

Engaging Cuba: A New Way Forward

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Summary

President Barack Obama has acknowledged that America's policy toward Cuba "hasn't worked the way we wanted it to." Spoken this April, these words heralded the lifting of travel restrictions for Cuban-Americans to the Island, and opened the way for telecommunications companies to establish new channels of communication between the estranged countries. But what will it take to truly transform America's Cold War-era relationship with Cuba? And what would improved relations mean for security in the Caribbean, for trade and economic development in Latin America, and for regional energy cooperation? This 4th forum in a series on Defense, Development, and Diplomacy explored the Obama Administration's options for engaging Cuba constructively, diplomatically, and economically to build confidence in new opportunities for multi-lateral hemispheric relationships.

MODERATOR

PATRICK DOHERTY—Deputy Director, American Strategy Program, and Director, US-Cuba Policy Initiative, New American Foundation

Patrick C. Doherty is Deputy Director of the American Strategy Program at the New America Foundation and Director of the foundation's US-Cuba Policy Initiative. Before joining New America, Mr. Doherty was Director of Communications at the Center for National Policy and a senior editor at TomPaine.com, an online journal of politics and policy based in Washington, D.C. Mr. Doherty previously spent ten years in the Middle East, Africa, the Balkans and the Caucasus working on conflict management and post-conflict peacebuilding. He served as European Regional Advisor to Catholic Relief Services and as a consultant to the Organization of African Unity in Ethiopia and to the Israeli and the Palestinian Authority's education ministries. Mr. Doherty holds a master's degree in security studies from the Fletcher School, Tufts University, where he was a co-founder of the Institute for Human Security, and a bachelor's degree from the School of International Service at American University.

PANELISTS

JAKE COLVIN — Vice President for Global Trade Issues, National Foreign Trade Council (NFTC)

Jake Colvin is Vice President for Global Trade Issues at the National Foreign Trade Council (NFTC), a business association whose mission is to promote an open, rules-based international trading system. At NFTC, he works with businesses and NGOs on international trade, climate change, sanctions, and business travel issues in support of the association's mission. Prior to his current position, he directed USA*Engage, a business coalition established under the Council to promote US diplomacy, trade and humanitarian assistance abroad. He is also a fellow with the New Ideas Fund, where he has recently completed a project on "The Case for a New Cuba Policy." Jake has written for a variety of publications including the Chicago Tribune, Forbes.com, and Miami Herald. Originally from Long Island, New York, he is a graduate of the Johns Hopkins School for Advanced International Studies and the University of Richmond.

DANIEL ERIKSON—Senior Associate, US Policy, and Director, Caribbean Programs, Inter-American Dialogue

Daniel P. Erikson is the Senior Associate for US policy and Director of Caribbean Programs at the Inter-American Dialogue. Erikson has published more than sixty articles, and his book chapters appear in *The Obama Administration and the Americas: Agenda for Change* (2009), *The Diplomacies of Small States* (2009), *Latin America's Struggle for Democracy* (2008), *Looking Forward: Comparative Perspectives on Cuba's Transition* (2007), *Taking Sides: Clashing Views on Latin America* (2007), and *Transforming Socialist Economies: Lessons for Cuba and Beyond* (2005), which he co-edited. Erikson has taught Latin American politics at Johns Hopkins—SAIS, is frequently interviewed in US and international media, and has testified before the US Congress. His past positions include research associate at Harvard Business School and Fulbright scholar in US-Mexican business relations. He earned a Masters in Public Policy as a Dean's Fellow at Harvard's Kennedy School of Government and a BA from Brown University. Erikson is the author of the highly acclaimed book, *The Cuba Wars: Fidel Castro, the United States, and the Next Revolution*, which was described by Current History magazine as "the most important book on Cuba in a generation."

PETER KORNBLUH—Director, Cuba and Chile Documentation Projects, National Security Archives

Peter Kornbluh has worked at the National Security Archive's since April 1986. He currently directs the Archive's Cuba and Chile Documentation Projects. He was co-director of the Iran-contra documentation project and director of the Archive's project on US policy toward Nicaragua. From 1990-1999, he taught at Columbia University as an adjunct assistant professor of international and public affairs. On the 30th anniversary of the Chilean military coup in September 2003, he published *The Pinochet File: A Declassified Dossier on Atrocity and Accountability*, which the *Los Angeles Times* selected as a "best book" of the year. He has appeared on national television and radio broadcast as well as numerous documentary films, including the Oscar winning "Panama Deception," the History Channel's "Bay of Pigs Declassified," (based on his book of the same title), "The Trials of Henry Kissinger," and "The Judge and the General" about the prosecution of General August Pinochet. In November 2003, he served as producing consultant on the Discovery Times documentary, "Kennedy and Castro: The Secret History." More recently, he was an historical consultant on Steven Soderbergh's two-part biopic of Che Guevara, starring Benicio Del Toro.

WAYNE SMITH—Senior Fellow, and Director, Cuba Program, Center for International Policy

Wayne Smith is a Center for International Policy Senior Fellow and directs the Cuba Program as well as contributing to the National Security Program. He is a visiting professor of Latin America Studies and Director of the University of Havana exchange Program at John Hopkins University in Baltimore, MD. He is a former Senior Associate at the Carnegie Endowment for International Peace. During his twenty-five years with the State Department (1957- 82), he served as Executive Secretary of President Kennedy's Latin American Task Force and chief of mission at the US Interests Section in Havana. In addition, he served in Argentina, Brazil, and the Soviet Union. He received his university education at La Universidad de las Americas in Mexico City from which he holds a B.A. and an M.A. (summa cum laude). He also holds an M.A. from Columbia University and an M.A. and Ph. D from the George Washington University.

Transcript

Doherty: Welcome. Good morning, my name is Patrick Doherty, I direct the US-Cuba Policy Initiative at the New America Foundation. I am very pleased to be in the company of such a distinguished panel of friends and colleagues. Cuba is an iconic conflict. Things have changed, which is basically the big message right now. Things have changed in the relationship. On Obama's watch, the direction of US policy has changed substantially, even if it is true that 90% of the policy under Bush still remains. It is also clear that this president is not going to hold a quid-pro-quo game plan and the talks here in Washington have already started, if slowly. In Congress, both the Senate and the House have dropped legislation calling for an end to the travel that bars all Americans except Cuban Americans from traveling to Cuba. Republican co-sponsor Jeff Flake from Arizona likes to say that if anyone should be limiting the freedom of Americans to travel it should be the Communist Government in Havana and not the United States. And in the Senate, former chairman Richard Lugar, also a Republican, commissioned an impressive report calling for a decisive shift in US policy towards Cuba. But all of this really just adds up to a new beginning. The heavy lifting is still ahead of us. What will it take to transform the Cold War era relationship between Cuba and the United States? What will this mean for US relations in the hemisphere? What are the arguments that will win the day both in Congress and in the White House? To answer these questions we have four distinguished panelists with whom I have had the pleasure of working with over the years.

Patrick Doherty introduced the speakers. The first speaker is Wayne Smith who speaks for five minutes.

Smith: Thank you very much Patrick. I will begin by expressing my disappointment. We had hoped that the Obama administration would have moved ahead more rapidly and resolutely than they have in changing the Cuban policy, which has been a failed policy...a miserably failed policy...for a long time. They had talked about lifting travel controls, not only on the Cuban Americans, but removing restrictions on academic travel, people travel, and so forth. They didn't do that. The morning that the announcement came out, there were people in the administration still saying they would, but by the afternoon when the announcement was made, all those restrictions on travel remained. It is difficult to understand why. Public opinion polls all show that the public is with them, the Administration, Cuban-Americans, by and large, are with them, the American body politic... lets say...favors changing Cuba policy because Cuba policy is a failure and has been for some time. It is an embarrassment, and we should change for that reason, if for no other. The Latin Americans stand united against our policy. What a change from a time when the Latin American states were all with us! They had broken relations with Cuba and so forth...now all of the countries in the hemisphere have relationships with Cuba, except the United States. If anyone is isolated on this issue it is the United States and not Cuba, and we must change. We have to go for a more sensible policy; there is no reason not to.

However, I would say first lift the travel controls. That is the most important thing. Go ahead and lift these travel controls on academic travel and so forth. Remove Cuba from the terrorist list. They didn't even do that! I have been reading these terrorist lists for the past six years. There hasn't been any evidence in them at all that would have placed Cuba as a terrorist state. At that time it was sort of understood, during the Bush administration, that "well, we know there is no evidence...but Bush wants it to remain on the list and so it will." Well, the Bush administration is not here anymore. So why is it still on the list? It's time for change. I left the Foreign Service in 1982. I didn't want to be associated with this policy anymore, and I would work from the outside to try and change it. Ladies and gentleman, that was 27 years ago, and here we are still with this policy...this failed, embarrassing policy. It is time for a change. I see no reason not to. I think we should increase the pressure on the administration. I'm expressing frustration but not hopelessness. I think the Obama administration is rational, and can be appealed to, but I think we need to bring home to them that there is everything in favor of changing the policy. Thank you.

The next speaker was Peter Kornbluh, who spoke for nine minutes.

Kornbluh: Well, I want to thank SAIS and the Conflict Prevention & Resolution Forum for holding this timely meeting. As Patrick said, it is a very dynamic time in US and Cuba relations, even if, as Wayne points out, things aren't moving quite the way many people expected they would. My task today is simply to leave you with a bit of the history of dialogue between the United States and Cuba, because the right wing is going to argue, and is arguing right now, that any suggestion that President Obama should sit down with Raul Castro and that the United States should even negotiate seriously with the Cubans is a radical position. But in fact, we have a very rich and detailed history of talks with Cubans spanning almost fifty years. Let me just start with a little story of the very first time that Fidel Castro was negotiated with by a high-level emissary from the Kennedy administration, and the talks were about prisoner releases. This was James Donovan, who is a New York lawyer specializing in high profile prisoner swaps. He had been tasked by the Kennedy brothers to go down and negotiate the release of more than 1000 brigade members who had been captured at the Bay of Pigs invasion. From there, he gained Castro's trust and he had gone on to try and negotiate, in the spring of 1963, the release of about twenty-eight American citizens, including three bona-fide CIA agents, who had been arrested in Cuba.

And Castro liked him [Donovan] and saw the opportunity to expand upon the foundation he had been building with these talks to broach the obvious question in April of 1963: How would the United States and Cuba actually get back to normal relations? This was a question Fidel Castro put to James Donovan, and Donovan responded this way: "Mr. Premier," he said "do you know porcupines?" And Fidel had to discuss with his translator whether he did understand the word porcupine or not, and finally he said "yes". And then Donovan said: "Do you know how porcupines make love?" And Fidel said: "No." And Donovan said: "Well, porcupines make love very carefully." And that is how the United States and Cuba will discuss, and get back into the issue of actually improving and normalizing relations. For the history that there has been of an effort to improve and actually normalize relations, that has been the kind of modus operandi of both sides really in some ways: "very carefully." And that has proved actually to be a failure of the efforts to improve relations.

Many people don't know that in fact every president from Kennedy to Clinton dealt openly and secretly with the Cubans in terms of talks. The Kennedy administration, at the very moment of his death, John Kennedy was engaged in a dialogue with Cuba to "feel" out the possibility of actually changing the relationship fundamentally. The older people in the room will know there was an emissary meeting with Fidel Castro, carrying a message from Kennedy at the very moment that Kennedy was killed. And Fidel's response at that very moment was: "there goes your mission of peace". And the Johnson administration had back channels to the Cubans on a variety of issues, and actually towards the end of the Johnson administration he used the Spaniards as an intermediary to broach the issue of actual normal and better relations. Henry Kissinger, of all people, engaged in a whole series of secret talks with the Cubans at the end of the Nixon administration and throughout the Ford administration, with an effort to actually normalize relations. There was a whole series of secret meetings that took place in the cafeteria of LaGuardia airport, the Pierre hotel in New York City, and Kissinger pursued that. The Carter administration picked up on those talks and Carter became the first president to actually task, in a top secret directive to his national security people, the objective of normalizing relations with Cuba. A series of secret meetings took place in Atlanta, New York City, Washington that in the end did not result in what Carter had set out to do—as we all now. And even in the Clinton administration ...well...we went through Reagan and Bush there were talks on a variety of issues relating to Central America, Africa...and even in the Clinton administration there was an effort to talk with the Cubans.

The lessons, since I don't have very much time, the lessons of these talks really break down to a handful, and I'm just going to list them so that I leave them with you and we can talk about it later. The First lesson is clearly that the Cubans are interested, and have had an interest for 50 years, in better relations. The very first meeting between the US and Cuban officials was in August of 1961 after the revolution, after the break in relations took place, between Richard Goodwin from the United States and Che Guevara from Cuba. Che laid out the Cuban position: "We are interested in a *modus operandi*, a *modus-vevendi*" with you. Our internal system of governance, our style of government, is not on the negotiating table. And we understand that perhaps to get to the broader issues of changing hostile relations we should probably begin with what we call secondary issues." Negotiating on issues like prisoners, immigration, and other kind of mutual interests that are at a mid-level, not at the top-level, of the issues such as the embargo, compensation, and our policies abroad and in Germany. So, the Cubans have basically stuck to that position from that moment all the way through to today.

The second lesson from the talks that have taken place is that the US approach, which has been a kind of range from what Kissinger called "reciprocity", "tit-for-tat" to the Carter administration's kind of "quid-pro-quo", "we're not going to talk to you about this unless you do that", to the Clinton administration's effort to do something they called "calibrated response", which was a series of steps that were coordinated. (Supposedly we would allow this and then the Cubans would take progressive steps towards democratization). None of these work. They get drawn out. The Cubans won't negotiate at all on their internal systems, or their foreign policy or their sovereignty, and they have stuck to that position, and it was just re-iterated in a conference that Daniel and I were both at just this past weekend in Canada when Cuba's number three man, Ricardo Alarcon, made it absolutely clear that Cuba is not going to democratize in the face of US demands and that there has not been any gestures so far at all in the eyes of the Cubans.

The final lesson is basically that the United States should move much more concretely, as Wayne suggests, to actually simply normalizing relations with Cuba. There is nothing that stops Barak Obama from now actually naming an ambassador. Here is a good option right here (arm around Wayne Smith), to go back to Cuba and elevate the head of the interests section to be an actual ambassador and allow the Cubans to name an ambassador here. And so symbolically we would have essentially normal diplomatic relations, and then from that starting point, the whole issue of what the United States wants in its relationship with Cuba and what its own interests are can go forward. And that is the final lesson of the difficult history that there has been in actually having talks with the Cubans and moving forward. Anything drawn out, anything quid-pro-quo, reciprocity, is a very, very, difficult endeavor. A more fundamental formula that would work: go ahead, with presidential discretion, move towards actually normalizing relations in the general sense, and then, through the mechanisms that are created by normal relations, begin to address the very issues that the United States feels are important—the mutual interests that we have, which include human rights, and democratic institutions in Cuba.

Next speaker was Daniel Erikson, who spoke for ten minutes.

Erikson: Thank you Patrick, and I just want to commend the organizers for putting together this forum. Just to begin, I think it's important to recognize that we are in an extremely important moment in US-Cuban relations for a number of reasons. First is that the Cuban revolution just celebrated its 50th anniversary in power on January 1st, 2009. If nothing else, that's really a testament to the longevity of the government that was set up and put in place there by Fidel Castro and Raul Castro about a half-century ago. At the same time, we are in a moment of leadership transitions, both in Cuba and in the United States, Fidel Castro is now the ex-president of Cuba. He retired the presidency a year ago after forty-nine long years in power handing authority over to his younger brother Raul Castro, who is governing Cuba along with a collective leadership. And this is in fact the moment that US policy has long been awaiting, the moment when Fidel Castro is no longer ruling Cuba. It's arrived, and yet we've done very little to alter or adjust our Cuba policy. And of course we've made a leadership transition that's occurred here in the United States with the election of Barak Obama, the 44th US president, our first African American president and someone who as a candidate made engaging America's adversaries a central plank of his foreign policy platform. This was often mentioned more frequently with regards to Iran and North Korea, but Syria, Cuba and Venezuela were also countries that Obama pledged to engage. So, it's clear to me that we are entering a new stage in the US-Cuba relationship. The question is will this new stage look any different than the many other preceding stages that we've seen in the last fifty years, which Wayne has lived and which Peter Kornbluh has documented so thoroughly.

To begin, I think that the Bush administration left behind an extraordinarily tense relationship between the United States and Cuba, but moreover, I think that the Obama administration has inherited a Cuba policy that's extremely confused, and that's not solely due to president Bush. It has been a confused policy for many, many, years, but I hesitate against judging the Obama administration too harshly for not having done enough in its first four months in office when it has really

confronted the Cuba issue head on, at least in the context of changing some of the travel policies and addressing the Cuba issue in the context of the Summit of the Americas, in Trinidad and Tobago. Now, when I say that US-Cuba policy is confused, what do I mean? Let me just point to a few examples where our policy towards Cuba really goes in multiple different directions at the same time, therefore achieving none of its stated objectives.

To begin, the United States says that it is extremely interested in democracy in Cuba, it wants to see a democratic transition. Well, in fact much of our Cuba policy is actually predicated on the goal of getting compensation for expropriated properties. It's not clear that democracy and property go hand in hand, or, if indeed property is the wolf hiding in the sheep's clothing of democracy. We have an economic embargo on Cuba, which is intended to starve the Castro regime of resources, create a state of civil unrest on the island. Yet we allow Cuban Americans who live in the United States to send money, literally hundreds of million of dollars back to their families in Cuba, in the form of remittances. And last year, the United States was Cuba's fourth largest trading partner on the basis of one-way, all cash agricultural trade from the US to Cuba alone. We seek the collapse of the Castro government, yet the worst fear of US foreign policy planners is a wave of refugees coming from Cuba, which is precisely what would be the result of some sort of rapid transition in Cuba.

We have a USAID program that sets aside millions of dollars to help build up dissidence in civil society groups in Cuba to help promote a democratic proposition there, yet we have immigration policy that allows the Castro government to systematically export its most likely opponents, many of whom do not live in Cuba but in fact live in Miami. We have a policy of trying to break down Castro's information blockade and trying to get alternative ideas into Cuba through the use of radio and T.V., yet we deny the average American citizen the ability to travel to Cuba, and that could be just as likely a vector of information and new ideas as any US government broadcasting installations based in Washington or South Florida.

And then lastly, the United States over the past several years has really tried to multi-lateralize our Cuba policy. There have been many statements, particularly by the Bush administration, about the desire to work with our allies to promote democratic change in Cuba, our allies in Canada, Latin America, the Caribbean, the European Union and so forth. But there has been one small problem with US efforts to multi lateralize our Cuba policy, which is the fact that the entire world is in disagreement with the US embargo of Cuba, which is of course the centerpiece of our policy. In fact, last October 2008, the United Nation voted, for the seventeenth time in a row, to condemn the US embargo of Cuba in a lop-sided vote of one-hundred-eighty-five to three. That is, one-hundred-eighty-five countries, including the Czech Republic, the European Union, our other democratic allies, voted to condemn the embargo, and only three countries voiced their support. Those three were: the United States, Israel, and the Island Nation of Palau. Now, the United States actually mysteriously lost the support of the Marshall Islands, which had voted with us in 2007 in a vote of 184 to 4. Last year the Marshall Island abstained. So it is going to be very difficult for us to have a multi lateral Cuba policy when no one else agrees with the US embargo.

And moreover, part of our policy is also predicated on trying to keep Cuba out of multilateral institutions of which the US is a member. So Cuba cannot be a member of the Organization of American states, the Inter-American Development Bank, the IMF, or the World Bank, largely due to US opposition. In Inter-American institutions, it's slightly different because there is an Inter-American democratic charter and there are certain democratic norms Cuba would need to comply with...that's not the case when you look at the multi-lateral financial institutions. And so it becomes no great surprise that four months into the Obama administration the US policy towards Cuba is still confused, is still pointing in all these different directions at once. And I think the best we can hope for is that Obama will bring some sort of clarity to the policy, and I would argue that in fact he has already begun to do that by putting such an emphasis on family reconciliation and reunification and allowing Cuban Americans to travel back to Cuba more freely and send resources to their families there.

Now, the other thing that's happening is there has been a deluge of commentary in this town on how US and Cuba policy should change. In fact, I think that almost everyone on this panel has written something in the last several months advocating for some sort of overhaul of Cuba policy. But if there is one thing that has been proven about the US embargo of Cuba, it is that this is a policy that has been built to last. This has easily outlived the Cold War, which ended, of course, with the collapse of the Soviet Union in 1991. The Inter-American dialogue, my organization, had it's first report calling to lift the travel ban, normalize some aspects of our relationship with Cuba in 1992, which doesn't go as far back as Wayne has worked on this. But nevertheless, it's pretty clear that the US embargo is not going to die because of paper cuts, because of all the various foreign policy think-tank reports that we have all been working so assiduously. So it's

been very interesting to see a number of new actors come into this game recently in addition to foreign policy intellectuals. You have of course Richard Lugar, a very senior Republican in the Senate who put out a very influential report saying the US policy has failed. You have retired generals who have issued their report, church groups, Cuban-American groups that are calling for lifting the travel ban in its entirety, a number of new initiatives put forth by the US Congress, and of course the Latin Americans themselves. Now every country in Latin America and the Caribbean will have full diplomatic and normal relations with Cuba, leaving the United States to be the only country in the Western Hemisphere to lack these relations. And I think the Obama administration has been trying to match that change.

There was a quote in the New York Times about describing the pressure of changing the US Cuba policy as a steam roller, and a State Department official who remained unnamed in this article said “we are trying to drive the steam roller rather than get run over by it”. So I think the Obama move before the Summit of the Americas was really intended to try and seize at least some of the initiative back as it comes to the Cuba policy. And of course the Cubans, for their part, appear to be un-impressed, and indeed Raul made an initial statement saying “we will dialogue with everything, everything, everything.” And then Fidel said, “Well, Raul is misunderstood,” and then Raul chimed in and said “Yes, that isn’t exactly what I meant, we are not going to compromise on our sovereignty, it’s not our job to make gestures, it’s the United States’ job”. And so I think what we are going to see in the future is a very... kind of carefully calibrated minuet between the US and Cuban governments—not necessarily radical change coming on the part of the United States, and more as the Castro government indicated that it plans to undertake any sort of dramatic change, or somehow offer an olive branch, at least in the terms as we have defined it of releasing political prisoners, opening up to free and fair elections and so forth.

And then to go to the main concept of this forum, conflict prevention and resolution. I think that the role of the United States in the international community, at this juncture, is really trying to build, to create greater consensus in this country for how things can change, but also really trying to amplify the possibilities for reconciliation between the United States and Cuba, notwithstanding the fact that there will be important questions, mainly political questions, that will continue to divide the two countries. Patrick mentioned the book that I just wrote called *the Cuba Wars* at the intro, and you can kind of tell that since I used the word “Wars” in the title, I don’t think it is going to be particularly easy for all of these various actors to get along. Indeed I think it is going to take a lot of hard work. But we do have the shift in US sentiment that creates opportunities that did not exist in the past, and I think that we need to be doing more to take advantage of that. Thank you.

The next speaker was Jake Colvin, who spoke for ten minutes.

Colvin: Thanks, Patrick. Dan writes in the same lively conversational style in which he gave his presentation. So if you haven’t read his book yet you should. Thank you to Search, thank you to SAIS for having me. I went to SAIS, sitting where you are about 8 or 9 years ago, so it’s always cool to be on this side of the podium once in a while. I’m really the most optimistic one on the panel. I’m an optimistic person, as anyone can attest to, but I think especially so on this panel, or maybe I just like being contrary. I’m with the National Foreign Trade Council and USA Engage, which, for any of you who don’t know, is a major US business association which represents mainly US multinational companies like Caterpillar, General Electric, Microsoft, Motorola, Exxon Mobile. We established USA Engage, a coalition of businesses and associations about ten, eleven years ago to oppose US sanctions. We think they are ineffective, but we think that American businesses and workers can have a positive effect in countries in which they are working. That is particularly true in a case like Cuba, where the people in Cuba who do the best work for international companies and work in the tourist sector and the industries that are most exposed to international competition.

So we have been at the forefront of these issues for years and it’s been a fairly lonely fight in some cases, particularly during the Bush administration when no one really wanted to get out at the front of the issues because there wasn’t much sense that anything was actually going to change. Today I think there are glimmers of leadership and hope from other sectors of the business community. Orbitz came out yesterday with a new initiative calling for an end to the travel restrictions. Other groups like the Chamber of Commerce, the Business Roundtable, Grocery Manufacturers Association, have signed on to a letter and done other things to express their support for change. So, for the first time in a long time I think the people are at the point, coming from the business community, there are a number of folks that can see, or at least imagine, that changes to Cuba policy are going to happen in fairly short order. I’d like to focus on how we might engage going forward and even under the current status, what the opportunities are for engagement. But to take a quick step back...

The United States places more comprehensive sanctions on Cuba than any other country in the world, and that includes North Korea and Iran. Cuba is the only country in the world that is still subject to the Trading with the Enemy Act, which is an ancient and no-longer used sanction program, which applies sanctions in an extraordinarily broad manner. It applies extra-territorially to countries located abroad, which means Cuban nationals living outside the United States and outside of Cuba. So this more broad application of sanctions drives our companies crazy and it drives other countries crazy. It causes a lot of problems with our allies, such as the European Union, and Canada and Mexico. But even within this severely restricted setting, the most restrictive in the world, there are plenty of opportunities to engage and I am going to speak mainly from a commercial aspect.

CNN has been doing a series on Cuba policy, and there was a story in it that made it sound like there was no opportunity for US businesses to do business with Cuba. As Dan pointed out, that is simply not true. The United States did 700 million dollars worth of business, sent 700 million dollars worth of exports, to Cuba last year. All cash sales, all one way. And this is because in 2000 Congress passed something called the Trade Sanctions and Export Enhancement Act, known as TSEEA, a law that exempts food and medicine from the US embargo. Now, the thing that I try and point out to our companies is that there are many more opportunities to engage than are being done currently. The definition of agricultural products is extremely broad. It includes things like beer and wine, fish, soft drinks, fertilizer, vitamins, a ton of things that are derived from plant products, even if they have been substantially altered. So things like chewing gum, building materials, cigarettes, (our top export to Iran is cigarettes) and diapers. And so there are many opportunities today which companies aren't taking advantage of and many of our companies are, despite my best efforts, unaware that these opportunities exist.

So now, that's current policy and the key is to encourage more going forward. I think both Congress and the administration have a role to play. From my perspective, Congress can, and should, repeal legislation like Helms-Burton and lift the travel ban on US citizens. It has a responsibility there and has limited the president's ability to change the travel restrictions to Cuba. And then also Congress could end the entire embargo if it wanted to. I'm not sure that they are going to do that anytime soon given that politics in the democratic caucus are still sensitive. Then there is the administration. One of the things that I am trying to move forward is the idea that Congress has limited the president's authority to act is largely a myth. Congress codified the embargo in 1996 by passing the Helms-Burton Act, but it also codified the president's ability to change policy. And so the president, with one exception of ending the travel ban, has virtually unlimited authority to change policy. And so one example is what the president announced, in addition to the change in requirement for Cuban-American travel he announced at the Summit of the Americas, he announced that he would allow exemptions of certain telecommunications companies from the embargo to provide cell phones, roaming service, and construct underground fiber optic cables to allow internet service to Cuba. This is a fairly important exemption to the embargo and it demonstrates the extent to which the Obama administration can go ahead and make changes. This is good. The travel restrictions that they announced they were liberalizing is also good.

But there is more that can be done. And so, on travel I think that president Obama could at least return to the rules that provided for increased cultural and educational travel under the Clinton administration and should call on congress to repeal the ban for all Americans to travel to Cuba. And this is something that in one of the various articles that came out, during the Summit process, the Obama administration, an unnamed individual, indicated that he was looking into. And then on trade we have been advocating that president Obama should suspend certain trade restrictions to allow Cubans to rebuild from the storms from last year. There is still a lot of work to be done, and to provide exemptions to the embargo on things like building materiel, construction equipment, tractors, things of that nature, would be a way of leveraging the business community in an effort to reach out to the Cuban people. There are a whole sort of other longer term issues to be resolved, but for those of us who want to see policy change, I think the wind is at our backs. For the first time in 9 years the administration is moving in the right direction. I think it is positive. I think the administration is deliberate in just about everything that it does, and I am looking forward to seeing what they do next. Thank you.

Patrick Doherty began the question and answer portion:

Doherty: Thank you Jake, and thank you everyone on down. I think you heard a really good, broad, swath of opinions from the change side, people who are looking at how we can make a new US policy towards Cuba. One thing I want to do is, before we go out to Q & A, is just take the part to ask the panel a few questions about something that Peter brought up specifically which is moving unilaterally.

To what extent is this really about the US moving unilaterally and taking care of its own national interests that go beyond the bilateral relationship? What we saw, I think, in Trinidad, at the Summit of the Americas, was that we pretty much got ganged up on down there, because heads of state generally in the hemisphere are opposed to our policy, and whether we liked it or not, the Summit of the Americas became a Cuba summit. To what extent are we going to be forced by larger politics to address this embargo? To what extent is it to our advantage to do so...and then... to what extent are the politics ready here in Washington to allow us to get there. Jake, you have to leave early so I'll give it to you first.

Colvin: You know, I think it's a good argument and it's certainly one I made in the paper that I wrote, that Dan referenced, *The Case for a New Cuba Policy*. In case anyone is interested, it's on usaengage.org. You know, that said, I'm not sure how much the administration is going to take that into account when developing their policy, and I suspect for a fact that Congress is not going to take that into account. I mean, rarely, does Congress do anything that is beyond the boundaries of their individual constituencies interests. Having them take the broader view of US foreign policy particularly is a difficult thing to get them to do. Now the administration, I think, does take the broader view, or is inclined to take the broader view, and I think understands this. When Brazil came, when president Lula came from Brazil, Cuba was one of the top things on his agenda. You know, that has an effect at the margins. I think combined with everything else, sure, it's a good argument, but I don't think it's dis-positive.

Doherty: does anyone else want to take a crack at it?

Kornbluh: I do. I want to just share with you a statement in a top secret State Department memoranda titled "Normalizing Relations with Cuba," where one of the leading US national interests in changing the policy is articulated. It goes like this: "If there is a benefit to us in an end to the state of perpetual antagonism it lies in getting Cuba off the domestic and into the Inter-American agendas, in extracting the symbolism from an intrinsically trivial issue. Our interest is in getting the Cuba issue behind us, not in prolonging it indefinitely." This memo was written in 1975...34 years ago. Talk about prolonging something indefinitely...we're still having the same discussion. But it points to one of the leading US national interests on Cuba: if it was that way in 1975, you can imagine how less important it is now strategically, internationally. It's more of a pain in the national ass of the United States of America, to have the Cuba debate going on around the world than to simply change the policy. And that's one of the leading national interests that we have, particularly in this day and age where the entire region is ganging up on us about the Cuba issue.

But then there are real straightforward national interests we have. Cuba is a big country in the Caribbean. It lies in the route of drug smugglers coming from South America; our counter-narcotics relationship with them is very important. There's obviously an immigration issue that we need to address; we share our maritime and the seas issue, fishing issues. And Cuba's a player in the third world, has helped us in the past in conflict resolution in the third world, in Africa and in Central America. And what everyone might think of Fidel Castro and his regime, they carry a lot of cache in other parts of the world that could be useful to the United States in advancing US interest. So there is a series of reasons why the United States could and should move unilaterally, and moving unilaterally is the most likely way that the situation is going to improve. Let me just remind you that even after one of the biggest crisis in recent memory with the Cubans, the shoot down of the rescue planes in 1996, less than two years after that the Clinton administration was moving unilaterally to change policies, to open up trade, to open up agricultural sales, to open up people-to-people diplomacy, the amount of us that could travel to Cuba, the telecommunications issue, the establishment of a US news bureaus in Havana. And the Clinton administration did all of those things essentially unilaterally, they did not demand any response from the Cubans, they just went ahead and did it. There was one Clinton administration official who told us, in making it clear that there wasn't going to be a quid-pro-quo in negotiation to do this, he basically said: "We needed to dance, not to the same music, but to a similar beat, where each side pursued interests independently." And that is the best way to start moving forward at this particular time.

Smith: I second that. I think the Cuba policy, more than anything else, makes us look foolish. It is a policy that doesn't work, hasn't worked in years. And our insistence on sticking to it really shows a degree of stubbornness, myopia, that doesn't stand us well in the international community. So it is time to change, time to move to a more intelligent policy. What better time to do it than with a new administration having come in, and a new administration that at least at first, was suggesting that it was going to change. Thank you.

Erikson: I'll answer the unilateral question slightly differently, because I am very sympathetic to the view that the United States should take certain actions with respect to Cuba, but I think that it is hard because there is this kind of holy trinity of

ideas of the role of the United States and Cuba that make it very hard for us to move forward. And I'll just name three, and different people would put these in different ways.

First is that the United States has the power to democratize Cuba, that it's the role of the United States to bring freedom to the Cuban people. You know this is a wonderful concept, this is a lovely dream. The reality is that the ability of the United States to somehow convert or change the political system in Cuba is extraordinarily limited. I think the Obama administration has clearly adopted this concept that the United States needs to democratize Cuba, at least as the historical framework for explaining its changes. Allowing Cuban Americans to go back to Cuba, it's about family re-unification, but these are also described as ambassadors for democracy that we're sending to Cuba. The telecommunications changes were to allow the Cuban people to have more access to information and so forth and so on.

The second concept, which is linked to the first, is that the United States embargo represents leverage over the Cuban government, which can be used to extract concessions from the Cuban government in the field of democracy, human rights, release of political prisoners and so forth. If the last 47 odd years of the embargo prove anything, it's that the US embargo over Cuba represents the absence of US leverage over the island. And so trying to somehow hang on to the embargo because we can trade away this piece or that piece of it in exchange for changes on the Cuban side probably is not realistic.

The last kind of fallacy, but a widely-held belief in the US foreign policy community, is that the US should remove sanctions incrementally, and only when the Cubans reciprocate—a kind of “we move, you move”. And you saw Obama state that very clearly at the Summit of the Americas, after making the changes allowing, for example, Cuban-Americans to send remittances to Cuba, he said now the Cubans can respond by releasing political prisoners, or by reducing their exchange tax on the US dollar, which is now around 20%. You know, 20% is a pretty hefty tax, it would probably be good if the Cubans lowered it, but does the United States really want to hinge the future of its Cuba policy on the internal exchange rate that Cuba uses on the island? And I think this kind of tit-for-tat aspect of the policy inevitably leads the United States to focus on small ball issues. And for those three reasons, I would like to see the US move more towards the unilateral fashion. But it's just very hard because there is still this logic saying “we move, and then they move.” And I think that while Obama during the campaign said that, one of his most evocative phrases was that he wanted to “change the mindset of American foreign policy.” But I think it is going to be very difficult to change the mindset of US policy towards Cuba.

Doherty: Great, thank you. I think we'll open it up to questions from the floor.

Q: I have two questions, a broad question and a narrow question. The broad question is, why are Americans in general, both the left and the right, so obsessed with Cuba? Why this obsession with Cuba? The narrow question is on immigration. What do we do about the immigration challenge, the wet-foot, dry-foot policy.”

Smith: Having been in Havana in the early days, I was there when we broke relations and sailed out of the harbor, I can give you some ideas as to why the reaction: because Cuba defied us and got away with it. It defied us and got away with it and the United States is just not capable of forgiving that. We were going to “get them” so to speak. It's not a rational reaction, to be sure, but there it is. To some extent, we still haven't gotten over it. I think we're getting over it, but only barely.

Doherty: You see that we're obsessed with Cuba (pointing to panel), partially because we are paid to be obsessed with Cuba. But I think what we're finding as we are trying to change Cuba policy is that the White House is not obsessed with Cuba, Congress is not obsessed with Cuba, and that's part of the problem. There are some very vocal, and tactically capable people who want to protect the existing policy and they are obsessed with Cuba. But the net balance of forces is leaning towards change, slow change. But right now, the current president is obsessed with very large challenges in other parts of the world and the economy. We have a great opportunity right now because of where Cuba stands, and on the other hand it's going to be moving slow, because I think this town really isn't obsessed with Cuba. There are certain people on this panel, and people in Miami are, but we are not as a nation really all that obsessed with it.

Kornbluh: Even though with all the hard work that's been done, the reality is that there has been for all these years a very organized constituency in the swing state of Florida that's been very, very effective—well moneyed, politically astute, that has pushed the policy and kept it not only where it is but even tightened it over the years, at a time when one would think that it would have loosened after the Cold War. And this is the issue that has helped to define both of these things.

You have this obsession because this little group is obsessed with Cuba. If you have ever been to little Havana in Miami, you know that. And of course the immigration policy that we have today was developed to try and address and mollify this particular group. When Clinton changed the policy, which he just had to do to address the issue of what was happening with the Bolsero crisis in 1994 and then to deal with getting more than 20,000 Cubans out of Guantanamo, he changed from an open door, we'll take everybody, to the "wet-foot, dry-foot" policy. Of course he brought Jorge Mas Canosa up to Washington, and they met, and he ironed this out with him, etc. etc... and that's the policy that we have today. If we had a similar crisis today, would the policy change? Perhaps it would because that lobby is not quite as strong, although it is still as well moneyed as it was in the past. But that's what brings those two questions together.

Q: Are there any other stakeholders, besides this Cuban ex-pat group, that really have an interest in maintaining this status quo? Is this an unfounded apprehension? What is the real danger of any kind of repetition of what started this in the first place?

Colvin: I think you get certainty by talking to each other and you get comfortable by normalizing relations. I mean, one of the things that has been on my mind lately is trademark protection. And so, notwithstanding the fact that Cuba has nationalized all of US industry many, many years ago, over time, they've actually been pretty good protectors of US trademarks. And that's been one of the few bright spots in US-Cuba relations, is that we've largely protected each other's trademarks. Actually, the United States has been worse about protecting Cuba's trademarks than Cuba has been in protecting the United States' trademarks. And if you talk to the Cubans they take that as a source of pride, that they have a fledgling drug industry, they want to be seen as having strong intellectual property protections. And they've got a very well-developed research crew and ministry of oil that will say that they want US participation in the oil industry. US investment I think is probably a long way off, longer off than say additional trade. But what you need to get there is an agreement to normalize relations. And through that you get to settle property claims. I mean other people that are not on this panel have come up with novel ways of trying to address property claims. If 85% of the Cuban-Americans who live here don't want to go back as polls say, then really it is a question of money. And so if you're talking about money, you can deal with money. Some people have proposed putting a five dollar airport tax on flights between the United States and Cuba, and put that money in a kitty and have it go to address settlement claims. We have addressed these claims in the past with countries like Nicaragua, China, the Soviet Union and others... Vietnam. Once you have a framework in place and you are at the point where you are discussing those things, you probably have some good will built up in a way that allows you to get some certainty going forward.

Q: What is your perspective on the rationale for Cuba to first develop and then democratize itself, instead of the other way around?

Kornbluh: Well, I just want to go back to the fallacy that Dan talked about, this assumption that the United States has had that it can democratize Cuba through some type of policy mix. The policy for 50 years has been a policy of coercion. It's the "sticks", and over time there has been an addition of, by more astute presidents although they've proved not be that astute either, the idea of "carrots", and "carrots" and "sticks". And now the idea is somehow that we'll just emphasize the carrots and the Cuban government will have some incentive to go ahead and leave their system for the carrots that we offer. We are doing this at a time when the Cubans have the least interest in a sense, and the least need in some ways, to improve relations with us. They have the whole rest of the world, and particularly right now the rest of the continent improving relations with them. Their main issue, two main issues they have in changing the relationship with the United States is the symbolism and the vindication that Fidel truly wants of being treated as an equal, as a sovereign state and having the revolution recognized by the colossus of the North. The second issue, which never gets any attention, is a national security issue. And we understand it in this country, particularly now since 9/11. They firmly believe, the leadership of Cuba, that they remain under a threat of attack by the United States and aggression as long as there are not normal relations. And the United States has not openly said to the world: "we renounce this policy of aggression and pressure on Cuba." And that is a fundamental thing. And that policy helps the very people, the generals who are, by the way, continuing to rise up in Cuba around Raul Castro, stay in power. So our interest is to change the policy not because it will create some incentive for the Cuban leadership to democratize but because it will change the dynamic overall for us, but also inside Cuba. And eventually, the bridges that are built will have an impact on Cuban society. What impact will they have? It's very difficult to say, but the logic is that the society will open up as more and more contact and communication is established through normal relations.

Smith: I just wanted to agree with that. I think the best way we can bring about change, the kind of change we'd like to see in Cuba, is by reducing tensions, begin to engage, lift travel controls, have a more normal relationship with Cuba. You

aren't going to get anywhere by threatening and saying: "if you will release political prisoners than maybe we will allow academics to travel to Cuba." That won't get you anywhere. It hasn't for 50 years, and it won't now. Reduce tensions. Begin to have a normal relationship and the Cubans will begin to respond. I've seen it in the past and we'd see it again. But first, make your moves to reduce tensions and improve relations.

Erikson: To your broader point, I'm sure you know there is a very rich literature on democratization and development, and which makes sense to come first. You've got some countries that really went through a democratic transition first and subsequently developed and others it was the inverse. A couple of years ago we put out a book called "Transforming Socialist Economies, Lessons for Cuba and Beyond" that looks at the experience of the Eastern European countries, China, Vietnam, Russia, to see how all of these models played out in different situations and what would work best for the case of Cuba. One thing that was interesting was that, when you look at the Eastern European countries in particular, many of them had lingering bad tastes in their mouths from Communism, that underwent very rapid democratic and economic transitions. They are also the ones who tend to very forcefully argue that sanctions don't work. And indeed, even in the course of my own research, I interviewed the Ambassador of the Czech Republic here in Washington who has been very supportive of civil society and political movements in Cuba, but says that when the Czech Republic opened up the border, that really brought about change. And then, just to underscore Peter Kornbluh's point, that if we want to lift the embargo to kind of produce radical change in Cuba, our timing is off by about 17 years. When the Soviet Union collapsed and Cuba went into an economic tail spin, if the US had reached out at that time, Cuba probably wouldn't have seen much alternative. But now in the year 2009 they have broadly diversified their international partnerships. Their number one trading partner is Venezuela, their number two trading partner is the People's Republic of China, and the European Union collectively is still a major source of trade and investment. You have rising powers like Brazil who say they want to be Cuba's number one trading partner in Latin America and some competition emerging there. And so while the United States still has carrots and there is still some economic benefits that can be delivered by lifting the embargo, the Cubans feel like they have alternatives, and probably the most diverse array of alternatives that they have had since the early 1990s.