

**"Prospects for a Peaceful, Democratic Transition in Cuba:  
A U.S. Perspective"**

**Remarks to the West Point Society of South Florida**

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I want to thank Dan Carlo and the West Point Society for inviting me to speak to you this afternoon on a topic that is of critical importance for the people of Cuba, and which will have a direct impact on the lives of many who live in South Florida.

I believe that the Cuban people, when given the choice, will share many of the same aspirations that we have seen expressed throughout this hemisphere and in most of the nations formerly under communist rule: the desire for political democracy and a better standard of living for themselves and their children. Democracy will be a necessity for them, not a luxury, and they will struggle to achieve it.

If the Cuban people want democracy, the United States, and above all those who live here in South Florida, want it to come through a peaceful transition that preserves the best of what the Cuban people have and makes it possible for them to have a future limited only by their own will and initiative.

I'd like to talk today about what prospects the Administration sees for a peaceful, democratic transition in Cuba. I'd also like to discuss what the Administration is doing to promote that transition, as well as what some others on Capitol Hill propose to do. While none of us can ultimately determine how and when a transition takes place - that will and should be determined by Cubans on the island - what the United States does or does not do will make a tremendous difference.

The Process of Change Underway in Cuba

Let me begin by telling you what we believe is happening in Cuba right now.

A process of profound change is underway in Cuba, some of it controlled by the Government, much of it not. Some consider that to be a controversial statement - believing that no real change can occur while Fidel Castro is still in power - but I think the evidence is clear.

During the heyday of \$6 billion annual subsidies from the Soviet Union, the Cuban regime was able to establish a completely government-run, command economy, and provide free, universal education and health care. The Government, then, was the only source of everything for the individual, from his job to his home to medicine for his family. In return for the state's generosity, the individual was expected to render unconditional

obedience. The regime's extensive and highly-effective repressive apparatus stood ready to "discipline" those who did not uphold their end of this "bargain."

The end of Soviet subsidies exposed the underlying weakness of Cuba's economic system. Many of you may have heard some of the startling facts about Cuba's economic free fall since 1989. GNP has declined by half. Sugar exports, Cuba's main source of hard currency, have declined by more than half. As a consequence, Cuba's imports have declined almost 80 percent. These cold economic numbers have had a devastating impact on ordinary Cubans: monthly rations now barely supply enough food for two weeks; bicycles have replaced cars and buses; oxen and horses have replaced tractors; state industries operate at a fraction of their capacity, and huge layoffs are rumored as the government confronts a fiscal nightmare. Cuba's standard of living has gone through the floor. Though the Cuban Government has lately been claiming that the free-fall is over and a recovery has begun, most economic experts do not believe that Cuba has yet made the kinds of deep structural changes that will produce sustainable economic growth.

As a result of the end of Soviet subsidies, plummeting domestic productivity, and our continuing comprehensive embargo, the Cuban government has been forced to enact a series of limited economic reforms that have permitted the beginnings of a private sector. Around 200,000 Cubans have taken advantage of a government decree legalizing already existing but illegal practices of self-employment in service areas like small restaurants, barbershops, appliance repair and the like. Many independent farmers and agricultural cooperatives have brought their produce to farmers' markets where "excess" goods may be sold at market prices. Dollars may now be circulated legally. All these changes would have been unthinkable only a few years ago, as would have been the enthusiastic pitch that Cuba is now making to foreign investors.

The Cuban Government has not made these moves because it recognizes that its economic or political system has failed, but because circumstances have forced its hand. It cannot any longer afford to employ everyone, nor supply enough food for Cubans to survive by doing what it did for some thirty years.

Some argue that these grudging economic changes are in themselves political changes or that they will inevitably have political ramifications. This is probably true in the sense that the regime's dire economic straits have made it increasingly difficult to control all facets of life on the island. As the state withdraws from areas it can no longer afford to control,

individuals, organizations that survived decades of repression, and new institutions seek to respond to the needs of ordinary Cubans. In organizing to help the sick, the old, the needy, the unemployed or those in spiritual crisis, these new and revived actors of Cuban society build the foundations of a new Cuba.

The Cuban state fears these developments, but it would pay a political and economic cost in attacking them frontally. Rather it seeks to portray them as "counterrevolutionary" and part of an evil US plan to destabilize Cuba. After three decades of revolutionary "advancement" and the building of the "new man" the Cuban government is afraid that teachers of English as a second language will infect the Cuban people with alien ideas and topple a leadership that claims to represent the Cuban masses.

I wish I could tell you that there are indications that the Cuban government recognizes the inevitability of this change and is, however reluctantly or slowly, preparing to adapt and channel these forces toward a peaceful transition. I lived under the Franco dictatorship in the early 1970s. I had to recognize that one of the world's longest-lived dictators had permitted local elections in Madrid and allowed the emergence of groups of intellectuals and others who questioned the regime a full decade before he finally passed from the scene. In Chile General Pinochet, relinquished power after holding a national plebiscite.

But we have no such signs from Cuba. All indications are that Fidel Castro is still firmly in control, and that he has no intention of stepping down or initiating significant political reforms. Independent observers such as former Costa Rican president and Nobel winner Oscar Arias who have recently visited the island report no sign of any political opening paralleling the economic changes that Castro is permitting.

#### What is the U.S. Doing to Promote a Transition?

Given the changes underway in Cuba and the apparent resistance of Cuba's senior leadership to these changes, what can the U.S. do to encourage those forces likely to promote a peaceful transition to democracy?

First, let me assert what I believe to be true and is at the heart of the Clinton Administration's approach to Cuba: the next president of Cuba is already on the island. I don't know who he or she is, but I do believe that the future of Cuba will ultimately be determined by those currently living in Cuba, in the same way that the present in Eastern Europe is being shaped by those whose voices were once suppressed. The objective of

U.S. policy is not to determine who will govern Cuba, how its budget will be spent, or what kind of health system will be maintained. Our goal is to promote democratic elections that will offer the Cuban people the opportunity to make these choices. For too long, choices have been made in the name of the Cuban people, but without their free participation or consent. Our first contribution to a peaceful democratic transition on the island, therefore, is to focus our attention on what is happening in Cuba, not on the domestic politics of Cuba policy. My short-hand way of saying this is to assert that our policy must be based on what is happening in and around Cuba, not in Miami or New Jersey. I say this not to exclude or deny the important role of the Cuban American community in the future of Cuba, but to focus all of our attention away from our domestic battles and toward the eleven million people whom we say we want to support.

Immodestly, I believe that the most effective role for the United States in promoting a democratic transition in Cuba is outlined in the Cuban Democracy Act (CDA), legislation I helped draft as an advisor to Congressman Bob Torricelli in 1992 and which President Clinton endorsed when he was still a candidate for office. We are just now implementing important parts of that legislation, but I believe the policy for which it laid the groundwork is already bearing some fruit. It has four main aspects:

The first is well-known - our comprehensive economic embargo on Cuba. The embargo is not popular with everyone. I know no one in this Administration who takes pleasure from the economic hardship in Cuba to which our embargo contributes. On the contrary, we are all eager to establish the kind of respectful relationship with Cuba we have with our closest allies and to participate in the rebuilding of Cuba's devastated economy. We are frequently criticized in the United Nations and by many of our allies for maintaining it. But it remains the most effective leverage we have in pressing Cuba to reform. The Cuban Government has undertaken the limited economic reforms it has only because it has been forced to by its economic collapse. While Cuba's economic crisis stems primarily from its hopelessly inefficient, centrally planned economic system, the embargo limits the flow of hard currency to Cuba from the U.S., and so forces the Cuban regime to make tough choices sooner.

Perhaps unwittingly, the Cuban government has just given a public confirmation of this assertion of mine. The new foreign investment law passed -without one dissenting vote of course - by Cuba's Popular Assembly falls far short of what the Cuban government had promised to investors and other governments

seeking to encourage greater reform in Cuba. The only explanation possible for this outcome is that the government has taken advantage of the mild upturn in the Cuban economy to reassert ideological purity and reaffirm its adherence to socialist principles of bad economics and ineffective policies. Tragically, Cuba has just demonstrated that any unilateral relaxation in the US embargo would be used to delay a economic and political transition, not to smooth the way towards it.

The second aspect of our policy is to provide support for the Cuban people. Since the enactment of the CDA three years ago, the U.S. Government has licensed over \$90 million in private humanitarian aid to Cuba, mostly food and medicine from non-governmental groups in the U.S. distributed through non-governmental organizations on the island. In addition to humanitarian aid, we also licensed telecommunications agreements that have dramatically increased communications between the U.S. and Cuba, including telephone, e-mail, and fax connections. This increased flow of information has strengthened ties between Americans and Cubans, and has begun to break the regime's monopoly on information.

While what we have done thus far has been significant and has directly contributed to the emergence of civil society in Cuba, we need to do much more to further increase the flow of information to, from and within the island, and to strengthen the institutions of civil society in Cuba that are the only guarantee we have that when change comes it will be more peaceful and more democratic in Cuba. We are continually reviewing new means of accomplishing these goals. Unfortunately, because of the way Washington works that means that you get to read about some of them in the newspaper before the President does. However, I want to underline that what is speculated about in the press are ideas we are seeking to develop and test out, not Presidential decisions. I'm still very old fashioned about Presidential decisions and believe that he should get to make them before he reads about them in the NY Times.

Thirdly, we are prepared to reduce the sanctions against Cuba in carefully calibrated ways in response to positive change in Cuba. If the Cuban Government begins implementing fundamental political and economic reforms - for example, legally recognizing genuinely independent organizations or permitting Cubans to own and operate small businesses - we are prepared to modify our policy to support these positive developments. We want to encourage Cuba to undertake real change, and to respect basic, internationally-recognized human rights. Unfortunately, the evidence to date suggests that the

Cuban Government is unwilling to take these steps. As long as that is the case, we will continue our work in the United Nations and other international fora to focus the attention of the world community on the lack of fundamental freedoms and the ongoing, systematic abuses of human rights in Cuba.

Fourth, we are committed to providing for safe orderly migration from Cuba to the U.S., including special in-country processing of political refugees, through our bilateral migration agreement with the Cuban Government. We are equally committed to deterring the kind of unsafe, illegal migration that we witnessed in the massive wave of rafters in the Summer of 1994. We recently fulfilled our commitment to provide at least 20,000 visas to Cubans wishing to come to the United States and intend to uphold all aspects of the agreements we have made with Cuba on migration issues.

#### The Wrong Way to Promote a Democratic Transition

I've just described for you the approach the Administration takes to promoting democratic change in Cuba, which we believe is tough but flexible. Meanwhile, however, a number of members of Congress, led by Senator Helms and Representative Dan Burton, have taken a considerably more extreme approach. The Helms/Burton bill, currently before the Congress and supported by a number of representatives from South Florida, would in its current form damage prospects for a peaceful democratic transition. It would also harm a number of other vital U.S. interests, including U.S. efforts to strengthen democracy in Russia, U.S. trade obligations under NAFTA and the WTO, and the ability of U.S. businesses and investors to operate overseas.

While there are some elements of the legislation that the Administration could support, including a mandate to accelerate the Administration's planning for U.S. assistance and other benefits to transition and democratic governments in Cuba, many other aspects of the bills would cause serious problems.

The legislation would, for example, create the legal grounds for a flood of lawsuits against foreign investors who have invested in property in Cuba to which Americans hold claims. The U.S. has condemned the Castro government's expropriations and intends to encourage strongly a transition government in Cuba to resolve all expropriation claims as quickly and fairly as possible. The Helms/Burton lawsuits, however, would be inconsistent with international legal precedents since the property and the transactions involved are outside U.S. jurisdiction. Enactment of the provision could for this reason undermine important international legal principles and expose

American businesses abroad to similar lawsuits. Key U.S. allies in Europe and Latin America have also expressed strong opposition to this measure. The impact at home could be equally painful -- the suits could number in the tens or even hundreds of thousands, and could clog up Florida courts. Associations of certified U.S. corporate and individual claimants who were American citizens at the time their property was taken 35 years ago have spoken out against this legislation, rightly claiming that the suits could damage their prospects for eventual compensation.

The Helms/Burton lawsuits are also likely to discourage democratic change in Cuba. Already the Castro regime has used these provisions to play on the fears of ordinary citizens that their homes and work places would be instantly seized by Miami Cubans if the regime falls. However inaccurate, this perception plays directly into the hands of the Cuban Government. The U.S. must do everything it can to make clear that we believe it is up to future Cuban governments to decide how best to resolve the claims of those who were Cuban citizens when their property was taken, not U.S. courts.

Other provisions of the Helms and Burton bills would prevent the Administration from doing all it could to promote the smoothest and most rapid transition possible to a prosperous, democratic Cuba. For example, the bills would bar the U.S. from supporting World Bank and IMF involvement in Cuba under a transition government, just when such help would be needed most. The bills would also establish a number of strict requirements for determining when democratic and transition governments are in power. The last time I checked the Constitution, it was up to the President to make foreign policy decisions like that. These criteria could leave the U.S. on the sidelines when events in Cuba start moving rapidly.

Rather than go into further detail about the bills, let me sum up by saying that Helms/Burton would jeopardize key U.S. interests across the globe by putting Cuba (awkwardly) at the center of U.S. foreign policy, and would likely work directly against its stated goal -- promoting a democratic transition in Cuba. The Administration has tried to work with the Congress to modify the bills, and remains willing to do so, but so far the bills' sponsors have shown little willingness to address our profound concerns. It's anyone's guess whether Helms/Burton will make it through both houses of Congress, but unless it is significantly changed in the process it will not have the Administration's support.

The Transition: Where Are We Now?

I've tried to present you some varying perspectives on Cuba's inevitable transition to democracy. I've told you what the Cuban Government appears to be aiming for, what some in Congress propose to do, and what approach the Administration brings to Cuba policy. One thing I haven't told you is when the transition will happen. (Refunds are available at the door.) That's because I don't know. I don't think anyone does. Moreover, I think it would be a mistake for US policy to imagine that after thirty-six years there is a single step, a change in policy, or a new piece of legislation that will fix the date of the peaceful democratic transition that is in the best interests of the Cuban people and of the United States. The best we can do is to keep the pressure on the Cuban Government for political and economic reform, provide what support we can to the Cuban people as they struggle to overcome the limitations imposed on them by the Cuban leadership, and prepare to respond quickly to that change when it comes.