy brew for Cuban nationalistic pride, have led to the practical collapse of the social contract between ruler and ruled in the island. Castro's charisma has

been weakened and he is making piecemeal concessions to citizens who are asserting more and more control over their own lives once they realize the regime is increasingly incapable of meeting their most basic material and spiritual needs. Contempt for authorities and defiance of revolutionary laws are more evident everyday, while people increasingly turn to religion to satisfy their spiritual needs.

Events in the last five years reveal a slow but significant shift in behavior from a) towards e), while c) has become a moot option for most disaffected Cubans as a result of the recent immigration agreement between Cuba and the U.S., despite the increased number of visas offered for legal migration. Meanwhile, the regime seems unwilling to make the basic changes required to cope effectively with popular dissatisfaction. The so-called opening amounts to token changes while insisting on preserving Castro's rule, the single party system and apartheid capitalism, in which foreigners are the only ones allowed to create enterprises.

In view of the narrowness of the concessions made so far, it is not too farfetched to say that it is inevitable that sooner or later popular pressure will force a more significant outcome, whether Castro agrees or not. The question then is: will the present disaster end in an apocalyptic catastrophe or is a peaceful evolutionary outcome possible? It is evident that for all parties involved, except Castro and some groups in the exile community, the most desirable outcome is the evolutionary. In that case, which policies would be required from the U.S. to contribute to that most desirable outcome?

In this paper we will consider four possible outcomes: Castro's opening, a popular explosion, a U.S. intervention and a coup d'etat. To keep the paper short, no discussion is made of the future regime resulting from these outcomes. For a discussion in depth about the desired regime, the reader is referred to the author's paper entitled "Governance and Post-

Castro's Cuba"³ which was presented at ASCE's 1994 meeting.

THE SO-CALLED CASTRO OPENING

To define that desirable outcome we should use a standard that is in line with contemporary trends in the world and, in particular, the Western Hemisphere. There are some self-appointed mediators, or "Dialogueros" as they are called in Miami, who are willing to settle for any token economic or political Castro initiative as proof that there is an opening. But fake solutions won't work. The problem is too profound to be solved by halfway measures. Furthermore, it would be dishonest to settle for standards for the Cuban people that are lower than those demanded for the rest of mankind. Therefore, with full awareness of the difficulty of attaining them, the standards guiding this analysis include:

- a. a fully independent and sovereign Cuban society that satisfies the nationalist aspirations for which the Cuban people has been striving for two centuries;
- b. a society in which power is vested in the rulers by the people, in free and open elections, and guarantees to all its citizens social and political freedoms consistent with internationally established standards; and,
- c. the introduction of a modern market-based economic system capable of restoring the material well-being Cuba had attained before Castro's regime and then allows the island to grow beyond that by integrating its economy into world markets in the next century.

We should now consider the recent evolution of the Cuban situation in relation to these three dimensions. Afterwards, there will be a brief discussion of other possible outcomes, in particular the possibility of a coup d'état. Then, in the light of the evolving situation, we will consider the impact the Helms/

Burton legislation may have on encouraging or discouraging such an outcome. It is recognized that an effective U.S. policy in that respect may well be a necessary but not sufficient condition for a coup to take place. Recent history shows that, except in the case of Romania, the armed forces do not overthrow Communist regimes.

Nationalism

It would be the ultimate Castro betrayal if his regime were to end in a situation that finds Cuba's sovereignty weakened to a point lower than when he came to power. His rise to national leadership and international acclaim was based to a great extent on his becoming the embodiment of Cuban nationalist sentiment. The failure of the regime and the disaster it has entailed for the Cuban people in no way reduce the nationalist cravings Castro so effectively mobilized in support of his leadership role. In fact, in the form of fears of a return to American domination, it is one of the emotional forces he still uses to rally his followers around him, in particular, within the Cuban armed forces.

True, a fully sovereign Cuba requires acceptance by political forces in the U.S. of what The Atlantic Council of the United States wisely states in the Executive Summary of its recently released report on *A Road Map for Restructuring Future U.S. Relations with Cuba*,⁴

"Finally, this paper assumes that U.S. policies during the Cuban transition will be predicated on the basic principle of full respect for the sovereignty of Cuba and the right of the Cuban people to freely choose their form of government and leaders."

For this to work, though, it would also be necessary for Cuban exiles and Cuban Americans who are prone to use their influence within the U.S. political system as a means to reach power in Cuba to modify their behavior. They could make a greater contribution to a free Cuba if they were to accept that change

3. Ernesto F. Betancourt. "Governance and Post-Castro Cuba," in *Cuba in Transition. Vol. 4*. Washington D.C.: Association for the Study of the Cuban Economy (ASCE), 1994.

4. Atlantic Council of the United States. *A Road Map for Restructuring Future U.S. Relations with Cuba*. Washington, D. C. : Atlantic Council of the United States, 1995.

has to come from within Cuba and help dispel the suspicions of those within the regime who feel threatened by the possibility that the end of Castro will bring the imposition by the U.S. of a particular group in power.

But Cuba's nationalism should not be perceived as exclusively an anti-U.S. issue. As the recent incident involving a former Ministry of Interior (MININT) Lt. Colonel, Nildo Labrada, reveals, nationalist feelings are reacting in other directions as a result of Castro's creating a capitalist apartheid for foreign investors. In an anecdotal reflection of underlying nationalist feelings within Cuban society, after throwing out of the porch of his house his uniforms, medals and books on Marxism, the Colonel asked for Castro's resignation for giving up Cuba's wealth to foreign investors—in particular Spanish—and making Cubans work as slaves for them. He also mentioned the death of thousands of Cubans in Angola and Ethiopia, where he served, pointing to a latent anti-Soviet theme.

Needless to say, Lt. Col. Labrada was arrested and taken to an insane asylum. But, more than craziness, his outburst reflects repressed feelings within regime ranks. It is worth pointing out that the Colonel did not talk about lack of food or transportation or the quality of housing and health services. His complaint reflects a reaction to Castro's betrayal of the heightened nationalism he himself instilled in Cubans.

Russian leaders may also generate a nationalist reaction against them if they continue looking at Cuba as a pawn in their efforts to restore the international strategic role they lost. In Cuba that is a geo-political absurdity. It must be remembered that Russia did not invest any blood to gain its Cuban foothold, it was merely Castro's betrayal of the revolution that opened the door for them. They have no historical, religious, racial, cultural, systemic or economic grounds on which to base hegemonic pretensions over Cuba.

As the recent research effort by Nestor Sánchez for the Pentagon reveals, Russia's strategic interests in a presence in Cuba are predicated on the use of the island as an electronic monitoring base against the

U.S.—but with the consent of the Pentagon since it is used to verify compliance with strategic agreements—and a warm water port in the middle Atlantic for its fleet. And, economically, in preserving a formerly captive market for the shoddy products of its obsolete enterprises. A more insurmountable obstacle to that relationship is the Russian pretense that Cuba pay its foreign debt to the former Soviet Union. They don't seem to realize that rather than a one-way flow of subsidies, there was also a flow in the other direction in loss of lives and opportunity costs incurred while Cuba contributed to Soviet imperial dreams, particularly in Africa and Latin America. Not even the Castro brothers accept Russian debt claims.

In summary, as the experience described by the Russian participants in the Pentagon study quoted above shows, despite the appearance in principle of convergent interests derived from their former association, cooperation between the two countries is difficult to attain in practice. The truth is that Russia has a shallow base indeed on which to maintain any hegemonic influence over Cuba. And, as the Helms/Burton Act shows, such attempts could hinder rather than help their primary interests in developing a good relationship with the U.S.

Spanish leaders, from the left, like Felipe González, and the right, like Manuel Fraga Iribarne, whether they realize it or not, are interfering in Cuba's political affairs. It does not matter if they are acting in response to an understandable desire to renew Spain's influence in a country with which it shares many bonds or historic resentments against the U.S. resulting from the final demise of their empire. They must realize that Cuban memories of the colonial era are very negative and the name of Governor Valeriano Weyler evokes the same reaction in Cuba that the name of Heinrich Himmler evokes in Europe. For Spaniards to come to Cuba to acquire control of Cuban assets from Castro at bargain prices and for their tourists to prostitute Cuban women is awakening the worst memories of Cuba's experience as a Spanish colony.

Spain should heed the advice of its former Ambassador to Havana, Juan Antonio Gil, published in the

April 23, 1995 issue of the Madrid newspaper *El País*. In his article, Ambassador Gil explains that Spain tried to help Cuba open up politically and economically motivated by a sense of solidarity with the Cuban people, but in November, 1994 a high ranking Spanish official was told by Vice-President Carlos Lage that the purpose of any changes was not to reform the regime but to consolidate Castro's stay in power. The unwillingness of the González Government to face this reality is what led Ambassador Gil to resign and he adds:

“Castro is convinced he can continue counting with the full support of the Spanish Government, no matter what, ignoring the serious harm such behavior could do to the image, prestige and interests of Spain in Cuba since such support—no longer justified by the initial noble purpose which determined and legitimized it—could be perceived by the Cuban people as connivance with the tyranny that oppresses them.”

Finally, some Europeans and Latin American leaders use Cuba, and the tragedy endured by its people, as a proxy to vent their disguised or open anti-Americanism, failing to distinguish between helping Castro and helping the Cuban people. These mediators should get their facts straight. Castro's hold over Cuban public opinion is declining. His betrayal of Cuban nationalist aspirations for the sake of his own ambition for a place in history is becoming more evident to Cubans. The totalitarian nature of his regime cannot be brushed aside lightly with token reforms. And, it is the failure of his absurd economic policies, and not the U.S. embargo, that has deprived Cubans of the previously attained levels of material well-being.

The attitude of the Europeans, in particular, is reflected in the report issued on June 23, 1995 to the European Parliament and the Council promoting relations with Cuba. It is not a matter of questioning the provision of humanitarian aid, in fact they should be encouraged to provide as much as possible. While extremely critical of the U.S. embargo, the report is frankly dishonest in its coverage of events on the Cuban side.

The report omits events such as the Cojímar and Regla incidents in 1993 or the Malecón riots in

1994, not to mention the massacre of the 13th of March tugboat on July 13, 1994, when 41 persons, including 20 children, were drowned by Cuban fireboats with people being hosed out of the deck of the tugboat, which was eventually rammed and sunk. It accepts as evidence of a political opening regime staged events with so-called moderate exiles who are nothing but Castro sympathizers in disguise or the setting up of a fake opposition with leaders de facto selected by Castro, instead of making a general opening and letting the people select who they want to follow.

It glosses over the limitations of the purported economic reform, while supporting access of the regime to international financing agencies ignoring the “governance” requirements which are increasingly being applied to the rest of the world by the OECD or the respect for human rights required by the European Community statutes. Finally, it encourages the naive notion of Cuban officials that they can enter the IMF, the IDB and the World Bank over the opposition of the U.S.

Political Situation

It is assumed that a satisfactory democratic political system would involve as a minimum respect for human rights and basic freedoms as established in the Universal Declaration of Human Rights, guaranteed by the rule of law under an independent judiciary and the installation of a representative government that allows a pluralized party system to articulate the demands and aspirations of a vigorous and active civil society.

Ever since the beginning of the revolution a dual government has existed. For purposes of simplicity we will label one the “caudillo” and the other the “institutional” governance systems. The caudillo system reflects Castro's way of ruling. The institutional system was sponsored by the Soviets through his brother Raúl, who is a much better administrator but lacks Fidel's charisma. Needless to say that the Soviets were advocating institutions that failed miserably in the Soviet Bloc. Despite Soviet support, however, over the years Raúl was rebuked by Fidel in his institutional efforts one time after another. At those times, the brothers argued violently and in some oc-

casions Raúl even threatened to resign. But in the end he submitted to his brother's decisions. Caudillismo always prevailed.

However, we should not ignore the fact that the only effective institution emerging from the Cuban Revolution is the Cuban Armed Forces under MINFAR. The MINFAR has been Raúl's bailiwick from the beginning and at least this writer is not aware of any instance in which he was overruled by Fidel in the military sphere. It must also be kept in mind that, in the military sphere, Soviet influence was overwhelming. It was essential for regime survival in its defiance of the U.S. When Raúl has dallied into the political or economic sphere, however, on his own or in most instances with Soviet support and encouragement, the results up to now have been negative. And it is reasonable to assume that now, when there is no Soviet Union anymore, he is even less likely to prevail. In the early years of the revolution, it was Raúl who pressed for his former comrades of the old Communist Party to organize the party of the revolutionary government. To Raúl's embarrassment, this ended in plots, with Soviet support, to seize power from Fidel and led to several notorious trials. But by 1968, Castro was forced to bend to Soviet dictated changes in the internal leadership and support the invasion of Czechoslovakia, as well as to start a modest effort at institutionalization.

After the failure of the 10 million ton sugar harvest in 1970, Castro's caudillista style was seriously questioned and the Soviets imposed the sovietization of Cuban political institutions and governmental entities as a condition for entry to the COMECON. By the time of the First Party Congress, in 1975, institutionalization appeared to have gained the upper hand. Not only the Party but the Constitution and the Government organization were drawn following Soviet models.

One interesting aspect of this institutionalization was that the judiciary branch was subordinated to the executive. This was part of a process of judicial reform advocated by former President Dorticós under the banner of "socialist legality." Later on, Dorticós killed himself, according to some versions, in despair over Fidel's brutal reaction to a court's decision he

did not like. This was known as the Solidarity trial, in which the judge and the defense lawyers were thrown in prison, the defendants were tried again and found guilty. The fact is that "socialist legality" has assured Fidel—as was made evident at the Ochoa trial in 1989—that there is not going to be any rule of law in Cuba to interfere with the whims of the caudillo about the life, freedom or property of any citizen.

It was at that time that some of the Castrologists in American academe started talking about institutionalization of the revolution. It dressed the Revolution with respectability and conveyed the image of consolidation. Following Max Weber's theories, the logic was that charisma was being bureaucratized and as a consequence legitimacy was attained. But institutionalization is impossible without the rule of law.

In reality, the caudillo system was far from abandoned. At this time, and parallel to institutionalized authority along functional or sectorial lines, Castro established a caudillo delegated direct line of authority. It included the Coordination and Support Group attached to his office and delegated power along geographical lines to the Provincial Party Secretaries, making them directly answerable to him, with authority in their respective territories to override any ministerial decisions. In fact, the Provincial Party Secretaries are the ones who give the yearly reports to the Assembly of Popular Power during the budget discussion. The Party Secretaries were even given authority over the Territorial Troops Militia created in 1980 as a military alternative in case the institutionalist and their Soviet sponsors got ideas detrimental to Fidel's interests.

In 1980, the Mariel exodus revealed the profound unhappiness within the population because of economic hardships. The Soviets, through their man in Havana, Humberto Pérez, the head of JUCEPLAN—who also had Raúl's full support—promoted a moderate economic opening through the Free Farmers' Markets. Fidel continued handling directly his pet projects in cattle raising, chicken, biotechnology, etc. through the Coordination and Support Group. Any conflict in priority use of resources was settled in favor of Fidel's pet projects.

In 1986, Fidel launched the “Rectification of Errors” phase. The Free Markets were dismantled and Pérez was fired. In essence, the opening was threatening Fidel’s political interests by creating a new moneyed class free of his control that was resented by Party cadres. The sacking of Humberto Pérez took place despite Soviet subsidies of more than 5 billion dollars a year. Raúl gave haven to Pérez at MINFAR for a while and eventually he was transferred out of the centers of power into some obscure job.

With the emergence of *Glasnost* and *Perestroika*, Raúl, the inveterate institutionalist, endorsed the reform ideas of his new Soviet mentors. Carlos Aldana, one of Raúl’s closest collaborators and head of the Department of Revolutionary Orientation—the Party Secretariat unit responsible for ideological and media guidance and control—was thrown into the ring as the advocate of those ideas during the preparatory period previous to the Fourth Party Congress in 1991. Meanwhile, the advocate of caudillo rule expressed openly his reservations about Gorbachev’s ideas predicting, quite correctly, that they were going to end in the disintegration of the Soviet Union. Despite a humiliating acknowledgment of his mistake and the wisdom of Fidel, Aldana was also sacked on charges of corruption, whether trumped or real we do not know.

The advocates of institutionalism suffered a mortal setback with the collapse of the Soviet Union in 1991. Since then there is no longer any Soviet subsidy or strategic umbrella to give leverage to Raúl’s institutionalists. By the time the 1992 Constitutional reforms were enacted, Fidel was back in full caudillo control. The much heralded political reforms were scuttled. Instead, the power to impose emergency rule was added to his many powers, a provision nonexistent in the previous Constitution. This power allows him legally to suspend the Assembly of Popular Power and rule personally as Chairman of the Council of State in case of emergency. That would be a very convenient power to have were a collective will to emerge among groups within the Cuban nomenclatura to challenge Fidel’s authority.

As the aggregate impact of the collapse of the Soviet metropolis hit the regime in all its dimensions, Fidel

Castro invoked a plan devised for a military crisis during which Cuba could be isolated, it is called the Special Period in Times of Peace. The last part of the title reflects the fact that there is no war. It is a Khmer Rouge type of mobilization of the population away from the cities and into the countryside with a return to a primitive survival level of living. For obvious reasons, the regime has been hesitant in implementing these measures to their fullest.

Fidel is waiting for the proper opportunity to justify its implementation. That opportunity may well present itself with the 1996 sugar harvest for which they need an additional 300 thousand workers to do manually what the tractors and harvesting machines cannot do for lack of oil and spare parts and there are between 500 and 800 thousand redundant urban workers in non-producing factories throughout the island.

Meanwhile, Raúl and his institutionalists have discovered that the kind of institutions they were advocating, in particular for managing the economy, were an international failure and started experimenting on how to apply their military managerial skills to productive activities. This was politically urgent in particular because the collapse of internationalism and Soviet subsidies had made budget retrenchment inevitable and blocked military careers. MINFAR expanded its economic role, which included a study group directly under Raúl’s office and the Military Industrial Enterprises (EMI), with the Gaviota tourist enterprise, agricultural producing activities and the new free peasant markets.

These additional economic undertakings provided an employment outlet, with access to pay in dollars, to redundant military officers. The Youth Working Army (EJT), formed by draftees, provides the labor force for many of these activities. As reports coming from Cuba reveal, such activities are corrupting military cadres and could make the armed forces the source of resentment from Party cadres not allowed to enjoy such privileged status, not to mention average citizens.

Fidel’s caudillo political system prevails at present but hidden behind the draping of Raúl’s institution-

alization. Lifting the embargo has become a rallying cry for the regime. Fidel has mobilized his friends and sympathizers in the media and in the international left to convey the image that the transition in Cuba has to be made under Fidel's tutelage. This message has been raised by Nobel Prize winner Gabriel García Márquez and many others to the level of a dogma. Under this scheme, a token opening to the "moderates" in exile, who are really pro-Castro groups or people who have no political base of their own and are willing to play the role of Castro's loyal opposition, justifies lifting the embargo. It is revealing that the real dissidents inside Cuba, Arcos, Payá, Sánchez, etc., who are advocating peaceful changes within the system, continue to be persecuted and harassed under this purported political opening of the regime. The fact that the "moderates" in exile do not condition their participation in Fidel-sponsored forays to an opening for the internal dissidents, raises serious questions as to the legitimacy of their claimed moderation.

An excellent summary of the workings of Cuba's political system has been made by Dr. C. Miriam Gras Mediaceja, a Cuban researcher with the Political Science Group at the School of Philosophy and History of Havana University. In a courageous paper entitled, *El Sistema de Gobierno Cubano: Control vs Autonomía*, Dr. Gras describes how Cuba is ruled through a top-down political system under which there are no autonomous institutions. In her paper, Dr. Gras documents thoroughly the caudillo nature of the Cuban political system and how it was reinforced by the Leninist concept of the party as the vanguard of proletariat rule. She considers that such a top-down approach is no longer consistent with the needs of contemporary Cuba, suggesting that the ability to disagree and organize dissent has to be introduced into the system, as well as to vest in the people control over elected and administrative officials, rather than the other way around as at present.

In what is perhaps the most shattering revelation in the paper, Dr. Gras describes in Footnote 19 how decisions made at the top are merely legitimized by the masses under the guise of participation:

"An example of the legitimizing role was made evident in the process of discussion and approval of the 1976 Constitution. Although 6 million Cubans discussed the draft project and 16,000 made proposals for change, when the initial draft is compared with the final version, we can see that the final version only incorporates minor editorial changes. Changes of substance were made in only 4 or 5 paragraphs."

Needless to say that, as the previous quote from the article by Spain's former Ambassador indicates, the intention of Fidel Castro and his immediate collaborators is to preserve top-down rule, while popular participation is merely a ruse to legitimize the decisions made at the top. Caudillismo rather than institutionalization prevails in today's Cuba. The political opening offered so far fails to meet the most elementary standards for democratization stated above. The slogan synthesizing the present political opening seems to be: Manipulation, Yes! Democratization, No!

Economic Situation

It is assumed that in economic matters, the opening would involve a process similar to what is called structural adjustment, except that in Cuba's case it would involve also a significant systemic adjustment. This requires the shift to a market ruled economy in which the state plays a subsidiary role, with the private sector taking the lead in finance, infrastructure, production, services and distribution. Under these reforms, the state retains responsibility for creating the proper macroeconomic environment for attaining growth with monetary stability and for regulating the economy to prevent abuses from private monopolies. The state must also retain responsibility for protecting the rights of citizens as consumers, investors and workers, as well as, of society as a whole, from environmental deterioration. Under a market system, the state may also support private sector efforts in diverse degrees but it is expected to do so without distorting the market.

Since there are many papers at this meeting dealing with various aspects of Cuba's economy and, in par-

ticular, our colleague Carlos N. Quijano⁵ has prepared a chart comparing the economic opening in Viet Nam with the one in Cuba, it is not necessary to delve at length on how the Cuban reforms fail to meet the above criteria. Instead, these comments will be focused on the potential political impact of the measures taken under the banner of the economic opening.

The economic reforms introduced in the last two years have generated their own problems and are bringing Cuba into another crisis. Two of the reformers, Messrs Julio Carranza and Pedro Monreal,⁶ from the Havana based Center for the Study of the Americas, recently presented their views on the future of economic reforms in Cuba at a meeting in Washington, D.C. They are not dissidents. On the contrary, they openly state that the goal of the reforms they advocate is to preserve the regime's socialist orientation and Fidel's rule.

According to Carranza and Monreal,⁷ while limited success has been attained in reducing excess liquidity in the economy, a huge budget deficit continues as a result to a great extent of 1.2 million workers being paid while 70 percent of the enterprises are unable to produce for lack of energy, transportation, raw materials and spare parts. In considering these facts, one must take into account that this is only redundant labor in the productive sector. In addition there are bloated payrolls for education (414,000) and health (277,000), social services which Castro insists must be provided totally free, not to mention the military and police. In total, Cuba's public sector employment, outside state productive enterprises, exceeds one million workers. Cuba's GDP has been reduced by half since the Soviet collapse started in 1990 and

there is no way the paralyzed Cuban economy can sustain such a heavy public sector burden.

Under questioning at the workshop of April 10, 1995, Monreal and Carranza acknowledged that the government intends to dismiss 500 thousand workers and send them Cambodia-like to work in the countryside or as independent workers in the cities. Afterwards, the head of the unions raised the number to 600 to 800 thousand. An EFE dispatch from Havana on July 11, 1995 reported that 300 thousand workers will be mobilized to try to save next year's sugar crop, essential to regime survival after the disastrous 3.3 million tons crop harvested in 1995.

At the same time, Castro is hesitating in dismissing the redundant workers. He seems to fear another social explosion similar to what happened last August with the rafter exodus. More so now that the emigration door has been closed as a result of the Alarcón/Tarnoff agreement of May 2, 1995. An agreement, incidentally, which Castro is likely to honor in the breach, once he realizes that in exchange there will be no lessening of his external financial constraints. Therefore, he will lack the financial means to avoid possible internal social turmoil generated by the reforms. As Castro warned last year at the May session of the legislature, this time the reforms "have to be right or we are going to face a disaster."

But even the lower number of dismissals, between 300 and 500 thousand will leave between 900 and 700 thousand subsidized workers on the government payroll. To get an idea of the dimension of Castro's dilemma, this would be equal to the Federal Government subsidizing 24 million idle workers, planning to fire 6 to 10 million of them, thus leaving between

5. Carlos N. Quijano, "Vietnam and Cuba: I- Institutional and Legal Reforms, II- Structural Policies, III- Macro-Economic Policies." A Presentation to the Fifth Annual Meeting of the Association for the Study of the Cuban Economy (ASCE), Miami, August 10-12, 1995.

6. Julio Carranza Valdés, Pedro Monreal González and Luis Gutiérrez Urdaneta, "Cuba: Restructuring of the Economy (A Proposal for Discussion)." Paper presented at the Shaw, Pittman Potts & Trowbridge Workshop on The Future of Cuba's Economic Reforms, Washington D.C., April 10, 1995.

7. Julio Carranza Valdés, Luis Gutiérrez Urdaneta and Pedro Monreal González. *Cuba: La Restructuración de la Economía*. La Habana: Editorial de Ciencias Sociales, 1995.

18 and 14 million in the payroll. Not even a thousand days of Newt Gingrich could deal with that!

Castro's hope is that foreign investment, particularly in tourism, and independent work will absorb the remaining redundant workers. As anybody familiar with foreign investment knows it is usually capital intensive. The amounts of foreign investment flowing to Cuba are too tiny to make a dent on those huge numbers of redundant workers. According to an Ana Radelat dispatch in the June 23, 1995 issue of *El Nuevo Herald*, at a recent meeting in New York, Cuban officials acknowledged that there was a slow-down in foreign investor interest caused not only by the threat of the Helms/Burton legislation but also by Cuba's delay in enacting the long-promised new law regulating foreign investment. That same day, at the State Department briefing, the issue of the U.S. Treasury enforcing the embargo against the Canadian nickel company Sherritt joint ventures with Cuba under the Torricelli legislation made it clear that Cuba's efforts to attract foreign investment face an uphill battle.

The arrest of Robert Vesco and the summary dismissal of Abraham Maciques, the head of the Cubanacán tourism conglomerate, who was very popular with foreign investors, should discourage investors further. According to a July 14, 1995 story by Pablo Alfonso, the special reporter for Cuba of *El Nuevo Herald*, the explanation circulating in Havana was that Maciques had agreed to put US\$30 millions into the AIDS drug plant promoted by Donald Nixon. Anybody familiar with Vesco's history would not be surprised that he could not sit idly by while all these deals with foreign investors were being cooked. And Vesco, who served Fidel in operations to violate the embargo and even drug transactions, is not reluctant to engage in corruption.

Therefore, it would not be surprising if there is a link between the Vesco arrest and the *Granma*, the party organ, report on July 13 on corruption. In a three page spread, it reported that, at a three day meeting with 350 Cuban managers of joint-ventures, Castro had denounced widespread corruption caused by "foreign investors and tourists." Audits will be made of all joint-ventures. Castro raised the issue again in

his 26th of July speech and linked capitalism—in the form of foreign investors—to corruption in contrast with their experience when they were dealing with Soviet enterprises. The resulting repressive climate is not likely to improve Cuba's 167th standing in the worldwide ranking on investment climate issued by *Euromoney* recently.

No mention was made of what was going to be done to tourists, but the mere announcement could chill Cuba's attraction as a tourist destination. Travel agents better start issuing warnings to travellers to Cuba because, if past experience is to be taken into account, sooner or later there are going to be arrests of tourists who engage in what the regime will define as not permissible activities, prostitution being the most likely target.

At this time, foreign investors and tourists could discover that there is no rule of law in Cuba. The bad image of Vesco has prevented his arrest in early June and the fact that he has been denied any legal protection or the services of an independent legal counsel to receive the attention it deserves. This lack of legal rights may further discourage potential investors. As commented above, investors seem to be losing interest in Cuba. On June 30, 1995, *The Financial Times* reported that the price for Cuban debt paper, which was 9.5 U.S. cents to the dollar in June, 1993 and had climbed to 28 U.S. cents to the dollar in January, 1994, had fallen to 14.5 U.S. cents to the dollar by June, 1995. Cuban debt paper is used in swap deals by foreign investors, and the decline in price indicates lack of demand. The three page treatment given to corruption in *Granma*, the Party organ, signals a mayor event and probably a trial. Therefore, the price of Cuban debt paper may fall even further.

The other outlet Castro hopes will absorb redundant workers is no more promising. After profound deliberations among the ministers responsible for the economic opening, new measures were announced on June 15, 1995 on independent work. Nineteen activities were added to the 140 already allowed. But the nature of the categories of work sounds more like a joke than a serious effort to solve a massive employment problem: "dog hairdressers," "doll repairing," "sewer cleaners," "piñata building," etc.

Professional workers, such as engineers, doctors, architects, lawyers and teachers, who are forbidden to collect dollars for their professional services, were authorized to earn dollars, but not in their professional capacity. They can moonlight as taxi drivers, bartenders, waiters, and in some very sad cases even as prostitutes. The “paladares” restaurants were authorized also, provided they limit themselves to no more than twelve chairs. In both cases, this merely legalizes what people are already doing. These measures, in addition to the restricted nature of the free markets for agriculture and industrial products, are insufficient to create a market economy and much less to start up the Cuban economy.

The partial liberalization of dollar transactions and the creation of parallel agricultural and industrial markets, where prices are higher, has led to a modest improvement in food supply but, as was to be expected, at prohibitive prices for the majority of Cubans. Supply of industrial goods, which are heavily dependent on imports of raw materials, has not improved however. But, as a result of the reforms, the egalitarian basis of Cuban society, alleged to be one of the attainments of the Revolution, has been shattered.

A dual economy divides Cubans into a minority of “winners” with access to dollars and an 80 to 90 percent majority of “losers” who don’t have that access. Since the losers include retirees, many in the military and police, as well as doctors, teachers and engineers who are unable to trade in dollars, this breach in the revolutionary social contract is raising tensions within Cuban society. This could explode into internal strife.

True, there has always been a privileged revolutionary elite around Castro, the people call them “Mayimbes,” which means vultures. But they were few, basking under the aura of Castro’s charisma, and in relative isolation from the majority of the population, while the egalitarian policies promoted by the revolution allowed for an equitable distribution of whatever goods were available, and that was substantially more than has been available recently. Now, however, the “winners” are mingled with the population and “losers” among Party cadres resent them because they not only enjoy comforts not available to

the “losers”, but many are openly against Castro and the revolution.

According to the two reformers mentioned above, Carranza and Monreal, another undesirable consequence of free agricultural markets is that there has been a massive transfer of income from the cities to the countryside and that transfer has been heavily concentrated in some individuals, what the Cubans call “macetas.” In their opinion, the Government made a mistake in not confiscating the savings of the “macetas” through a currency exchange or in accordance to the draconian decree 149 issued in May, 1994.

But now these “liberalizing reformers,” are not only advocating that the confiscation take place but also that measures be taken to ensure there is no “excessive accumulation of surpluses” under the private enterprises schemes they are proposing. We can see that the idea behind the reform is to encourage people to produce more while limiting the financial benefits they could derive from their efforts in accordance to some bureaucrat’s or, more likely, Castro’s notion of what is “excessive accumulation.” Current reforms in Cuba are predicated on a misguided notion of how the profit motive works. If this is what the “reformers” advocate, one wonders what is the position of the “hardliners.”

Under the proposed scheme for economic reform, therefore, most Cubans are doomed to work for a debased pay from the Government in Cuban pesos worth two or three US cents as indentured workers for foreign investors who in turn pay their salaries to the Government in dollars or for a shrinking state payroll that does not provide them with a minimum purchasing power. The rationing card, which provides access to goods at lower prices, is fulfilled less and less. Cubans are also offered an extremely restricted space for independent self-employment but with access to dollars. Professional work is not adequately rewarded and university registration is declining.

In summary, the measures taken so far have shattered the egalitarian goals of the revolution by creating a dollar earning privileged class, while preventing real

expansion of production. As a result, the regime is caught in an explosive dilemma, to liberalize allows enemies of the regime, along with some corrupt members of the nomenklatura allied to foreign investors under apartheid capitalism, to enjoy privileges and a consumption pattern not available to most loyal Party cadres and the average citizen. That may well be the reason for Fidel's recent attack on corruption. Reports reaching Washington at the time of this writing, attribute to "hardliner" José Machado Ventura, who is head of the Party Organization Department responsible for Party cadres, exerting pressure on Castro to crack down on corruption. As it happened in 1986, Fidel may be cracking on corrupt behavior to placate the diehard "Patria o Muerte" cadres left out of the dollar market. This may be a move to avoid the "disaster" that concerns Castro.

OTHER POSSIBLE OUTCOMES

The previous section makes clear that the "Castro opening" outcome is unlikely to provide a long term solution to the Cuban crisis, since the policies followed by Castro will only prolong the present regime and drag the Cuban people through a long agony. Therefore, we shall consider some of the other possible outcomes:

- a. A popular explosion leading to the disintegration of the regime, which could become the final option for the Cuban people if the present drift continues.
- b. An intervention by the U.S. in response to a deliberate Castro provocation or chaos in the island.
- c. A coup d'état by elements within the regime's armed forces in the wake of Castro's death or to prevent the disintegration of the regime.

The feasibility of each option will be considered briefly. For a more elaborate discussion of the internal political climates resulting from each outcome

the reader is referred to the previous paper presented to the ASCE meeting in 1992.⁸

A Popular Explosion

This would be the most violent of the outcomes, which would result from a massive shift in population behavior from choice a) to support the regime to choice e) open defiance. In other words, this would mean that the revolutionary propensity bottled-up by Castro's repression reached a point that exceeded the repressive capacity of the state, changing dramatically the internal equilibrium of forces, with the likely outcome of a disintegration of the regime and the armed forces, as well as a total breakdown of law and order.

The more Castro delays his departure or setting the machinery for an orderly transfer of power, the more likely that the armed forces will become discredited as it happened to the army under Batista in Cuba in 1958 or to the Guardia Nacional under Somoza in Nicaragua in 1979. This possibility increases to the extent the armed forces become associated with repression, which so far has not happened in Cuba.

The increased disaffection of the population has led to the creation of the special coordinated repressive units, the SUVP, and the Rapid Reaction Brigades. Sometime in the future it is not impossible to visualize a situation of significant disturbances. According to a paper prepared by Humberto León, a researcher at the North South Center of the University of Miami, for the Néstor Sánchez study commissioned by the Pentagon,⁹ Government measures to cope with such a situation were revised under prodding from the military after the Cojimar and Regla riots in 1993 and were reflected in the less provocative handling of the Malecón riots in August, 1994, although it must be pointed out that no such restraint is reflected in the handling of the tugboat incident the previous month. If more widespread open resistance were to occur in the future, there are two choices for the armed forces, to repress brutally in a bloodbath or to refuse to do so and rebel instead. The future

8. Betancourt, "Revolutionary Propensity," *op. cit.*

9. Humberto León. "The Impact of the Economic Crisis on the Cuban Revolutionary Armed Forces (FAR)." In International Research 2000 Inc., *The Military and Transition in Cuba*. Bethesda, MD: International Research 2000 INC., March 17, 1995.

context for the reconstruction of Cuba will be decided at that crucial moment. That is why it is so important and urgent for those who may face such a dilemma to have a clear alternative reassuring them that they will be accepted by the exile community and the U.S.

Popular explosions usually lead to fragmentation of authority and chaos. The divisions of the exile community and the dissident movement within the island is a good indication of how difficult it will be to articulate a transition government under this outcome. The more violent the outcome, the less likely that there will be a central authority having legitimacy, international recognition, control of repressive capacity and enough political cohesion to take the decisions required to bring an orderly transition and create a climate conducive to reconstruction. On the other hand, this outcome could trigger either a U.S. intervention or a coup d'etat.

An Intervention by the U.S.

This outcome could result either from chaos inside Cuba or from a deliberate provocation by Castro. It would be a historical disaster for both countries. At the time of the Bay of Pigs, the wisest decision made by President Kennedy, after making the great mistake of buying the plan presented to him for the operation, was to refuse to be dragged into an intervention. There are many who do not share this viewpoint and argue that merely an air strike would have been enough. However, the death and destruction an intervention would have brought to Cuba would have been very high, since resistance would have been intense even from revolutionaries critical of Castro. And, by crushing the high Cuban nationalist expectations prevailing at the time, it would have generated a wave of resentment that would still be haunting us.

Fortunately, there is only a remote possibility this could happen. The U.S. military leaders who considered this was an option right after the Gulf War seem to have lost the upper hand in the Clinton Administration and the present Pentagon position seems to be one of adamant opposition to such an outcome. There are influential groups in the exile community who downplay the nationalist feelings aroused by

Castro as a temporary thing that is being discredited by the failure of the regime and continue to hope for an intervention as the final outcome. At present, this position has lost any credibility except in Castro's propaganda, but could gain acceptance if there is chaos and bloodshed in Cuba or Castro decides to end his regime, once he becomes convinced there is no hope for him, with a final provocation against his hated enemy the U.S.

A Coup d'Etat

This outcome could occur as the result of the actions of a lone assassin escaping Castro's extraordinary security or due to natural death or as a result of self-interest within the military once they perceive Castro's unwillingness to yield constitutes a long run threat that could lead to regime disintegration.

Were such an event to result from Castro's death, it would lead initially to a transition long planned by Castro himself, since for quite some time Raúl has been the designated heir. The change in the Constitution allowing the Chairman of the Council of State to declare a state of emergency and assume even more powers than at present could be useful to Raúl were he to move from the number two spot he has now in all the positions occupied by his brother to the number one spot in the regime hierarchy.

However, Raúl lacks Fidel's charisma and would be forced to rule in some collegiate form. Once the opening starts, he will be less likely than Fidel to have enough control to provide a stable climate for the transition, although as was discussed above he has been an advocate of some form of liberalization. Challenges to the new order would come from dissidents, labor unions, displaced party leaders and the many officers within MINFAR and MININT who have contempt for Raúl.

Despite the measures taken by Castro to make a coup very difficult, such as rotation of commanders, severe intelligence monitoring within the armed forces, limited distribution of ammunition to units and even separate armies leading to a dispersion of control of troops, the overall deterioration of the internal situation does not permit this outcome to be ruled out completely.

For this to occur, it would be necessary for a consensus to develop among military commanders, and perhaps some political leaders, that Castro's continuation in power is a bigger threat to the interests of the armed forces than his removal from power. Perhaps an event that gets out of control and forces the army to make a hard choice, such as having to repress a popular demonstration protesting increased police abuses or a protest by workers forced to move to the countryside to work in the sugar crop may be the trigger event for the coup.

Contrary to the view that has been projected of monolithic support from the armed forces, there is growing evidence that the armed forces are asserting an independent position within the regime in the face of a decline in Castro's charismatic appeal and in their growing concern that increasing popular dissatisfaction could face them with the prospect of having to repress a revolt.

This progressive weakening of Castro's hold over the military is described in detail in the excellent and insightful paper by Humberto León in the Sánchez report commissioned by the Pentagon. One central factor in León's observation of the current situation is that:

Today in Cuba a very significant change is taking place within the political class, and even inside the inner circle, in the growing perception of Fidel Castro as an obstacle to reform, as someone who is constantly curtailing diverse projects and initiatives dealing with economic reforms.¹⁰

According to León, the deteriorating situation has led to Raúl taking the initiative in the advocacy of reform leading to a transition. "Raúl Castro also emphasized, together with his reformist approach, two things: the notion and authority of the "Commander-in Chief" and that he was acting in full accordance with his brother." However, as we have seen under the section on political reform, over the years Fidel has in the end overruled all of his brother's efforts at institutionalization. And that was at a time when Raúl's efforts were undertaken with the support of a

Soviet Union that provided several billion dollars a year of economic assistance and the strategic umbrella.

In the presence of a failure of the foreign investment and limited independent work reform to improve the economic situation and of the effort to repeal or soften the U.S. embargo, stop the Helms/Burton Act and gain access to international lending institutions, it is quite likely that Fidel will again stop Raúl on his tracks. In fact, this may already be taking place in the move against corruption and in the delay in enacting the revised investment law. The recent departure of one of the leading reform advocates, Osvaldo Martínez, as Minister of Economics and Planning only four months after taking the job and the laughable nature of the jobs made available for independent work may be additional indications that Fidel, the caudillo, is reasserting himself and rebuking his brother, the institutionalist, efforts to promote an albeit limited reform.

The question arises then, how will the armed forces react to this last assertion of caudillo rule over institutional rule? It is at this point that we must take into account that there are divergent generational interests and historical experiences within the armed forces. A former Cuban army officer groups them as follows:

- a. the "old guard" from the insurrectionary period who fought mostly under Raúl and who were provided afterwards with formal military training, including in many cases at the Frunze and Voroshilov Soviet military academies. This group includes most, if not all, of the General rank officers. They enjoy the privileges and living conditions of the nomenklatura. They are also very conscious that their fate is closely linked to the fate of the Castro brothers and are unlikely to move against them unless they are faced with regime disintegration, in which case they may react in response to their individual interests. Their behavior at the Ochoa trial is significant. Forty seven general rank officers signed his death sen-

10. Humberto León., *Op. Cit.*, p. III - 6 - 19

tence, although twenty some felt the need to express on the record their admiration for General Ochoa explaining that their support of the sentence was predicated on the seriousness of the accusations made;

- b. the next group includes the bulk of the Colonel, Lieutenant Colonel and Major rank officers in the FAR. They do not come from the ranks of the guerrilla war against Batista and do not have bonds with the Castro brothers as close as those of the first group. A substantial number are professional soldiers trained in the Soviet Union and were involved in “internationalist” missions overseas, particularly in Ethiopia and Angola. Despite having access to some extra compensation and benefits, this group does not enjoy the privileged status and consumption of the “old guard” and their families share with the population many of the hardships of current life in Cuba. Nevertheless, nationalism and the fear of their fate, not to mention the effectiveness of the security apparatus, have so far deterred this group from challenging the present leadership;
- c. the next group is constituted by younger officers who have even less of a historical linkage to the leadership and the old guard. They came into the armed forces at the tail-end of the “internationalist” phase and did not share the glorious years of revolutionary successes and massive Soviet economic support. In general, they share the shortcomings of daily life with the rest of the population despite the fact that they get some extra benefits in kind as part of their remuneration. As is the case with the other groups, besides the effective security apparatus, their behavior is influenced by nationalists feelings and the fears of what may happen to them in a post-Castro period.

At present, the high profile of exile leaders projecting themselves as “protagonists” in a post-Castro government, with their image within Cuba of being intent

on a policy of restoration of the past and revenge, is the greatest asset Castro has to discourage this outcome. Castro continues playing this theme in his domestic propaganda along with the threat of a U.S. invasion. Unfortunately, that is the biggest flaw in the present U.S. policy towards Cuba. The Clinton Administration early in its tenure issued low profile statements that may have been intended to reassure potential plotters inside the regime indicating implicitly that, were they to move, we would accept and support them.

However, under the most recent reorientation of Administration policy, the central objective is perceived to be to avoid any crisis in Cuba between now and November, 1996, while at the same time reiterating support of Torricelli’s Cuban Democracy Act. Politically, this is a logical attitude, particularly in view of the impact such a crisis may have on the mood of U.S. public opinion on the immigration issue. According to Cuban sources, Castro is claimed to be willing to go along to help reelect Clinton. The argument being that, in a second term, Clinton is likely to lift the U.S. embargo and normalize relations with Cuba. But Castro may heed the advice of Andrei V. Kortunov, a member of the Russian Academy of Sciences Institute of the USA and Canada Studies, who states in his paper in Sánchez report for the Pentagon, that:

“Only a strong and forceful President with an unquestionable conservative record could reverse longstanding U.S. policy towards Cuba. Bill Clinton does not qualify.”¹¹

The Administration, in the voice of Richard Nuccio, White House Cuba Advisor, has in fact endorsed Castro’s tentative selection of Gutiérrez Menoyo as the chosen leader of a fake political opposition, tacitly accepting Castro’s move as a legitimate step towards a political opening. This undermines the position of potential plotters. It also ignores the fact that a real opening requires that this right be granted on an unrestricted basis to other dissident groups inside

11. Andrei V. Kortunov, “The Role of External Factors in the Cuban Transition.” In International Research 2000 Inc., *The Military and Transition in Cuba*. Bethesda, MD: International Research 2000 Inc., March 17, 1995., p. III - 13 - 3.

the island or exiled opposition groups. Otherwise, Castro is selecting his political opposition.

Another worrisome action is the cancellation at the request of the State Department of a Voice of America editorial on the sinking of the tugboat 13th of March on July 13, a massacre that has become a rallying point for anti-Castro sentiment in exile as well as in the island. Does this mean human rights violations are to be down-played for the sake of improved diplomatic relations?

Mr. Nuccio is also promoting openly Track II of the Torricelli legislation by which measures will be taken aimed at undermining in the long run the closed nature of the regime by helping development of a civil society. The problem with this approach is that it underestimates Castro's political savvy. Castro's 26th of July speech reveals he is aware of the danger this implies to the regime. All indications are that the regime is about to crack down on Track II activities.

The Clinton Administration has been hesitant and contradictory in its actions—as has been the trademark of its foreign policy—with respect to the leadership of the Cuban American and exile communities. It provided a high profile support for the most conservative elements in the exile community when it wanted their endorsement of the immigration measures against the rafters last year. It has shifted more recently to a deliberate policy of down-playing this conservative Miami leadership. This is one of the most positive developments in U.S. policy in terms of the coup d'état outcome. However, as is usual with this Administration, the message is contradictory, because these same groups are still allowed full control of Radio and TV Martí broadcasts to Cuba. We are exposed to the spectacle of the Chairman of a Presidential Advisory Commission leading pickets in front of the White House. The net result of these contradictions is far from reassuring to potential plotters inside the regime. On the contrary, a hesitant policy enhances Castro's hold over regime cadres. After all, should these men move against Castro, they would be risking their lives against immense odds. It is unlikely that they will take such a risk in the presence of less than a clear cut U.S. policy, particularly in terms of the position towards people in

the exile community whom they perceive as a threat to them.

There is nothing the U.S. can do to reduce the impact of Castro's effective repressive apparatus on the behavior of potential plotters. However, U.S. policy can be aimed at reassuring their nationalist concerns, at dispelling their fears about our power being used to impose on Cuba a leadership that may threaten their lives and positions and to assure them that, should they move, we are prepared to provide the assistance necessary for a successful transition government. Were the U.S. to make its position on these points explicit, the possibility of a coup as a solution in Cuba will be enhanced substantially.

IMPACT OF THE HELMS/BURTON ACT

As can be seen from the previous section, there is a growing potential for the coup outcome, although far from a certainty. In that context, these comments address the Helms/Burton Act from the perspective of what should be our policy towards Cuba. The legislation has the potential to become an excellent instrument to encourage the end of Castro's regime. But, in its present form, it could help prolong his rule.

Since the 1962 missile crisis, our Cuba policy has not pursued as a goal the removal of Castro. Despite Cuban claims to the contrary, once the goal of removing Castro was abandoned as a result of the Kennedy/Khrushchev exchange of letters in 1962, the aim of the embargo was containment and raising the cost to Castro and the Soviets for their anti-U.S. actions. That is, until the Torricelli legislation, which was itself contradictory in that, although it made the goal of Castro's removal explicit, it offered no incentives whatsoever to the only ones who could act against Castro.

Our policy towards Cuba seems to have been responsive to seeking a combination of goals: to satisfy visceral negative feelings among conservatives towards Castro, which lead to a punitive stance; to leftover Cold War syndromes, which are no longer relevant and are easily challenged by Castro's friends here and abroad; or, to ambitions for power of influential Cuban exiles which do nothing more than provide Castro with a strong argument to rally his cadres around

him. But, with some changes, the proposed Act may serve a policy whose goal is to offer encouragement to those within Cuba who may be considering a move against Castro, since for the first time it limits exclusions from an acceptable transition government to Fidel and his brother Raúl.

The Act needs to address the fact that the most advantageous outcome for the U.S. is for change to come from within Cuba. In line with the above discussion, the coup d'état is the most favorable outcome for both Cuba and the United States. Up to now U.S. policy has not been designed to encourage those around Castro to make a move against him. To the contrary, our policy and behavior have pushed people inside the regime to rally around Castro. That is against our national interest and that of the Cuban people. However, the essence of this paper is predicated on the opinion that, with changes to reduce some negative unintended consequences, the Act could encourage the desired behavior within Cuba. As has been said before, this would be a necessary but not sufficient condition for a coup to take place.

To that effect, we should make it clear to the Cuban people and potential plotters that, first, although as long as Castro is in power there will be no relief from the present policy, as soon as there is a transition government, there will be a substantial alleviation of their present predicament and, second, to state explicitly and categorically that the policy of the U.S. Government is not to impose any person or group to rule Cuba, that we respect the right of Cubans to choose their rulers in internationally supervised elections.

Having set the context within which to consider the impact of the Helms/Burton Act, some reservations will be presented from the perspective of whether it facilitates or discourages the coup d'état outcome. The Act may be seen from other perspectives and the evaluations in those cases may be quite different from the points raised here. There is no pretense either that these are the only considerations to take into account. Also, since Robert Freer has presented an excellent brief on legal aspects of the Act, this paper will not address legal issues, for which, anyway, the author is not professionally qualified.

The comments are based on the text already approved by the House International Relations Committee and of the one under consideration in the Senate Western Hemisphere and Peace Corps Affairs SubCommittee. Issues about which comments are made will be in italics and the comment will follow.

- *Radio and TV Martí* are mentioned in both versions incorrectly. The point to be made is that Castro is jamming the signals and in doing so is denying Cubans access to other informational sources as provided in the Universal Declaration of Human Rights. At the same time, one must recognize that the present fight over the USIA Inspector General report on these stations is not helping their credibility. These would be critical instruments of our foreign policy if we are to encourage confidence among potential plotters.
- *Purposes* in both versions are adequate in terms of the objective of offering encouragement to potential plotters.
- *United States national* definition in both versions would be detrimental to encouraging change inside Cuba. In fact, aware of the benefit to him of the proposed wording, Castro has been holding sessions throughout the island to raise fears among people that their houses and land may be subject to reclamation from those Cubans who have become American citizens after their properties were seized. Without denying the legitimacy of the desire of former owners to regain their holdings, not only for economic reasons but in many cases for sentimental reasons involving childhood and family memories, the question that should be put to them is: if your offering to renounce to your claim could encourage the end of the Castro regime, would you insist in getting it back? Perhaps Cubans have changed a lot, but the history of the last decades shows that the much maligned Cuban-American and exile community has been capable of reacting with great generosity and willingness to forgive whenever faced with a crisis. It is quite likely that many of them will be willing to do so this time and renounce to their claims. This action could show the world that most of them are not the vengeful

and greedy people frequently portrayed in the liberal media. In fact, during the discussion on property rights in another panel, one of our colleagues, the University of Michigan's Dr. Silvia Pedraza, made statements indicating exactly such a generous position.

- *Requesting United Nations endorsement of an embargo against Cuba* would be the final tightening of the noose around Castro's neck. If the rest of the world were to be consistent, it would recognize that Castro is no better than Hussein, Cedras or the Apartheid regime in South Africa. However, we must face the facts, at the United Nations there has been an overwhelming vote opposing the U.S. embargo. There does not seem to be any change in the mood of international opinion in respect to the Castro regime to encourage us to think that we can win on this issue. If we are rejected in that body, which is highly likely, we will be delivering a diplomatic victory to Castro. From the perspective of a potential plotter, should that happen it will reinforce Castro's charismatic image.
- *Enforcing the embargo* is an issue about which we must develop an eclectic approach. On the one hand, whether right or wrong, most affected governments consider some aspects of the U.S. embargo an infringement of their sovereignty, while stating that this does not mean an endorsement of the present Cuban regime. On the other hand, the U.S. has a sovereign right to take whatever measures it deems necessary to deal with a hostile power. Other governments are equally free to agree or disagree with us and make a choice. But they certainly have no right to ask us, as so many are doing, that we make painless to them dealings with a sworn enemy of the U.S. Robert E. Freer's¹² paper shows, at least to the satisfaction of this layman, that the Helms/Burton Act is consistent with international law. Rather than take a confrontational position, since politics is the art of the possible, it would be advisable for us to review the enforcement provisions to ensure that, first, they can be enforced effectively, and, second, that we avoid any unnecessary irritant to other governments or contravening our international commitments under trade agreements. If we are found at fault in international fora or our policies are not enforceable, we may end by giving a boost to Castro's image and discourage potential plotters.
- *Indirect financing* is an issue in which considerations similar to those made above in relation to trade would apply, although they don't seem to raise the same questions of contravening international agreements.
- *Cuban membership in international financial institutions* is an issue that is worth our attention because it is one of the main thrusts of the Castro diplomatic offensive. Castro has discovered that at present financing through these agencies is a bigger source of funds than through direct U.S. assistance and also is a requirement for access to commercial banks and settlement of foreign debt since Cuba is in default in its debt with the Paris Club. The Commission message to the European Union commented above clearly supports that Castro offensive. In Washington, Castro representatives and his friends, in particular the Inter-American Dialogue, are actively trying to find out how that could be accomplished even over the opposition of the U.S. A possibility they have been told time and time again is quite unlikely to obtain. Should Castro succeed, it would be a great diplomatic victory with significant economic consequences. Therefore, it would help consolidate Castro and discourage potential plotters.
- *Cuban membership in the OAS* has to be seen in the same context as the previous issue not be-

12. Robert E. Freer, "The Helms and Burton's Bills: Myth and Reality." Paper presented at the Fifth Annual Meeting of the Association for the Study of the Cuban Economy (ASCE), Miami, August 10-12, 1995.

cause the OAS has direct economic benefits to offer, but because that membership is required to access the Inter-American Development Bank. And, at present, IDB is the largest source of international agency funds in the Hemisphere.

- *Support for a free and independent Cuba* is a key section of the legislation in terms of its potential impact on the dynamics of the internal situation in Cuba. Of the two Section 201 versions, the Senate version seems to be the most effective from the perspective under discussion. In this respect, care is necessary to allow for nationalist feelings among potential plotters which Castro may exploit to his advantage. The briefer Senate text seems to be more adequate for that purpose than the one coming out of the House, which could be construed as an attempt at legislating from Washington about Cuban internal matters.
- *Assistance for the Cuban people* should be revised carefully asking the question: are we providing adequate incentives for potential plotters to act now? Are we putting obstacles for these people, once they take power, to be able to bring immediate economic improvement to the population? Both versions reflect a sincere effort to give positive answers to these questions. The only caveat is that it would be advisable to revise carefully—in more detail than is possible in this paper—the difference in conditionality between the transition and the democratically elected governments. The desire to ensure that we are not helping a new dictatorship should be balanced with the need to avoid tying the hands of the Executive Branch in its dealings with a transition government in such a way that the ability of that government to manage an orderly transition, which is quite an undertaking by itself, is not placed in jeopardy.
- *Protection against confiscatory takings* raises issues in two directions commented previously. One in the definition of U.S. nationals extending to those who acquired their citizenship after the property was seized. As Freer's paper explains, this extension is consistent with existing U.S. law in the case of "trafficking" in confiscated property. Furthermore, the cases of enterprises or na-

tionals of other countries acquiring those confiscated properties do not necessarily affect the internal situation in a way Castro can exploit politically. After all, he is contradicting his proclaimed nationalism by giving up Cuban assets to foreigners at bargain prices. Besides, those whose properties were confiscated should be entitled to some compensation in case restitution to them is not feasible for considerations of social peace or other reasons. Therefore, for them to make claims against these new foreign investors will not be easy to exploit by Castro and is legal. The only aspect to take into account, then, is the feasibility of implementation so as not to generate our diplomatic isolation in a way that would benefit Castro or appear inept if the measures are not feasible to implement.

- *Exclusion of certain aliens* is included only in the House version and it seems that in line with criteria used above it would entail the imposition of control on visas and entry to the United States in a manner that will be more detrimental to the U.S. image than to Castro, particularly when extended to the relatives of those investing in Cuba. In that respect, therefore, it would have a negative impact on the possibility of encouraging potential plotters to move against Castro.
- *Invasion of executive powers*, according to the comments made by Dr. Pamela Falk, both committees have been willing to introduce wording that allows for executive discretion on the grounds of national interest. This attitude could enhance the bipartisan nature of the legislation and present Castro with a united U.S.

Finally, despite these caveats, on a personal basis, I restate my conviction that the embargo should be maintained and tightened, while making efforts to reduce unnecessary irritants to our allies, to avoid advocating measures impossible to implement, or discouraging potential plotters inside the regime. From my perspective, to lift the embargo at this time will give Castro a huge propaganda victory, unduly reward greedy speculators and discourage potential plotters. That is against U.S. national interests and would be a disservice to the Cuban people.