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Featured Q&A With Our Board of Advisors

Q Cuban officials say that Fidel Castro is getting stronger and predict his return to an active role leading Cuba. In what capacity will Castro return? Will his brother Raul have to step aside? Who is running Cuba?

A Guest Comment: Dennis Hays: "Fidel Castro has never really gone anywhere, so his return isn't much of a story. Whether he is fully recovered or just fluffed up like a pillow for a photo op with his buddy Hugo Chavez, the only pertinent factor is that he is not dead yet. And until he is dead and deeply buried there is little chance that life for the average Cuban will improve in any measurable way. Certainly his brother Raul hasn't been interested in doing anything new during his supposed stewardship. The more interesting question is what the military and political elite make of all this. Although they have come to grips with the idea of a post-Fidel world, and rightly or wrongly are confident they will maintain their relative status in it, they are only now starting to debate whether it is in their interest to preserve the revolution or to carefully dismantle it. Unfortunately for them, however, they first will have to deal with whatever Fidel might decide to do in his final days. It is in keeping with his instincts and character for Fidel to launch one last sweeping purification campaign to root out the non-believers and the proto capitalists. In the past, the military has

gone along with this, even when the victims came from their own ranks, but with Fidel's end in sight will they meekly accept this again? Who wants to be the last one sacrificed on the altar of Fidel's vision of socialist purity?"

A Guest Comment: Dan Restrepo: "The specter of Fidel Castro has loomed over the Cuban regime throughout his illness and has appeared to curtail any freedom of movement, if any such impetus even existed, on the part of those who have been running day-to-day affairs. Given Fidel's centrality throughout the Cuban Revolution, this will undoubtedly remain the case as long as he

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PHOTO OF THE DAY



The Colombian government on Sunday rejected allegations that army chief Mario Montoya collaborated with illegal right-wing paramilitary groups in 2002. See story on page 2.

Photo: Colombian army.

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NEWS BRIEFS

Colombian Economy Grew Most in 29 Years in 2006

Colombia's economy grew 6.8 percent last year, the Andean nation's biggest economic expansion in 29 years, the government said Friday, according to Reuters. Growth in 2006 was driven by strong performance in trade and construction. In the fourth quarter, Colombia's economy grew 7.97 percent compared to the same period of 2005.

Venezuela and China Announce Plans for Joint Oil Ventures

In an effort to diversify its oil exports away from the US market, Venezuela on Friday announced plans to start joint ventures with state-owned **China National Petroleum Corp.** to expand exploration and production, build three oil refineries, and start a joint shipping company, the Associated Press reported. The refineries, to be built within two to three years, will process 800,000 barrels per day, Venezuelan President Hugo Chavez said. "As a power, the United States is going down, while China is moving up," he said.

Mizuho Financial Group to Form Alliance with Mexico's Banorte

Japan's **Mizuho Financial Group** plans to form a business alliance with Mexican bank **Banorte** to help it expand in the country, Reuters reported early this morning, citing a spokeswoman at the Japanese company. Mizuho's main lending unit, **Mizuho Corporate Bank**, reportedly plans to use the alliance to procure the Mexican peso cheaply for its participation in large-scale energy projects in the country. Banorte, Mexico's sixth-largest bank, is the only major bank in Mexico still in local hands.

Political News

Uribe Government Rejects Allegations Against Army Chief

The government of Colombian President Alvaro Uribe on Sunday rejected allegations contained in a leaked US intelligence report that his army chief collaborated extensively with illegal right-wing paramilitary fighters five years ago. [In a statement](#) posted on the presidential Web site, the government said it would not accept allegations that in 2002 Gen. Mario Montoya—then a brigade commander—and a paramilitary group jointly planned and conducted a military operation to eliminate leftist rebels from poor areas around the northwestern Colombian



Montoya

Photo: Colombian army.

The Los Angeles Times reported that Montoya would be the highest-ranking Colombian officer implicated in a growing scandal over links between paramilitary fighters and top officials linked to the president.

city of Medellin, "without any evidence having been previously presented to the ministry of justice or to the Colombian government." The allegations were based on a report by the US Central Intelligence Agency and published on Sunday [in the Los Angeles Times](#). The *Times* reported that Montoya has a "long and close association" with Uribe and would be the highest-ranking Colombian officer implicated in a growing scandal over links between the the country's paramilitary fighters and top officials linked to the president. The allegations against Montoya are expected to add pressure to the Democrat-controlled US Congress to reduce US aid to Colombia. The Andean nation received \$700 million a year from the US, making it the third-largest beneficiary of US foreign assistance, according to the *Times*. [Editor's note: look for related Q&A in an upcoming issue of the *Latin America Advisor*.]

Chavez: Venezuela to Implement Agrarian Reform, Seize Lands

Venezuela is planning a national agrarian reform that will create collective property, nationalize some large ranches, and redistribute fallow land to the poor, President Hugo Chavez said Sunday, according to the Associated Press. Chavez, who initiated a broad plan for constitutional reform when he began a second term in December, said constitutional changes will include the concept of "social, or collective, property." Venezuela currently manages thousands of cooperative farms, but it does not fully own most of the property used in these programs, the AP reported. The new program will have "property that belongs to everyone, and it's going to benefit everyone," said Chavez, who explained that the government plans to take control of some 740,000 acres from large farms. In the last five years, Venezuela has redistributed over 4.6 million acres of land

deemed idle or that lacked property deeds dating back to 1847, the AP reported.

Economic News

Brazilian River Diversion Project Approved by Environmental Agency

In a move opposed by environmentalists, Brazil's environmental protection agency on Friday approved a \$2 billion project to shift the course of a major river in Brazil, the Associated Press reported. The agency, **Ibama**, authorized the project to alter the course of the Sao Francisco River, a plan which is aimed at benefitting some 12 million poor people by allowing large sections of the country's dry northeast to be irrigated. However, environmentalists say the project could dry up the San Francisco—Brazil's fourth-largest river—for part of the year.

Featured Q&A*Continued from page 1*

is alive and regardless of his formal title or role. Castro has been ruthless in his quest to prevent the rise of alternative power centers within his regime. If his health permits, he undoubtedly will reclaim the formal powers and responsibilities he temporarily handed over to Raul and the small group around him at the end of July 2006. The obsession with Castro's health underscores not only the Cuban regime's reliance on Fidel, but also the paralysis of US-Cuba policy. The failure to depart in any way from an anachronistic and failed policy during the past eight months made life easier for those minding the store during the apparent depths of Fidel's illness. The steadfast perpetuation of the status quo underscores that Fidel and Raul Castro and their repressive regime continue, by default, to dictate US policy. Regardless of the pomp and circumstance that may accompany a public return by Fidel, the true challenge that lies ahead is reshaping US policy to actually advance US national interests."

A Guest Comment: Francisco Hernandez: "Everything is possible within the tortuous mantle of secrecy in which Cuba has been living since July 31, 2006. What appears certain is the impossibility of Fidel Castro's return to power under his former persona as the infallible, indestructible, inexhaustible leader of the Revolution. The power he ceded ten months ago will hardly be returned, voluntarily, by those who have wielded it. What this period of a sort of 'animated suspension' has proven to Raul and the others is that, in the absence of pressures from the US and the international community for political and human rights reforms, the presence of Fidel Castro is a necessity they can do without."

A Guest Comment: Dan Erikson: "It is premature to predict Fidel Castro's return as the president of Cuba. In the nearly nine months since he turned over power to his brother Raul Castro and a group of top ministers, the interim team

has proven itself to be capable of maintaining control over the island in Fidel's absence, and even implemented some modest policy changes. The obstacles to Fidel Castro's return to full authority are

“Fidel Castro's aura of dominance has been irrevocably punctured ...”

– Dan Erikson

not insurmountable, but they are significant. These include his own weak health, the widespread expectation that any return to power would be temporary at best, and the likely reluctance of Raul Castro and other leaders to allow their capricious and dominating leader to reassume the levers of power. If Fidel's health does indeed improve markedly, then it is possible that he may take over a larger ceremonial role, but there would likely be struggles over power that would emerge in the future. Fidel Castro's aura of dominance has been irrevocably punctured, and that will impose new constraints on his ability to rule Cuba in the manner to which he has become accustomed during the past 48 years."

Dennis Hays is Vice President at *Thorium Power* and former Coordinator for Cuban Affairs at the US Department of State.

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