

To my view that has not yet happened. I wouldn't say that it couldn't happen, because at some point we could be faced with an acute set of choices of what to do about the dollar. If we ruled out devaluation, which I think we would have to do, if we ruled out restrictions, and I think personally we would have to, then relative deflation at home might be in the cards.

QUESTION: Doctor, what is the relationship today of Cuba with the International Monetary Fund?

DR. SOUTHARD: Well, it's practically silent, I should say. We advanced \$25 million to the Batista government on a six-months basis. We had made two six-months advances. They repaid one and then withdrew \$25 million again--half their quota--in the period of the Castro effort in the Sierras. We did it with our eyes open. I don't think we had any good crystal ball. We didn't know who was going to win. They deserved assistance and we gave it to them. Then when Castro got in power, during that period of some moderate honeymoon when he did have some moderate advisers around him, including Philippe Di Passos, who was an old friend of ours and went back in as the head of the central bank, they asked us to extend this from a six months' obligation to one of our standard 3-to-5-year obligations, and we did.

They paid the charges regularly in gold--it had to be gold. Then they did introduce some exchange controls without our approval and without any effective consultation, although we did talk to them about it. Then, when the three-year period was up and they ought to begin