Settlement of U.S. claims against Cuba unlikely as long as Fidel stays in power

BY ANA RADELAT

Roomfuls of files at a government storage facility in Suitland, Md., tell the story of the 5,911 certified U.S. property claims against Cuba — all of which are awaiting some political change in Havana that might settle a 45-year-old score.

The claims range in value from hundreds of millions of dollars to a few thousand, were filed by Americans after Congress established a Cuban claims program in 1964. That program allows Washington to negotiate compensation for U.S. properties that were seized by the Castro regime in the early years of the revolution.

Castro’s confiscations — provoked partly by the Kennedy administration’s decision to stop purchasing most of the Cuban sugar crop — is at the root of the U.S. trade embargo against Cuba. The confiscations were also a major reason Washington severed diplomatic relations with Cuba in 1961.

Cuba has settled its property claims with other nations whose citizens and companies lost property to the revolution, sometimes in barter arrangements or for just cents on the dollar.

But there has never been a serious attempt to settle the U.S. claims, which dwarf those of other countries. In fact, the total settlement of Cuba’s claims with France, Great Britain, Switzerland, Spain and Canada doesn’t even amount to 5% of the value of U.S. claims (see our interview with Mauricio J. Tamargo, chairman of the Foreign Claims Settlement Commission, page 8).

More than 80% of the total amount in U.S. claims involve commercial land or debts. Valued at around $1.8 billion when they were first certified, the claims are today worth nearly $7 billion when aggregate interest is factored in.

Some of the largest U.S. claimants include Fortune 500 firms such as Boise Cascade, Coca-Cola Co., Borden Foods, Navistar International and Colgate-Palmolive.

Washington lawmakers have introduced a bipartisan bill aimed at promoting U.S. food exports to Cuba

BY LARRY LUXNER

Washington lawmakers have introduced a bill to expand the sale of U.S. farm products to Cuba, and observers say it enjoys a reasonably good chance of passing.

The Agricultural Products Export Facilitation Act of 2005 — announced Feb. 9, just as this issue of Cubanews was going to press — clarifies Congressional intent on an earlier piece of legislation, the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA).

The new bill, introduced by Sen. Larry Craig (R-ID), Max Baucus (D-MT), Pat Roberts (R-KS), Richard Lugar (R-IN) and about 20 other co-sponsors, mostly from farm states, contains the following provisions:

Authorize the issuance of a general license for U.S. agricultural producers to travel to Cuba to sell, market and finalize any sales or trade agreements — in much the same way journalists are now free to travel to Cuba without a specific license from the Treasury Department’s Office of Foreign Assets Control (OFAC).

Authorizes Cuba to make direct payments to U.S. banks. Currently, Cuban food purchasing agency Alimport is forced to use European banks for transactions, which often add up to 5% of the overall price.

Repeals Section 211 in order to protect U.S. trademarks registered in Cuba, and bring the United States back into compliance with the Inter-American Convention and WTO obligations.

Urge the need for the “expeditious issuance” of temporary visas to Cuban nationals who, pursuant to TSRA-authorized purchasing activities, must inspect certain products such as

See Claims, page 2

See TSRA, page 3
Claims — From Page 1

educational software, is No. 80 on the list, with a claim of $2.45 million against the Castro regime.

At the time of its expropriation, Siboney was in the oil prospecting business — having been formed in 1955 by investment banker Jerome Tegeler through the purchase of seven Cuban oil exploration companies.

Seized Oil Fields and Sugar Plantations

Tegeler’s son, Timothy J. Tegeler, says “there’s not much we can do” to assert its claim, except to keep the pressure on U.S. officials not to normalize relations with Havana until the claims issue is looked into.

“We would hope that if Cuba returns to a democracy or re-establishes diplomatic relations with the United States, that somehow these claims would be addressed,” he told CubaNews.

Tegeler added: “Those companies [which have since signed oil exploration concessions with the Castro regime] will have to face the consequences of having purchased damaged goods. How can they get clear title to it when they know these properties were illegally seized?”

That’s also a concern for Boston stockbroker William Claflin. He represents the heirs to his grandmother, Helen Claflin, who owned a sugar plantation in Cienfuegos that was confiscated by the Castro regime in 1960. The Foreign Claims Settlement Commission has certified the family’s claim at $12 million.

“I understand that a European company is operating a large cement factory on what was our sugar plantation,” Claflin told CubaNews. “I hope that someone in the State Department could help us identify this company and assist us in receiving fair compensation.”

In April 2004, CubaNews reported that Las Pailas de Cemento S.A., a Spanish company controlled by private investment bank Iberzuza, had formed a 50-50 joint venture with Cuba’s Ministry of Basic Industry. That venture, known as Cemencias Cienfuegos, has so far spent $105 million to modernize the old Karl Marx cement plant.

Lawyer: Claimants Willing to Negotiate

Like many other companies on the list, Boise Cascade — the largest U.S. claimant — became the holder of a Cuban claim through an acquisition. The Idaho-based paper and wood products company holds the Cuban Electric claim, which was valued at $267.6 million at the time of its expropriation.

New Orleans-based Freeport McMoRan owns the Moa Bay Mining claim, valued at $88.3 million at the time of its certification, while Exxon owns the Standard Oil claim, valued at $71.6 million.

“When the years, the approach to the claims is a great deal more dispassionate and the claimants are a good deal more pragmatic,” said a Washington attorney familiar with the issue. He noted that claimants these days appear more willing to negotiate. But hostilities between the United States and Cuba have blocked any chance of settlement.

In addition, the U.S. embargo imposes several roadblocks for U.S. companies that may want to settle their claims against the Castro regime.

Mauricio Tamargo, chairman of the Foreign Claims Settlement Commission, which certifies the family’s claim at $12 million.

“Of course, the law is not to negotiate with U.S. citizens, there is no precedent or existing licensing policy pertaining to this matter,” he said.

The 1996 Helms-Burton Act — which was aimed at discouraging foreign investment in Cuba — set as a condition for lifting the U.S. embargo the requirement that Cuba makes “demonstrable progress in returning to U.S. citizens (and entities which were 50% or more beneficially owned by U.S. citizens) property taken by the Cuban government from such citizens and entities…”

status of claims in a post-Castro cuba

The Commission for Assistance to a Free Cuba, the interagency panel that made a series of proposals to President Bush last year, also said settling the U.S. claims would be critical to the U.S. recognition of a post-Castro government.

But Tamargo warned that the process of settling claims won’t be easy, because there are multiple claimants for some properties, a wide array of different types of claims, and foreign companies operating through joint ventures with the Cuban government on expropriated properties.

Tamargo told CubaNews that it will be important to establish a process to settle commercial property claims “without disrupting joint ventures in Cuba.”

Tamargo also said that the fate of joint ventures between foreign governments and the Castro government should be addressed by any future Cuban government so that there is a “smooth titling” of those properties.

Title III Waived in the ‘National Interest’

Residential property claims will be even tougher to settle and may never be sorted out.

“The issue of residential housing raises the potential for major political dissatisfaction by a large number of Cubans at the start of a transitional government,” Tamargo said.

While some of the certified claims involve residential property, most claimants that were confiscated belonged to Cubans, who couldn’t certify their claims with Washington because they weren’t U.S. citizens at the time they lost their properties.

An attempt to recognize the claims of Cuban exiles who were not U.S. citizens when their property was confiscated was made in the Helms-Burton Act.

The law opened the door to federal courtrooms for exiles to sue foreign companies using their confiscated properties in Cuba. But the lawsuit was opposed by many certified claimants who said it would make it more difficult for them to receive compensation for their claims.

In any event, that provision of the law has been waived every six months since it took effect in 1997, first by former President Clinton and now by Bush.

In a Jan. 14 letter to Congress, Bush said the waiver was “necessary to the national interests of the United States and will expedite a transition to democracy in Cuba.”
beef, poultry, seed potatoes, etc., prior to shipment of goods.

“Cold War-era sanctions and restrictions have a track record of hamstringing American farmers, ranchers, and producers,” said Craig, whose state is eager to sell Idaho potatoes to hungry Cubans. “Introducing Cuba to the American free-market and capitalism is the only way to bring about reform. Consequently, four years ago we joined forces to open up Cuba to establish a new, one-way market for our agriculture sector. Today, I will not allow bureaucrats to re-interpret Congress’ original intent and obstruct already established legal trade.”

Added Bob Stallman, president of the American Farm Bureau Federation: “Enactment of this legislation would result in increased trade with Cuba through the simplification of the license process, reducing transaction costs for those sales, and [by] allowing Cuban agricultural inspectors into the United States to inspect U.S. facilities selling to Cuba. Lastly, the legislation would help maintain the American free enterprise system and the ability to inspect U.S. facilities selling to Cuba.”

10 DEMOCRATS AND 10 REPUBLICANS

Before the original legislation was enacted, Cuba ranked 226th in purchases of U.S. farm goods. Today, it’s No. 21, thanks to more than $1 billion in imports since TSRA’s passage. In fact, Cuba now ranks as the world’s second-largest importer of U.S. rice and the third-largest importer of U.S. poultry.

For this reason, 10 GOP lawmakers have jumped to co-sponsor the bill, including Jim Talent (Missouri), Chuck Hagel (Nebraska), John Thune (North Dakota), Kay Bailey Hutchison (Texas) and Mike Enzi (Wyoming).

To my knowledge, there’s never been a Cuba-related bill introduced with this many Republican co-sponsors,” said Robert Muse, a Washington lawyer specializing in Cuba matters. “It’s particularly interesting that it has so much support from mainstream Republicans, from both prairie and mountain states.”

The bill also has strong support from farm-state Democrats, including Blanche Lincoln and Mark Pryor (Arkansas), Tim Johnson (South Dakota), Mary Landrew (Louisiana), Ben Nelson (Nebraska), Tom Harkin (Iowa) and Patty Murray (Washington).

ALIMPORT WATCHES LEGISLATION WARILY

Muse said the measure has a “good chance of passing” because it’s not a policy bill.

“The policy was determined in 2000 with passage of TSRA. That’s when Congress said it not only authorized but wished to encourage agricultural exports to Cuba. This bill is meant to facilitate those exports in two different ways: it removes any ambiguities that may have developed around the TSRA’s language, and secondly, it seeks to clarify congressional intent in promoting these exports.”

In recent months, disagreement over whether Cuba must pay before food shipments leave U.S. ports rather than upon their arrival in Havana has led some banks to delay crediting Cuban payments to the accounts of U.S. exporters.

That, according to Washington consultant Kirby Jones, has affected business. “Alimport is still buying, but they are concerned about the reliability of supply coming from the United States — not because of any problem with any company, but simply because of the uncertainty and the lack of final resolution of this issue,” he said.

The proposed bill would end that uncertainty by letting Cuba pay after the shipments leave U.S. ports. It would also direct OFAC to allow direct banking transactions between Cuban and U.S. financial institutions for the first time since the early 1960s.

Currently, U.S. food exporters must wait about 72 hours to be paid through a third-country bank such as BNP Paribas of France. The new legislation would allow them to be paid through a U.S. bank in a matter of hours.

Alimport’s chairman, Pedro Alvarez, said his entity has spent $1.043 billion on U.S. food imports since TSRA’s passage, including $474 million in 2004 alone.

About 90% of Cuban purchases have been for grains, cereal and poultry from a dozen U.S. companies led by Archer Daniels Midland Co., Cargill and FC Stone, with smaller purchases from another 120 U.S. firms.

Alvarez told reporters Feb. 3 that Cuba will continue buying U.S. food, though he warned that “if restrictions are tightened, trade would be dramatically reduced.”

LATIN NATIONS ELECT CUBA TO CRUCIAL UN HUMAN RIGHTS PANEL IN GENEVA

The news came as a bomb to anti-Castro forces in Miami and policymakers in Washington: the members of GRULAC (Grupo de Latinamerica y el Caribe) at the UN Human Rights Commission in Geneva had elected Cuba to the commission’s “Working Group on Situations,” which routinely hears cases involving violations of human rights around the world.

The group also includes Hungary, Saudi Arabia, Zimbabwe and the Netherlands.

On Feb. 8, the U.S. State Department expressed its outrage, with spokesman Tom Casey saying that “countries that routinely and systematically violate the rights of their citizens should not be selected to review the human rights performance of other countries.”

The Miami Herald, in an editorial, went so far as to suggest that the world should “just get rid of the Human Rights Commission.”

Added José Miguel Vivanco, head of Human Rights Watch Americas: “I think it’s a scandal. A country with ‘such a poor record on human rights should not be rewarded in this way,’ he said.

Amazingly, six Latin American countries which voted against Cuba in the same Human Rights Commission less than a year ago were now ready to support Cuba as their candidate.

What’s behind this apparent sudden change of heart?

The key idea here is constructive engagement instead of confrontation, a policy principle that seems to have prevailed recently among European and Latin American nations with regard to Cuba.

At the end of January — while the United States was voicing its support for former Salvadoran President Francisco Flores as OAS secretary-general, thus challenging Mexico’s claim to that position — GRULAC nations met in Mexico to plan a strategy to reorganize the goals of the Human Rights Commission.

At this meeting, Cuba took part for the first time, emphasizing its readiness to cooperate. Mexican authorities stress that efforts to reform the commission were aimed at making its functions “objective and not political.”

At the same time, according to various sources, Cuba has been actively promoting Mexican Foreign Minister Luis Ernesto Derbez as the next secretary-general of the OAS.

Support is also coming from Brazilian President Luiz Inacio “Lula” da Silva, a personal friend of Fidel Castro.

“We will continue our diplomatic and political struggle to provide Cuba with the position in Latin America and in the world that it rightfully deserves,” said Brazil’s ambassador to Cuba, Tildén Santiago, as a Brazilian delegation headed by former guerrilla fighter José Dirceu arrived in Havana.

This groundswell of support is evident not only in Brazil and Venezuela, but also in Argentina, Uruguay and even Paraguay.

Cuba wields considerable political leverage throughout Latin America, thanks to its support of social programs (see report on Cuban doctors in Paraguay, page 6).

It also played a decisive role in averting recent clashes between Venezuela and Colombia, arranging a final settlement to be signed by leaders Hugo Chávez and Alvaro Uribe — and further enhancing Cuba’s credibility among GRULAC nations.

Yet another element is GRULAC’s close cooperation with the 25-member EU. Late last month, the EU agreed to end its two-year diplomatic freeze in relations with the Castro regime, with a periodic review in six months. Spain’s ambassador in Havana, Carlos Alonso Zaldívar, told reporters that the question now is how to manage the differences between EU nations and Cuba.

“One way is confrontation, but the other is to make such differences an object of a constructive dialogue,” he said. “The latter is already showing results.”

— DOMINGO AMUCHASTEGUI
Lexington Institute: Cuba’s global strategy is paying off

BY PHILIP PETERS

Rather than rely on expanded market-based reforms, Cuba has embarked on a series of long-term international economic initiatives geared toward strengthening the state economy and increasing trade, aid and investment.

Several of these initiatives have come to fruition in recent months, with promising potential for energy and mineral production, targeted investments and foreign exchange earnings. Their expected revenues could easily dwarf the revenues denied to the Cuban government by the new economic sanctions applied by the United States last year.

CHINA

Last November, Chinese President Hu Jintao led an entourage of business executives on a tour of Latin America. In Havana, they signed a wide-ranging economic agreement based, Hu said, on the “complementarity” of the Cuban and Chinese economies.

The accord features a 10-year postponement of payments on debt Cuba contracted between 1990 and 1994; new credit for the purchase of one million TV sets; a $6 million loan for purchase of hospital equipment; a $3 million donation of X-ray devices for Cuba’s customs service, and a $6 million donation of material for schoolchildren.

But the agreement of greatest strategic importance involves nickel production. Cuba boasts the world’s 3rd-largest nickel reserves, behind only Australia and Russia. Cuba ranks 6th in world nickel output after a decade of expanded production driven by a venture with Canada’s Sherritt International.

Sustained high demand for nickel and a 16% rise in nickel prices over the past seven years make nickel a very promising investment opportunity for Cuba and its partners.

China has agreed to enter a new joint venture for a nickel processing plant at Camarioca in eastern Cuba. The Czech-built plant, financed by socialist bloc credits, was partially completed and not yet operational when the socialist bloc collapsed, and it’s been mothballed ever since. China will complete and activate it with an investment of $500 million.

The accord also anticipates a Chinese investment of $1.3 billion to help Cuba exploit its untapped coal reserves in Camaguey province, with projected output of 50,000 tons per year.

Together, these investments will nearly double Cuba’s current nickel production.

PETROLEUM

Cuba expanded its domestic energy production in the past decade by applying new extraction techniques to old oil wells, and by capturing (rather than flaring off) the natural gas that comes with crude oil. But imports still account for about half of Cuba’s petroleum needs, a crucial economic vulnerability in a time when oil costs over $40 per barrel.

Cuban crude oil is extracted from wells on the north coast near the Varadero beach resort. The oil is thick, sulfurous and difficult to refine, of a quality that “would be used for asphalt anywhere else,” in the words of an industry expert. It is used for power generation, not fuel production.

Cuba’s dream is to discover lighter, higher quality crude such as is found in U.S. and Mexican waters in the Gulf of Mexico. For more than a decade, Cuba has tried to interest the international oil industry in exploring for oil off the island’s western shore.

The French company Total explored offshore in 1999, as did Brazil’s Petrobras in 1998, both without success. Then, last fall, the Spanish company Repsol announced that it found offshore oil 19 miles north of Havana. The find was too small to be commercially viable, but the oil was of good quality, and Repsol said it will continue exploration.

The American Association of Petroleum Geologists listed this among the “significant finds” of 2004, and Brazilian and Chinese companies are now considering joining the exploration effort. The Chinese oil company Sinopec has signed an agreement to produce oil in western Cuba.

In December, Cuba announced that a commercially viable offshore oil field had been found 34 miles east of Havana near Santa Cruz del Norte. The exploration was conducted by Canada’s Pebercan in a joint venture with Sherritt and the Cuban government.

Initial estimates peg the field at 100 million barrels — enough to cover more than three years of Cuba’s oil imports — and it could be producing oil next year. The oil is classified as heavy but of a better quality than the oil Cuba now uses for power generation.

VENEZUELA

Cuba and Venezuela have developed close ties ever since President Hugo Chavez took office and began his “Bolivarian revolution.” Thousands of Cuban doctors are working in poor neighborhoods in Venezuela, and more than 1,000 Venezuelan students are studying medicine in Cuba. Sports and education programs are also flourishing.

Of critical economic importance to Cuba, Venezuela supplies most of the island’s oil imports at below-market prices and, according to press reports, on soft credit terms. In an agreement reached last month, Cuba agreed to a minimum price of $27 per barrel.

The agreement goes further: The two countries eliminated all tariffs on their trade and announced a model of economic integration with an emphasis on social welfare, and an intention that this model will be an alternative to the hemisphere-wide free trade area that’s been under construction for a decade.

While the agreement is short on dates and figures, it signals Venezuela’s intention to invest in a new thermoelectric power generation project in Mariel, provide coal to power the Chinese nickel joint venture, and finally to modernize and reactivate the Cienfuegos oil refinery — another facility that has been in mothballs since the Soviet bloc dissolved.

WASHINGTON’S RESPONSE

Cuba’s global initiatives have long been under development, and it remains to be seen how quickly investment commitments will be fulfilled and economic benefits realized.

The initiatives were not designed to respond to specific U.S. policies, but they come to fruition at a time when the United States is toughening economic sanctions to deny Cuba hard currency and using other measures to bring about an end to socialism.

The Bush administration estimates that its new sanctions — levied mainly against travel and family assistance — will cut Cuba’s foreign exchange earnings by $500 million annually. Yet those sanctions are undercut by two immediate factors.

The administration itself estimates that the Cuban economy, with gross domestic product of $22 billion, is growing at 2.6% annually, which translates into a gain of $885 million a year. Also, Cuba’s new currency policies have created a strong incentive for citizens to move their dollar holdings into bank accounts, a move that likely increased the central bank’s dollar holdings by $32 billion or more.

Cuba’s new international partnerships are unlikely to solve all its economic problems. But as nickel, oil and other projects go into operation they will earn new foreign exchange and add to Cuba’s growth.

At the margin, then, Washington’s new economic sanctions are very unlikely to have a strong or decisive impact on the Cuban economy in general. Instead, the impact will fall on Cuban families whose relatives are barred from visits or sending cash assistance.

Philip Peters, vice-president of the Lexington Institute in Arlington, Virginia, writes frequently about the Cuban economy. For more information, visit www.lexingtoninstitute.org/cuba.
POLITICAL BRIEFS

CUBA PREPARES FOR LOCAL ELECTIONS

Cuba has started a countdown process for Apr. 17 elections to choose local authorities. According to Prensa Latina, electoral commissions in Cuba’s 169 municipalities have been established ahead of elections for Municipality Assemblies — a “key element in Cuba’s unique electoral process by which neighbors gather to elect their candidates.”

PL, a mouthpiece of the Castro regime, says “election campaigning is banned,” since “money is not a driving force in this process. A candidate’s prestige and capacity to serve the people are the only things that count.”

By law, a candidate needs at least 50% of votes to be elected. In case no one gets that much, a second round will be held Apr. 24 between the two biggest vote-getters.

“These features of the Cuban electoral system are virtually unknown abroad, as the U.S. has a propaganda campaign in place in order to present it as undemocratic,” complains PL. “But Cubans have put their electoral machine into motion again, convinced that it has its own values and has nothing to do with the traditional circus-like, expensive U.S. electoral process.”

CATHOLIC MAGAZINE FOLDS FOR LACK OF FUNDING

The alternative Catholic magazine Espacios, one of the few independent publications in Cuba’s mostly state-run media market, is closing after eight years because it has run out of funding and local church support.

Espacios had survived eight years on donations from church groups in Germany, Mexico and elsewhere. Most contributors work for free, with a few full-time staffers receiving modest salaries.

“We don’t have the money to keep going,” Joaquin Bello, director and founder of Espacios, told AP. “We’ve gone looking for funding in many places, but nothing has come up.”

It cost Bello $1,400 every three months to print 4,000 copies. The magazine touched on topics that are often rarely expressed in Cuba society, such as the island’s electricity crisis and criticism of abortion, which is common in Cuba.

SÁNCHEZ: CUBA HOLDS 294 POLITICAL PRISONERS

The number of political prisoners held in Cuba dropped slightly over the past six months to 294, a veteran rights activist reported Jan. 10.

Elizardo Sánchez, who heads the Havana-based Cuban Commission on Human Rights and Reconciliation, was quoted by AP as saying the decline from 317 prisoners in August 2004 and 315 a year ago isn’t significant enough to mark a change in the regime’s policy toward jailed dissidents.

“The fact that the number of political prisoners has stayed stationary during the last few years reflects the highly repressive position that the government of Cuba maintains,” Sánchez wrote.

The 294 prisoners cited by Sánchez include all 75 dissidents released in February 2005 by Cuba, and 14 of whom have since been paroled for health reasons.

Meanwhile, the New York-based Committee to Protect Journalists says 23 reporters are serving time in Cuban jails for practicing their profession; only China has more reporters (42) behind bars.

In their own words ...

“I hope I’m wrong … but if they make the mistake of attacking and invading this country, I recommend Mr. Bush had better launch 50 nuclear weapons and exterminate us all. We prefer to die in heaven than to survive in hell.”

— Fidel Castro, in a Feb. 1 speech in which he called President Bush “deranged.”

“We remain concerned that suspending the restrictive measures without achieving the goals for which they were put into place will embolden regime hardliners and discourage the peaceful opposition.”

— State Department spokesman Richard Boucher, commenting on the European Union’s six-month lifting of diplomatic sanctions against Cuba.

“We will still be supporting those brave people who fight for freedom, human rights and democracy in Cuba. For us, Fidel Castro is not a partner, he’s a dictator. The policy of the Czech Republic is not going to change.”

— Czech Foreign Minister Cyril Svoboda, reacting to the EU decision.

“They don’t understand: I am not a tourist in Cuba, I am an activist working to cement a new Summit of the Americas and an independent and sovereign F.”

— Cuban exile Eloy Gutiérrez Menoyo, who returned to Havana in 2003 to seek a dialogue with the Castro regime. OFAC is threatening Gutiérrez with a possible $250,000 fine or 10-year jail term for violating the U.S. travel ban against Cuba.

“Cuba’s rise to the action panel of the UN Human Rights Commission does not besmirch the UN body much. After all, it has long been discredited by the serial human-rights violators among its 53 members. Cuba’s appointment does reflect poorly, though, on Latin American leadership and U.S. diplomacy.”

— Feb. 2 editorial in the Washington Times.

“We’ve been vigilant in Florida to maintain the pristine nature of our coastline and not allow drilling. It’s troubling when a neighboring state might do it.”

— Sen. Mel Martinez (R-FL), telling the Tampa Tribune that a drilling accident or oil tanker spill in the waters off Cuba could harm Florida’s marine life.

“We’ve worked on this for years. These individuals have served out their terms and now want to become productive members of society.”

— Camila Ruíz of the Cuban American National Foundation, reacting Jan. 15 to a U.S. Supreme Court ruling that 747 Mariel boatlift refugees and other Cubans cannot be kept indefinitely in U.S. federal detention after serving prison terms.

“There’s little doubt that if you were to name one figure who’s had an impact on American history over nearly half a century, it’s Fidel Castro. It’s also a tremendous story, and it’s a story that has both a political dimension and a personal dimension that frankly we don’t see very often.”

— Mark Samels, executive producer of PBS-TV’s “American Experience,” which on Jan. 31 aired Adriana Bosch’s two-hour documentary on Fidel Castro.

“They can’t take this away from me. I’ll kill them. This is my life.”

— Graciela Gonzalez, an 80-year-old cigar smoker, on Cuba’s anti-smoking law.

“The embargo against Cuba is a war against public health with high human costs. Although curtailments of individual liberties and privacy by the Cuban government may seem as an abridgement of personal freedom, we as healthcare professionals have a moral duty to protest an embargo which engenders human suffering in Cuba to achieve political objectives.”

— Dr. Michele Barry, director of the Yale School of Medicine’s Office of International Health, in an article published Jan. 18 in the Annals of Internal Medicine.

“All this does for us is make us more determined. We won’t get on our knees and cry Yankee.”

— Josefina Alvarez, a Havana cleaning lady, telling the Dallas Morning News why the Bush administration’s anti-Castro crusade won’t work.
Cuban doctors bring health and hope to Paraguay’s poor

BY LARRY LUXNER

Cuban epidemiologist Gretza Sánchez Padrón holds on tightly as the Land Rover she’s riding in bounces along a dirt road south of Mariscal Estigarribia — the only town of any size in Paraguay’s vast Chaco.

Next to her is Mabel Lugo Santos, a young Paraguayan auxiliary nurse that often accompanies Sánchez on her rounds. Around 9 a.m., the vehicle grinds to a stop in Jotoishá, an indigenous settlement where desperately poor people are already lined up at the local clinic to have their various ailments looked at.

One patient, a 72-year-old man with chest pains, is too weak to walk to the clinic, so Sánchez and Lugo visit him at home, which consists of little more than a shack with a zinc roof and dirt floors.

Half a dozen children, some of them naked, watch with a mixture of fear and fascination as a member of their tribe translates the doctor’s questions from Spanish into Nivaclé, an indigenous dialect, and the old man’s answers from Nivaclé back into Spanish.

“In every community, there’s a promotor de salud — a health facilitator who is trained in basic health techniques, for example, giving vaccinations or taking saliva samples to check for TB,” Sánchez explains.

Normally, the 34-year-old doctor from Santa Clara visits such remote communities two or three times a week as Lugo, her assistant, registers patients, checking their records and sometimes vaccinating children against diseases like diphtheria, polio and yellow fever.

Another epidemiologist, Elieser R. Delgado Torres, works in Dr. Pedro P. Peña, an even more remote town located near the Argentine border, 280 kms from Mariscal Estigarribia.

“I have a program on FM radio,” says Delgado, also a Santa Clara native. “They give me radio time, which I use to explain to people how to prevent diseases such as diarrhea.”

Sánchez and Delgado are among 70 Cuban doctors currently on loan to Paraguay, an impoverished, landlocked South American nation that from 1954 to 1989 was ruled with an iron fist by Gen. Alfredo Stroessner.

A rabid anti-Communist, Stroessner broke relations with Cuba in 1962, shortly after Fidel Castro’s rise to power. Those relations were not fully restored until 1996 — seven years after Stroessner’s violent overthrow.

“During the Stroessner dictatorship, you could be imprisoned or tortured even for having a book about Fidel Castro,” said Irma Gonzalez, Cuba’s top diplomat here and the only woman ambassador in Paraguay.

Her embassy, located in one of Asunción’s nicer neighborhoods, is cluttered with propaganda posters glorifying Cuba’s achievements in literacy and health care, and signs demanding the return of five Cuban men jailed in the United States for espionage.

“The professionalism of doctors in Cuba is so high. This is not debatable,” said Linares, who arrived in September and is working in the department of Caaguazu. “They love us because Cuban doctors go to places where there are no Paraguayan doctors.”

Sánchez adds that “if a doctor is alone in a remote area, he’s on call 24 hours a day.”

Besides the Cuban doctors in Paraguay, 523 young Paraguayans are studying medicine at the Escuela Latinoamericano de Medicina (ELAM) just outside Havana. This year, the Cuban government is offering an additional 100 scholarships in medicine, and 87 scholarships in engineering, forestry and agriculture.

COLLABORATION, NOT COMMERCE

“At this moment, our relations are in the field of collaboration, because trade is negligible,” said González. “There’s very little business except for a Casa de Habano in the Shopping del Sol that sells Cuban cigars and some pharmacies that sell Cuban medicines.”

The chief of Cuba’s medical mission in Paraguay is Guadalupe Linares, a pediatrician from Santiago de Cuba. She came here in May 2003 and runs the mission from a house located along Avenida Brasilia, down the block from the Cuban Embassy.

“The professionalism of doctors in Cuba is very high. This is not debatable,” said Linares, who has also worked in the Spanish Sahara. “Here in Paraguay, the most urgent priority is primary care. They don’t have a good program of vigilance and prevention.”

For that reason, she said, 20 of the 70 Cuban doctors in Paraguay are epidemiologists. Eight cubanos are in Asunción; the rest are spread out among rural areas. Many are stationed in the Chaco, which contains 63% of Paraguay’s land area but only 4% of the California-size country’s 5.5 million inhabitants.
Castro turns to Iran for economic, technical assistance

BY OUR HAVANA CORRESPONDENT

I ran, an oil-rich Islamic republic of 70 million, and impoverished, officially atheist Cuba have precious little in common — except that both have been branded “outposts of tyranny” by the new U.S. secretary of state, Condoleezza Rice.

On Jan. 21, those two “outposts” decided to boost cooperation in banking, food production, biotechnology, sports and education, in a rapidly expanding friendship that’s already raising eyebrows in Washington.

Under the agreement, signed by Cuban government minister Ricardo Cabrisas and Iran’s minister of agriculture and reconstruction, Mahmud Hojisati, Iran will give Cuba a credit of 20 million euros (about $26 million) for food production. Cuba already had a credit line from Iran which is used to finance imports for the sugar industry.

Ahmad Edrisan, Tehran’s ambassador in Havana, has announced plans for more scientific collaboration between the two countries, including plans by Cuba to help Iran build a plant that produces vaccines and medicines.

“There is no doubt that Iran is determined to strengthen its economic relations with Cuba, and there are many interesting areas in which to cooperate,” Edrisan told reporters.

“Cuba has already started negotiations with the Iran Development Bank, which will facilitate trade between the two countries.”

Since new oil resources have been found in Cuba, Edrisan promised that Iran will also help Cuba in oil pumping developments.

The Bush administration claims Iran is running a secret nuclear weapons program, but Tehran denies the charge, asserting that its program is aimed at generating electricity.

Analysts say U.S. hostility to both countries has drawn Cuba and Iran closer together. Drought-stricken Cuba — one of the first countries to recognize the new Islamic revolutionary government in 1979 — hopes Iran can help it boost agricultural productivity and irrigation networks, as the Middle Eastern nation has very dry weather.

More importantly, it boasts modern power plants and years of experience in oil extraction and refining — as well as a developed petrochemical sector.

Separately, Iran has long been interested in the Cuban sugar industry, and several Iranian businessmen will soon visit for negotiations on the development of sugarcane byproducts. Likewise, Iran’s biotech industry, which is a strength of Cuba, has agreed to give Iran training in health-care, pharmaceuticals and biotech, particularly with regard to producing the Cuban vaccine against hepatitis-B, as well as interferon and other pharmaceuticals.

“Trade has until this moment been in favor of Cuba,” said Iranian official Rezaie Mehdi, noting that bilateral trade comes to around $50 million a year. “But this is a turning point. We expect to expand our economic relations, particularly in exporting our technology.”

Meanwhile, Hojisati said the credit line may be increased to cover other areas of the economy such as water resources, transportation and construction.

Sources tell CubaNews that the president of Iran’s Bank for Export Development will soon visit Havana in order to improve mechanisms to make efficient use of the credit line and speed up the execution of contracts negotiated on that basis.

In addition, a preferential trade agreement as well as an investment protection protocol will be signed in coming months, along with an exhibition of Iranian products in Havana.

Fidel Castro, who visited Iran four years ago, is courting other Asian countries as well. In recent months, he’s received the leaders of China, Vietnam and Malaysia.

The visit of Chinese President Hu Jintao resulted in a commitment by China’s state-owned Minmetals Corp. to invest $500 million in Cuba’s nickel industry.

In a similar vein, Malaysia hopes to tap into Cuba’s biotech industry, while Vietnam — which supplies Cuba with about 250,000 tons of rice a year on cheap terms — is also expanding trade ties with Havana.

Help from Asia comes at a good time for Cuba. Relations with the European Union are still delicate because of human-rights issues, and Latin neighbors — with the exception of Venezuela — are focused on other matters.

“Cuba is feeling choked by Bush, and it was a relief that China extended a helping hand with its growing economic power,” an Asian diplomat in Havana told Reuters.

Expert refutes alleged Cuban-North Korean missile link

BY WAYNE SMITH

In its January 2005 issue, CubaNews carried an analysis prepared by the University of Miami’s Institute for Cuban and Cuban-American Studies entitled “Cuba, North Korea and Weapons of Mass Destruction.”

Essentially, the thrust of this analysis is that Cuba is not strengthening its military and holding maneuvers because of any threat from the United States; rather, it is doing it to reassure the military’s dominant institutional role and assure an orderly transition after Castro’s demise.

The analysis goes on to say that the Cuban military manages Cuba’s lucrative tourism industry; indeed, that all tourism earnings are in the hands of Cuba’s Defense Ministry.

Thus, the analysis goes, the only question is: what new armaments does Cuba intend to acquire with all that money? And the University of Miami’s response to that is North Korean Scud missiles. They claim that Dr. David Kay stated on ABC News back in 2003 — when he was leading the CIA’s investigations into weapons of mass destruction in Iraq — that his team “had found evidence of North Korean missiles going to Cuba.”

Let us answer these assertions one by one. First, the matter of North Korean missiles. There is no evidence whatever that Cuba is acquiring, has made any effort to acquire, or has any intention of trying to acquire North Korean missiles of any kind, let alone Scuds.

Selig S. Harrison, the Chairman of the Task Force on U.S. Korea Policy at the Center for International Policy, called Kay and asked him about it. Kay responded that he “mis-spoke” when he referred to “North Korean missiles going to Cuba.”

On the contrary, he told Harrison, “I found no evidence whatsoever that there was any North Korean-Cuban missile connection.”

Second, the idea that the Cuban military runs the tourism industry and controls all funds derived from tourism is false, or at least grossly exaggerated.

Gaviota, one of the travel agencies handling tourism, is indeed run by the military. But it is only one of many and by no means controls all the funds derived from tourism — or even the majority of funds. Note that there is also a Ministry of Tourism and agencies such as HabanaTur, which is much larger than Gaviota.

Finally, the idea that Cuba is strengthening its defenses to reassure the dominant role of the military and not because of any concern over a U.S. invasion is absurd on the face of it, and completely ignores the stated U.S. position toward Cuba.

Let’s look at the facts. The Bush administration, under its doctrine of preemptive war, claims the right to attack any country deemed a potential threat to U.S. security. It has stated openly that Cuba is such a threat. At the same time, it states publicly that its objective is “to bring an end to the Castro government.”

Given this threatening posture on the part of the Bush administration, Cuba, in prudence, must prepare for the worst. We at the Center for International Policy doubt that the Bush administration really intends to attack Cuba. It already has more than it can handle in Iraq and Afghanistan.

But prudence is not its strong suit. No one can be certain what it will do. The Cubans, therefore, are probably right to get ready for any eventuality.

Wayne Smith is a senior fellow at the Center for International Policy in Washington. He served as chief of the U.S. Interests Section in Havana during the Carter years, and is an outspoken critic of current U.S. policy on Cuba.
**Mauricio Tamargo: Settling Cuba claims won’t be easy**

**BY LARRY LUXNER**

It’s been 40 years, and prominent Cuban-American attorney Mauricio Tamargo still can’t forget the rats.

Born in Havana, Tamargo was raised on a prosperous farm near Holguín that produced rice, corn, bananas and dairy cattle.

In 1959, when he was four years old, the Castro regime came to power and confiscat-ed the family farm. Two years later, Mauricio, his parents and his seven brothers and sisters fled to Miami, eventually settling in the backwater town of Pahokee, Fla.

“My dad worked two shifts at a sugar mill, driving a truck,” he recalled. “We shared a small three-room cabin at the end of a crop-dusting runway. One room was always infested with rats, so my mom would move the babies around to confuse the rats.”

These days, rodents are no longer the problem — but the memory of the confiscation never quite left him.

Perhaps it’s poetic justice that Tamargo, 47, is today chairman of the Foreign Claims Settlement Commission, one of two independent agencies administered by the Department of Justice (the other is the U.S. Parole Commission).

**$1.85 BILLION EXCLUDING INTEREST**

The FCSC’s role is to adjudicate claims by American citizens whose properties have been seized without compensation by foreign governments.

“We have administered 47 different claims programs over our 50-year history,” he told CubaNews. “A claims program is a program in which all Americans who have a claim against a particular foreign government — whether it’s Cuba, Germany or Iran — have the opportunity to file with our office. I chair the commission, and I’m one of three judges. It’s a tribunal, and we make a decision. We adjudicate the claim and declare how much this U.S. national needs to be compensated by the offending country.”

In 1964, ten years after the FCSC’s establishment, Congress amended the Foreign Claims Settlement Act to establish a Cuban claims program.

Between 1966 and 1972, that program received 8,816 claims, eventually certifying 5,911 claimants whose loss was fixed at around $1.85 billion. If interest were included at the internationally recognized annual rate of 6%, those claims would today be worth over $6.8 billion.

“We certify the total figure due our U.S. nationals, and the State Department then has the duty to negotiate a settlement,” said Tamargo. “Once that settlement is reached, the offending country pays the amount to us, and we disburse those funds to all our certified U.S. claimants.”

More than 80% of the certified claims concern commercial land and debts, he said.

“We’re guided by international law in making our rulings. International law requires that all foreign nationals who lose property in a country are due compensation for that property. For example, if Iran confiscates a private home owned by an American citizen, that citizen has a right to be compensated.”

Tamargo, who earned his undergraduate degree at the University of Miami and went to law school in Birmingham, spent 13 years as chief of staff for Rep. Ileana Ros-Lehtinen (R-FL). He was nominated for his current position in July 2001, and was confirmed by the Senate in February 2002 to complete a recess term that had a year and a half to go.

‘WITHOUT PROPERTY RIGHTS, WE ARE SLAVES’

President Bush has since reappointed Tamargo to a full three-year term expiring in 2006. As such, Tamargo is one of the top-ranking Cuban-Americans in the Bush administration.

“I’m very honored that the president called on me to serve in this capacity,” he told CubaNews. “I must say that I believe property rights are important. If not a human right, it is an essential right that every human should have. The treatment of one’s property is by extension a treatment of one’s labor and sweat. One can argue that without that right, we are slaves.”

Tamargo adds: “I do identify with those who have had property taken from them, although they still need to prove their case.”

The FCSC chief said that, regardless of his personal experiences in Cuba, he has vowed “to be as fair and impartial as possible in administering this commission and protecting the rights of U.S. nationals who have suffered harm or injury, regardless of what country we’re talking about.”

In its heyday, the FCSC had as many as 900 employees; today it has 11 staffers, and operates on a budget of around $1.3 million. The Cuban program ran until 1973, after which no more claims were heard.

“Of the 47 claims programs, all have ended in a settlement negotiation agreement except for Cuba,” he said.

Last year, Tamargo’s office helped prepare a hefty report to the White House entitled “Assistance to a Free Cuba.” One chapter deals with nothing but certified claims and offers suggestions on how a post-Castro government might sort it all out.

“The Germans and several [former Communist] countries in Eastern Europe went through a similar situation, where they had a long period of confiscated property,” he said.

“They had to resolve different chains of title, and eliminate clouds on title. Claimants were given an opportunity to seek restitution of the property, but in Germany, they had the benefit of more funds in the German treasury to help sort out this problem than is likely to exist when the Cuban transition begins.”

**THE ALBANIAN EXAMPLE**

Tamargo’s office is currently supervising an Albanian claims program as well. Following World War II, Albania’s Marxist dictatorship, led by Enver Hoxha, seized properties belonging to Albanians, some of whom had U.S. citizenship as a result of having lived in the United States in the 1920s and 1930s.

“The Albanian government, knowing there are claims by Americans against it, gave us $2 million, of which 91 claimants have been paid. We still have $1.2 million to award,” he said.

“In the case of Cuba, there are third parties that have made joint ventures with the Cuban government and have invested money in these properties and buildings. What is done with those will be up to the Cuban government to resolve.”

What about the insistence by Cuban exiles that they should be allowed to sue the Castro regime in U.S. federal court over expropriated property, even though they were not U.S. citizens at the time of the seizure?

“In all our programs,” he said, “it’s always been the case that you had to have been an American citizen at the time you suffered your loss. It’s difficult to have to explain this to people over and over.”

**CUBA MUST RESOLVE CLAIMS ISSUE**

He added that Title III of the 1996 Helms-Burton Act “creates another avenue of relief separate from ours. It allows for private right of action in U.S. federal court for anyone who later became an American citizen, and whose property is currently being trafficked in.”

Yet this provision has been waived by the last three presidents, most recently by Bush on Jan. 14, citing “national interests.”
Resolution of the Cuba claims issue, says Tamargo, is of vital importance to the island’s future economic viability. “Investors will not be eager to invest in Cuba without seeing how this issue is resolved,” he said, though he declined to elaborate too much on this point. “This commission’s purpose is to seek compensation from those U.S. nationals who are due compensation. It’s up to the Cuban government as to how to resolve this issue.”

Asked if the United States has ever conducted behind-the-scenes talks with Cuba over expropriated property, Tamargo suggested that we “ask the State Department.” Nevertheless, Cuba’s prominence could fade in comparison to the next big program for FCSC: Iraq. Undoubtedly. Saddam Hussein confiscated lots of private property while ruling his country, and things quiet down, many Iraqi-Americans are expected to come forward with claims of their own against the former dictatorship. “If that happens, it’ll be larger than the Cuba program, which is the largest program this commission has ever administered,” he said.

In the meantime, Tamargo doesn’t expect much to happen with claims against Cuba as long as Fidel Castro remains in power. “Forty-five years have passed, and the Cuban government doesn’t show any sign of interest in resolving this issue,” he told us. “The spirit needs to be willing.”

Tamargo adds that he no longer has family in Cuba and has no desire to the land of his birth — at least “not until there’s a change in the Cuban government.”

Cubans aid tsunami victims

A Cuban medical brigade comprising 16 doctors, two nurses, two hygiene technicians, three pharmacists and a powerplant engineer has been in Sri Lanka since early January, assisting victims of the recent killer tsunami.

The group is working in Galle, 130 km from Colombo, and their camp is known by a sign that reads “Cuban Health Assistance Center” in English and Sinhalese. It has already used two tons of Biorat, a Cuban product that controls and eventually destroys large rat populations.

Dr. Pedro Alfonso, head of the medical brigade, said that besides fighting and preventing disease, the group plans to prevent epidemic outbreaks and remedy deficiencies in the local health system.

They plan to extend their work to the entire community via medical emergency centers within a 20-km radius.

The brigade will also assist some 1,400 students from two schools, an elderly home and an orphanage.

Galle was badly hit by the Dec. 26 tsunami, which killed an estimated 295,000 Asians, including 245,000 in Indonesia and 31,000 people in Sri Lanka.

Paraguay

Sánchez, Quesada and the other doctors in Paraguay get 600,000 guaraníes (about $100) a month for basic living expenses. According to Reuters, this is standard practice “under a generous Cuban program in which poor host countries such as Haiti and Mali pay Cuban doctors a small monthly stipend, but make no further payment to the Cuban government.”

Although the terms of the new agreement are hardly transparent, says Reuters, “it appears that Venezuela agreed to make separate payments for existing and increased medical help,” and that the prices the World Health Organization attaches to medical services might be used to calculate the value of Cuba’s assistance to such countries.

An unidentified Cuban economist quoted by Reuters predicts that earnings for the export of medical, teaching and other professional services could hit $750 million this year — making it Cuba’s No. 4 foreign-exchange earner after tourism, remittances and nickel.

Although Paraguay is grateful for Cuba’s help, that generosity doesn’t always translate into political gains for the Castro regime.

“Last year, Bush personally called President Duarte to vote against Cuba at the UN Human Rights Commission,” claimed González. “In the end, he rejected this idea and decided to abstain.”

Leila Rachid, Paraguay’s foreign minister and the country’s former ambassador in Washington, denied such allegations. “After our transition to democracy, during the Wasmosy presidency, we opened consular relations with Cuba. During the González Macchi administration, we re-established full diplomatic relations,” she told CubaNews. “We were never pressured by the United States. The U.S. respects our situation, and we have always had a very transparent relationship with the U.S. Embassy in Asunción.”

González insists that “we’re not against the American people, just the U.S. government. It’s not possible that we continue depending on what others are willing to give us.”

“There must be greater solidarity among the peoples of Latin America and the Caribbean. What use is democracy if all people can do is vote, and not have the support of their government later? How can you talk about liberty when people cannot read and write?”

To that end, said González, Cuba is helping Paraguay wipe out illiteracy through a program called Yo Sí Puedo (Yes I Can). That program is already functioning in five departments throughout the country: Amambay, Caazapá, Central, Cordillera and Concepción.

“Paraguay aims to eliminate illiteracy by 2008, and Cuba is collaborating in this,” she said. “We have already taught thousands of Paraguayans how to read and write.”
Law firm hires ex-OFAC official to advise clients on Cuba

BY VITO ECHEVARRIA

W ith U.S. food exports to Cuba booming, agricultural companies worried about running afoul of confusing trade regulations are increasingly turning to a law firm that knows OFAC better than most.

The Eren law firm, based in Washington, specializes in advising its clients on how to do business with countries subject to sanctions by the Treasury Department’s Office of Foreign Assets Control.

Last November, the firm hired ex-OFAC official Steven I. Pinter to help handle its growing clientele of companies and individuals interested in pursuing food deals with Cuba.

Pinter spent 17 years with Treasury, serving as OFAC’s acting chief of licensing from 2000 to 2002, and senior sanctions advisor to OFAC’s then-director, Richard Newcomb, from 2002 to 2004.

At OFAC, Pinter was among the officials responsible for enforcing trade embargoes against restricted countries like Cuba, Iran and North Korea, as well as against entities and named individuals who are targets of OFAC-administered sanctions, such as terrorists and narcotics kingpins.

“Regarding Cuba, the firm advises clients on the regulations administered by OFAC as well as Helms-Burton,” Pinter told CubaNews in a recent e-mail. “Its firm also advises clients on applicable European and Canadian countermeasures to the U.S. sanctions against Cuba. The OFAC issues confronting U.S. exporters of food to Cuba have caused much debate and uncertainty recently, and we have analyzed issues and do provide advice in this regard.”

U.S. food exporters have learned the hard way about doing the simplest things to pursue trade deal with Cuba, such as forwarding food samples to Alingport, securing travel licenses from OFAC, and booking plane tickets and hotel reservations with OFAC-approved travel offices — as opposed to blacklist-ed ones like Tour & Marketing, which is run in Havana by British businessman Steven Marshall.

“Frequently, international transactions involve required compliance with restrictions administered by several U.S. government agencies,” said Pinter. “For example, exports to Cuba of agricultural commodities must be licensed by the Commerce Department, but the payment mechanism for such exports or travel in connection with such exports is subject to OFAC procedures and licenses.

“As another example, authorized charter flights to Cuba are subject to regulations by OFAC, the Commerce Department and the Federal Aviation Administration. On top of that, U.S. Customs and Border Protection agents check travelers departing for and returning from Cuba.

Due to attorney-client privilege concerns, Eren has refrained from identifying U.S. companies it represents. Pinter did say that such clients include banks, educational institutions, investors, shipping companies, NGOs and individual businessmen.

He said Eren also provides advice to those petitioning to have themselves removed from OFAC’s blacklist of “specially designated nationals and blocked persons,” as well as cli-ents who may have violated the travel ban or conducted unlicensed commerce with Cuba.

Pinter was admitted to the bar in the District of Columbia in 1970. He received a Bachelor of Arts from St. Bernard College and a law degree from Georgetown University Law Center. In addition to English, he speaks German and Hungarian.

“Steve Pinter’s respected and trusted knowledge of the in-and-outs of the Treasury Department sanctions programs and sanc-tions jurisprudence makes him an invaluable asset, at a time when knowledge of sanctions and related anti-money laundering laws is essential,” said Pamela S. Falk, a law profes-sor who dealt with Pinter while representing clients before OFAC on Cuba-related matters.

Pinter isn’t the firm’s only lawyer with an extensive background at OFAC. The company’s principal attorney, Hal Eren, also held senior positions at OFAC between 1992 and 2000, handling the agency’s legal, regulatory and foreign policy issues involving Libya, Iran and the former Yugoslavia.

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Japanese are coming back

The number of Japanese tourists traveling to Cuba, which dropped sharply after the Sept. 11, 2001, terrorist attacks on the United States, has started to recover — thanks mainly to the popularity of Cuban music in Japan.

Kyodo News reports that of the 2 million tourists who visited Cuba last year, 6,000 came from Japan, which is over 10% over the previous year. The number is expect-ed to reach 7,000 in 2005, says Cuba’s am-bassador to Japan, Orlando Hernández.

The diplomat also attributed the in-crease to “a growing interest among Japa-nese in cultural heritage” in Cuba, adding that Havana has been building high-quality hotel and other tourism infrastructure.

Industry officials said “The Motorcycle Diaries,” a new film that romanticizes Cuban revolutionary Che Guevara, is also encouraging Japanese to visit the island.

In 2000, a record of nearly 10,000 Japa-nese visited Cuba, but the number fell to only 5,000 following the 9/11 attacks.
U.S. exporters win at Canada’s expense

BY DOUGLASS G. NORVELL

The cheap U.S. dollar is hurting Cuba’s economy by causing sharp increases in food prices worldwide.

were the world food economy simple — with Cuba earning high-value euros from tourism, converting them into cheaper dollars and then buying U.S. food products with those dollars — Cuba would benefit.

But the world food market is complex and replete with trade restrictions.

First, foods are true world commodities and secondly, traditional U.S. food competitions face rising production costs.

World food commodities are denominated in U.S. dollars, and a cheap dollar means prices will be nominally higher. Even though a euro now buys $1.36 (as opposed to less than a dollar only three years ago), European buyers continue to purchase with their strong euro, further pushing up prices.

As the dollar declines in value, prices for Cuba’s principal food imports — rice, chicken and pork — have risen steadily. Three years ago, long-grain U.S. rice sold for around $2.15 per metric ton; today, that ton of rice costs $360. Prices for chicken legs and quarters have shot up similarly.

Toby Moore, spokesman for the USA Poultry & Egg Export Council in Stone Mountain, Ga., said that in 2000, frozen leg quarters cost 18 to 20 cents per lb. Today, that commodity costs 30c/lb.

That’s a stable world market price for chicken, says Paul Aho, a poultry industry consultant. He says that when world prices are in the low 20s, governments start to prod domestic poultry producers with tariffs and other import restrictions.

When world prices rise well above 30c/lb, buyers begin shopping harder and cutting back on consumption. Thirty cents a pound seems just right.

Aho adds that U.S.-produced chicken is the cheapest in the world, and that Brazilian exporters — major players in the Latin American market — sell whole birds for around 45c/lb with higher transportation costs, but without the nagging OFAC restrictions on cash-in-advance sales.

Virtually all U.S. chicken is exported in legs and quarters. Americans eat white meat, while Cubans and nearly everybody else prefers the juicier, more moist dark meat.

Pork prices, although more difficult to categorize because costs vary widely depending on cut, have also risen. As the Pig Site headlined a recent article on Jan. 12, “Foreign Demand for U.S. Pork Puts Pork Prices on Fire.”

Jacques S. Pomerlaw, spokesman for the Canadian Pork Council, said he’s concerned for Canada’s pork producers and packers hit hard by the 30% appreciation of the Canadian dollar relative to the greenback.

“Canadian packing houses follow North American practices and are feeling the impact,” he said. Even thought export prices are rising, Canadian packers pay their production costs with high-value Canadian dollars, further squeezing profit margins. With a $10 billion surplus reported in 2004, the strong Canadian dollar is here to stay.

As a result, U.S. packers are basking in a vibrant cash flow generated by the weak U.S. dollar. Selling at higher world prices and spending the same dollars, American exporters may now have a rare opportunity to further boost their share of the Cuban market.

With extra cash, U.S. exporters could sell to Cubans at reduced prices in order to compensate for the credit restrictions.

After all, it’s not against OFAC regulations to sell cheap commodities to Cuba; it’s only against the law to sell on credit.

Cuba resumes Canadian beef imports

Cuba will reopen its border to a wide range of Canadian beef products, the Canadian government announced Dec. 14, in a report carried by Nebraska’s Midwest Messenger.

Beef trade between the two countries was halted since last year’s discovery of bovine spongiform encephalopathy (BSE) in Canada.

Before the ban, Cuba represented about a $2.2 million market for Canadian beef and beef products.

Cuba will immediately begin importing Canadian beef and beef products from cattle of any age, with a few exceptions including mechanically separated meat, vertebral column, trimmings, and tissues derived from the head. Cuba will also accept pet food that does not contain ruminant meat or bone meal.

Building on this agreement, officials from both countries say they hope to agree shortly on certification requirements that would also permit the importation of live Canadian cattle.

“It’s important for the U.S. government to seize this opportunity and reopen the Cuban market for U.S. beef and beef products as well,” said John Reddington, vice-president of international trade at the Washington-based American Meat Institute.

“Since Canadian beef production and safety standards are really mirror images of those in the United States, this should be an easy opportunity to re-open this important market for our producers and packers,” he said.


CALIF. FIRM WINS $22 MILLION MILK CONTRACT

California-based DairyAmerica Inc. has won a $22 million contract to sell 10,000 tons of powdered milk to Cuba’s state-run Alimport.

The document was signed Feb. 3 by Alimport’s president, Pedro Alvarez, and Keith Murfield, president of DairyAmerica.

In a brief ceremony, Murfield said most of the U.S. business community wants normal trade relations with Cuba “based on mutual respect,” and that he hopes for “the elimination of current restrictions that obstruct commercial transactions.”

Alvarez, speaking at the same ceremony, warned that Washington’s limits on trade with Cuba are harming U.S. firms. He thanked members of Congress who are lobbying for the establishment of normal bilateral ties.

DairyAmerica consists of seven producer-owned dairy cooperatives with operations in 14 states from California to Massachusetts.

The company makes various grades of nonfat dry milk, dry buttermilk and dry whole milk.

Details: Rich Lewis, DairyAmerica, 4974 E. Clinton Way, Bldg. #C221, Fresno, CA 93727. Tel: (559) 251-0992. Fax: (559) 251-1078.

CUBANS WORK ON YEAR-ROUND ANIMAL FEED

Experts at Havana’s Cuban Institute of Animal Science are developing a pasture to feed cattle year-round, even during the dry season. Known as CT-115, the new pasture comes from king grass, a plant widely used to feed cattle. Researchers say this process save important amounts of industrial feed.

Consumption of the new biotech pasture could boost milk production by 3,000 liters annually.

Some 35,000 hectares of land have been planted with CT-115 in fenced areas, so as to alternately rotate herds of cattle in order to keep the pasture permanently growing.

One of the cattle-raising companies using the new pasture in Havana has reported a production of 650 liters a day after milking 76 cows; that translates into 8.6 liters per cow.

RHC: CIGAR, HONEY INDUSTRIES BACK ON TRACK

With the production of 180 million cigars in 2004, Cuba has recovered its traditional place in the cigar market, says Radio Havana Cuba.

The largest exports last year included hand-rolled premium cigars, with significant foreign demand for cigarillos. The island will consequently be expanding its exports of this mini-cigar to other markets.

“The Cuban tobacco sector had a good performance in 2004,” according to experts quoted by the radio station. “The sector saw a significant quality improvement of its products, which was achieved thanks to a more rational use of raw materials and the implementation of improved labor benefits.”

Meanwhile, RHC says beekeepers in Matanzas province surpassed quotas in 2004 with 1,100 tons of honey and 15 tons of beeswax.

Agriculture Ministry officials say that marks the biggest production in a decade — despite the severe drought ravaging Cuba.

February 2005 • CubaNews
Economy ministry sources said that with the conventional GDP formula, growth was actually between 2.8% and 3%.

The government acknowledges a worsening foreign exchange shortage, due to shrinking credit and investment, a hostile U.S. administration, high oil and shipping costs, hurricanes and drought. Cuba is dependent on fuel and food imports. Its current account has operated in the red since the 1991 collapse of the Soviet Union, its chief benefactor.

Cuba, considered one of the world’s worst credit risks, is not a member of any international lending organization. And the new growth measurement formula could further hurt Cuba’s credibility and increase suspicion the economy is not doing well.

“GDP percentages are meant to compare performance, so if you start using other formulas, and don’t give the calculations, you make the comparison impossible,” a European diplomat told Reuters, “which means they most likely have something awful to hide.”

**PEBERCAN FINISHES TESTS ON SEBORUCO WELL**

Only a month after Fidel Castro announced the discovery of light crude oil in the Santa Cruz field operated by Peberecan Inc., the Canadian company says it has more good news for investors.

“The results of the Seboruco-103 well, whose production tests were completed on Jan. 5, will significantly increase the potential size of the Seboruco field towards the south,” Pebercan said in a Jan. 17 press release. The company also said development of its Seboruco-15 and Seboruco-9 wells are ongoing. Pebercan, whose shares are listed on the Toronto Stock Exchange, said its Block 7 production now reaches 14,000 barrels a day, up from 9,000 b/d less than two months ago.

Pebercan’s Cuba concession cover 6,155 sq kms, including Block 7, the only concession operable to date. Pebercan sells all its production to the Cuban government.

Details: Cedric Sirven, VP/Finance, PEBERCAN, 507 Place d’Armes, Montréal, Québec H2Y 2W8. Tel: (514) 286-5200. Fax: (514) 286-5177. E-mail: csirven@pebercan.com.

**S.C. HAS LITTLE TO SHOW FOR 2004 TRADE DEAL**

Despite a much-publicized agreement signed last year for the Cuban government to buy $10 million in goods from South Carolina companies, little has been done since then to implement the deal.

AP reports that three state officials, including Lt. Gov. Andre Bauer and then-Agriculture Commissioner Charles Sharpe, returned from a controversial trip to Havana with a deal that included the officials agreeing to urge the state’s congressional delegation to push for more open trade with Cuba.

“Some people were unhappy, but we weren’t endorsing Castro,” said Rep. Chip Limehouse, R-Charleston, who went on the trade trip.

Yet increased political tensions between Cuba and the United States could be to blame.

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**BUSINESS BRIEFS**

**WORLD SUGAR PRICES TO RECOVER IN 2005**

Sugar prices might show significant recovery this year following an increase in demand in India due to a reduction in areas devoted to sugarcane farming, according to analysts.

That could spell welcome news for drought-stricken Cuba. Forecasts for 2005 point to prices above 10¢/lb, the highest level in four years, according to Prensa Latina.

Meanwhile, the London-based International Sugar Organization predicted that consumption will increase by 1.8 million tons over total production for the year ending on Sept. 30.

Drought effects in the last few years have triggered a significant drop in sugarcane production in Thailand and India, experts said.

In Indian estimates even include a 14% drop in production to only 12 million tons, well below the 18 million tons India is expected to consume. India thus will be forced to buy significant volumes of sugar in international markets in order to meet internal needs.

China is another main importer. Analysts expect purchases of up to 1.5 million tons in 2004-05, a 25% increase over 2003-04 figures.

Among producers, Brazil is facing difficulties in increasing supply, as it uses 51% of sugarcane production (about 182 million tons) to produce ethanol fuel.

**JARDINES DEL REY AIRPORT BUSIER THAN EVER**

Some 22 weekly flights are now arriving at Jardines del Rey International Airport in Ciego de Avila, according to Cuban state media.

The airport expects to soon have 30 flights a week, arriving mainly from Canada, Great Britain, Germany, Italy and Argentina.

Canadian charter airlines Transat and Columbus, along with London-based Thomas Cook, bring the largest numbers of tourists to Columbus, along with London-based Thomas Cook, bring the largest numbers of tourists to Cuba.

Opened in December 2003, the airport has won ISO-9001 certification “due to the quality of its services and customers’ acceptance, efficiency in operations and staff training.”

**ELIMINATING GDP: SOMETHING TO HIDE?**

Fidel Castro’s recent move to disregard Gross Domestic Product — the world’s standard measurement of economic growth — has confounded both economists and ordinary Cubans, reports Reuters.

The move to declare GDP a “capitalist instrument” has been brewing for a year, ever since Economy and Planning Minister José Luis Rodríguez called GDP a tool designed to measure growth in market economies and useless as far as Cuba was concerned.

He reiterated the point in his year-end economic report to Cuba’s National Assembly.

“Health and education are included if they come with a price, but not if they are provided free,” he said, noting that Cuba’s 2.6% annual growth in 2003 was actually 3.8% when taking into account free health care and education.

In 2004, Rodríguez simply declared growth to be up 5%, based on the adjusted method.
for the deal falling through.

"For trade to flourish, we have to get the political situation better," Limehouse said. "It seems like every foot we go forward, we take a step or two backward."

Others told AP that the deals have fallen through in part because Sharpe was indicted by federal investigators about six months after returning from his trade mission.

"There were things that possibly could have advanced if [Sharpe] had been in a situation to follow up on some of the personal contacts he made," said Wayne Mack, assistant marketing commissioner for South Carolina's Agriculture Department. "I followed up on some of the interests, but to my knowledge I have not received any response from them."

Sharpe's replacement, Hugh Weathers, is trying to decide whether trading with Cuba is a priority, amid concerns about human-rights violations and Cuba's ability to pay.

**BRAZIL’S PETROBRÁS EYES OFFSHORE DRILLING**

Brazil's state oil giant Petrobrás, now boosting energy cooperation in Cuba, could team up with Canada's Sherritt International or Spain's Repsol-YPF S.A. as it moves to explore two new prospecting zones off Cuba, the Brazilian ambassador here said.

After passing on two zones earlier selected for it to explore in 2002, "Petrobrás is waiting to find out its [new] designated zones to carry out deep-water offshore prospecting," ambassador Tilden Santos told reporters.

"We don’t know yet if we are going to do it with the Spaniards [Repsol], the Canadians [Sherritt] or alone," Santos explained.

**CHINESE OIL FIRM SIGNS ACCORD WITH CUPET**

Chinese oil and gas conglomerate Sinopec Corp. has signed an accord with Cuba's state-run Cubapetroleo (Cupet) to jointly produce oil, reports the Communist daily Granma.

"A joint production contract has been signed for one of the potential petroleum producing zones of the country," said the statement, with the emphasis on "real Cuban life" rather than the artificial world of tourism. He says "the images are intended to convey the atmosphere of some very special places, and the warm, friendly people who call Cuba home."

Each page of pictures provides an introduction to a specific area, and all photos are fully captioned. The site, at www.cuba-pictures.com, also features a map of Cuba, a shopping mall with Cuban music, guides, and films, and a selection of travel links.

**LOUISIANA GOVERNOR PLANS VISIT TO CUBA**

Louisiana Gov. Kathleen Blanco will lead a state delegation to Cuba next month "in an effort to win business for Louisiana ports and companies seeking to expand trade with the island nation," reports AP.

A spokeswoman for Blanco said no meetings were planned with President Fidel Castro during her Mar. 8-11 visit.

Blanco's economic development secretary, Michael Ohanian, said in December that stirred up complaints that Louisianans shouldn't be visiting a country on the State Department's list of "terrorist states."

**HOUSES BUILT OF SUGARCANE BYPRODUCTS**

The construction of 20 houses in 2004 with bagasse and cement boards is considered a significant milestone in the diversification of sugarcane byproducts, Cuban state media reported Jan. 26.

"The country expects to build 700 houses with this type of board because of its economic advantages," said Jorge Luis González, president of the Business Group of Sugar Industry Constructions (GECA).

Boards are made of a combination of sugarcane fibers (bagasse) and cement, which is used as an agglutinating agent instead of using synthetic resins. These types of boards are more resistant to fires and bug infestation.

Producba produces the boards in Cienfuegos province, 180 miles from Havana, with a technology developed by the Cuban Institute for Sugar Cane Byproduct Research (ICIDCA).

**CUBA AIMS FOR 2.5 MILLION TOURISTS IN 2005**

Cuba hopes to attract 2.5 million visitors this year, says Oscar González, the country’s deputy tourism minister.

González, attending a world tourism conference in Madrid, told reporters that Cuba’s travel industry has leapfrogged ahead of the rest of the Americas in the past 12 years, jumping from No. 23 among the most sought-after travel destinations in the Western Hemisphere in 1990 to No. 8 in 2004.

In 1990, Cuba attracted only 340,000 foreign visitors, a figure that shot up to 2,048,578 vacationers last year, snaring 11% of the total amount of Caribbean-bound travelers.

González indicated that 20 million tourists will visit the Caribbean in 2005, with Cuba grabbing 2.5 million of the total for a blistering 12% growth. By 2010, Cuba could be receiving 3-4 million tourists a year — even the U.S. travel ban still in place.

Cuba's largest source of tourism remains Canada (nearly 500,000 tourists last year), followed by Italy, Great Britain and Spain.

At the moment, Cuba has 41,200 rooms in 278 hotels; around 70% of all lodgings are in four- and five-star establishments.

The island's fastest-growing destinations are Camagüey, the northern keys, Santiago de Cuba, southeastern Cuba and the coast of Cienfuegos and Trinidad, Havana, Varadero, Cayo Largo del Sur and Jardines del Rey.
RECOLLECTIONS

One final road trip for this veteran Cuba correspondent

BY TRACEY EATON

Exactly 38 miles from home, the Jeep Cherokee that I bought in Irving, Tex., coughed, sputtered and quit.

With the *Dallas Morning News* reassigning me, I had told my editors I wanted to take one last road trip. Along the way, I’d write about what it’s been like to be one of the only American journalists to work in Cuba.

At least that was the plan. For now, I was on the shoulder of the desolate Autopista Nacional, 177 miles from my destination, trying to get my Jeep going.

Thankfully, the SUV soon started and I continued my journey to Trinidad, a virtual open-air museum of colonial architecture on the southern coast.

I first traveled to Cuba in 1994 while on assignment for the *Morning News*. I returned 28 times in the years that followed; and in the fall of 2000 Cuban officials announced that the *Morning News*, the *Chicago Tribune* and the *Fort Lauderdale Sun-Sentinel* would be allowed to open bureaus on the island.

We joined CNN and the Associated Press as the only American news organizations to operate in Cuba since the early 1960s.

I settled in Tarará, a beach community about 11 miles east of Havana. On my first or second day in the country, I woke up wearing my BVDs, moseyed over to the sliding glass door, pulled aside the curtains and saw a man with binoculars looking straight back at me.

Welcome to Cuba, I thought.

I never found out whether the guy was a security guard, peeping Tom or not-so-secret spy. But one thing was clear: This was no ordinary island. And over the next four years, I’d learn much more about Cuba, a place that is both strange and special, stirring and sad.

SIGNS OF THE TIMES

I set out for Trinidad on a bright, clear Thursday morning. As usual, people and bicycles outnumbered cars on the road, and hitchhikers gathered at strategic spots. Some asked for rides by sticking out their arms and wiggling their hands up and down. Others pointed their index fingers to the sky, meaning they were going a long way, not just to the next exit.

The hitchhikers included students, couples with young children, soldiers, hotel workers and even an airline pilot.

Seeing them, I couldn’t help but think about Cubans’ desperate straits.

Most earn less than $20 a month and have about as much chance of owning a car as buying the space shuttle. Air conditioners, video cameras and microwave ovens are huge luxuries. Dishwashers are nonexistent. VCRs are in demand, but outrageously overpriced. State-run stores sell $80 models for $275, more than a year’s salary for most Cubans. Chinese-made Panda color TVs go for $154.

The government issues 67-month loans so people can afford those; Americans pay off their cars in less time than that.

The fact is, ordinary Cubans are hard-pressed to buy a cold Coke on the hottest day of the year. Just putting food on the table is a challenge for most.

That doesn’t mean Cubans suddenly endorse capitalism. But you don’t hear many of them knocking materialism, either.

“Money doesn’t buy happiness,” one Cuban friend explained, “but it certainly calms the nerves.”

In August 2002, I wrote about the plight of Elsa Chon, a kindly Cuban retiree who scraped by on a monthly pension of $3.81. Readers sent me a few hundred dollars for Elsa. When I showed up with the money, Elsa was so shocked she couldn’t speak. But after she recovered, she quickly offered me what little coffee she had.

Cubans are generous despite poverty and hardship. A few years ago, a photographer and I went hiking in the hills of eastern Cuba and came upon a campesino. Within minutes, he was talking about killing a pig and roasting it to celebrate our arrival. I managed to stop him from doing that, but he did throttle a poor duck. His wife plucked it and cooked it in coconut oil.

I got over my sympathy for the bird and gave it a try. It was delicious. I tried to pay the farmer afterward, but he would have nothing of it and waved me off.

Even Cubans who are famous are unusually down-to-earth.

I’ve seen baseball players stop on the streets and patiently sign autographs for fans, who pepper them with advice on how they can improve their games. And when I’ve needed to interview an Olympic medalist, salsa music star or soap opera diva, it’s been easy: I just go to their homes and knock on the front door.

These celebrities earn more money than the rest and some even drive government-issued cars. But they don’t go around town with bodyguards or public relations agents. They mix with everyone else.

Jorge Fis, Cuba’s former national judo champion, hitchhikes to work from his neighborhood east of Havana. I pick him up whenever I see him. He’s huge and barely fits in the front seat of my Jeep.

I met Jorge at a nightclub where he worked as a bouncer. One day he complained that customers had gotten rowdier because clubs had introduced something new: all-you-can-drink specials.

“People come in and go crazy drinking,” he told me. “Then they start fighting, and I have to throw them out.”

I don’t doubt what Jorge says, but I’m convinced that Cuba is the safest country in Latin America. I’ve wandered through Havana’s roughest neighborhoods at 3 or 4 a.m. and have never been touched.

Petty theft has climbed in recent years as more crooks go after tourists’ wallets, jewelry and cameras. But gangs, kidnappings and drive-by shootings are unheard of. The government doesn’t publish crime statistics, but I get the sense murders are rare, too.

An American friend once explained that to me, saying: “Well, it is a police state.”

SIGNS OF THE TIMES

Indeed, there are police on practically every corner in some parts of Havana. Young Cubans, especially young, unemployed blacks, complain of police harassment. But most people are so used to the heavy police presence, they see it as normal. Even when police stop and search vehicles without cause, few Cubans complain.

Human-rights activists occasionally report cases of police abuse, but the officers I’ve seen have been polite and professional, standing quietly while motorists insist they weren’t speeding.

A traffic cop on a 750cc Guzzi motorcycle once stopped me for failing to signal when changing lanes. I admitted that, yeah, I hadn’t signaled and braced for the fine. I was stunned when it was only 2 Cuban pesos — less than 8 cents.

Another time an officer stopped me for
speeding. The limit was 50 kilometers per hour (31 mph). I was going faster than that, but I wondered how the officer knew since he didn’t have a radar gun. “I know from experience,” the officer said. I started to argue. He must have figured I wasn’t worth his time and let me go. Grateful, I offered him a dollar. He wouldn’t take it and walked away.

Castro loyalists say Cuba is free of serious government corruption. While much remains unknown about the circles of power on the island, a Portuguese diplomat told me he finds Cuban elites refreshingly innocent. One night, he said, he and two of Fidel Castro’s middle-aged sons went to the Habana Café nightclub to hear salsa star Issac Delgado. The doorman told them the club was full, and they turned to leave.

Suddenly, someone yelled, “Hey, it’s the Portuguese ambassador!” and the doorman immediately let them in. Incredibly, no one recognized the Castro sons. Nor did they try to use their father’s name to get a table. I can’t imagine that happening anywhere else in Latin America.

**SINGs OF THE TIMES**

Hate crimes are another rarity in Cuba, one of the most intermixed nations in the world. There is discrimination, however. I’ve heard white parents urging their children not to date anyone with dark skin or kinky hair — “bad hair” as they call it. But I don’t sense any deep racial tensions.

As I continue the drive to Trinidad, I jot down a few more thoughts — don’t try this at home. Then the Jeep dies again.

I steer down a hill and coast into a gas station called “The Little Rabbit Basic Unit.” I guess no one was thinking about marketing when they came up with that name. But socialist politics — not the profit motive — seem to make the Cuban government tick.

Billboards I passed illustrated the point. “United We Will Fight and Conquer,” said one. “Justice Is On Our Side,” said another. Most of the Cubans I know care more about feeding their families than politics. Wages are so low, Cubans seem to get by on air alone. They’re unbelievably ingenious. In 2002, I wrote about housewives who turned potatoes into mayonnaise, peas into sweet desserts and green plantains into casseroles.

Anita del Rosario Pérez said she once needed to feed 18 people just two eggs. So she got creative, adding puffed wheat, garlic, peppers, onions and tomato paste. The result: enough scrambled eggs for a beach party.

Cubans waste almost nothing. I’ve learned. They make dolls from shampoo bottles and picture frames from old CD cases. Expert mechanics, they fit 1957 Chevys with Russian motors and fabricate homemade crankshafts for battered, old Harley-Davidson motorcycles.

Little private enterprise is allowed, and authorities tax even the humblest of entrepreneurs, including old men who refill disposable cigarette lighters from makeshift sidewalk stands. So many Cubans pilfer what they can from the workplace, making off with everything from slices of ham to garden hoses and window panes.

Cuban officials don’t like it when I write about these things. When they feel particularly offended, they call me to the Foreign Ministry to explain why a story was unfair or inaccurate. That doesn’t happen a lot, though.

Contrary to what people must imagine, Cuban officials don’t pressure me to write pro-government stories. They don’t censor my work, and they don’t limit my travel.

**THAT CHAPMAN GUY**

But interviews with key officials are often difficult to obtain, and I once went nearly a year without getting any of the interviews I had requested. Readers ask if Cuban agents follow me around. I don’t think they do. But a stranger did approach one day saying “Hey, Chapman” and wanting to talk politics.

I figured he saw Chapman in some Cuban intelligence file. It’s my middle name. Then again, maybe I’m just paranoid.

I assume my phone calls and Internet use are monitored, but I have no proof.

U.S. officials believe Cuban intelligence agents are capable of listening to a person’s conversations through their cellphones even when the phone isn’t being used.

I once had lunch with a senior Cuban official who turned off his phone and took the battery out so American agents couldn’t listen in.

This spy-vs-spy stuff goes on all the time. An American official who worked at the U.S. diplomatic post in Havana told me he found what appeared to be an extra fiberoptic cable leading out of his home. He figured it was connected to a spy camera.

I asked how he handled that, and he said he sometimes stripped naked, jumped up and down on the bed, and screamed obscenities at whoever might be watching him.

I told him I didn’t believe him, but he said he wasn’t kidding.

I don’t think Cuban agents need electronic gear to monitor what I do because they already can count on the eyes and ears of practically the entire populace.

In April 2003, I went to the port of Mariel to interview Cubans who might have witnessed the end of a hostage crisis. Several men had hijacked a ferry with tourists aboard and tried to reach Florida, but they ran out of gas. Cuban authorities, including Fidel Castro himself, persuaded the hostages to turn themselves in; three were quickly tried, convicted and executed by firing squad.

I wanted to talk to neighbors to find out what they had seen. Driving into Mariel, I saw a schoolgirl grab a pen and write something down.

I can’t know for sure, but I think she must have reported me because while I was interviewing her neighbors, a patrol car pulled up and officers asked me to climb inside.

They took me to a police station, questioned me for a while and let me go. None of the neighbors would have anything to do with me after that.

Despite these episodes and other frustrations, I can’t complain. Cuban authorities have always treated me with respect.

**IT COULD BE WORSE**

Cuban journalists who criticize their government are much worse off. Authorities in March 2002 arrested more than a dozen of them, accused them of working for the U.S. government and sent them to prison.

Officials say such harsh measures are needed to fend off U.S. aggressions. The American ban on trade with Cuba is the toughest, longest-lasting embargo imposed on any nation in modern history. And Castro loyalists blame it for virtually all their economic troubles.

I wonder what would happen if the embargo were lifted and Cubans no longer had a scapegoat. Of course, the bigger question is what will happen once Mr. Castro dies or is no longer in charge. If I had to go out on a limb, I’d go against conventional wisdom and say that the socialist government will endure, at least for now.

There’s nothing to replace it. The government controls almost every aspect of people’s lives. And individuals have very little power to change it.

I finally reached Trinidad and checked into a hotel. It was a charming place, and I wanted to stick around. But I was worried about getting stranded and decided to make the four-hour trip home the next morning.

It turned into an 11-hour odyssey. Dirty gas, it turned out, had clogged my SUV’s fuel filter. So the Jeep limped slowly homeward as bicycles powered by lawnmower engines passed me by.

It was a special Cuban moment. And the binoculars guy missed it all. I think.
CALENDAR OF EVENTS

If your organization is sponsoring an upcoming event, please let our readers know! Fax details to CubaNews at (301) 365-1829 or send an e-mail to larry@luxner.com.

Feb. 17: Shared Vision: Photos of Baracoa, Cuba, on exhibit at Jacksonville Museum of Modern Art. Details: Soledad McIntire, St. Augustine-Baracoa Friendship Association, PO Box 861086, St. Augustine, FL 32086-1086. Tel: (904) 461-3175. E-mail: soled@aug.com.


Mar. 3: Cuban Film Poster & Arts Festival, Kensington, Md. “World-class collection of Cuban film posters from the late 1950s to mid-1980s.” Details: Banning+Low, 3730 Howard Avenue, Kensington, MD 20895. Tel: (301) 933-0700. URL: www.banningandlow.com.

Apr. 27: Cuba Action Day, sponsored by Emergency Coalition to Defend Educational Travel. This newly formed group opposes Bush administration’s most recent restrictions against academic travel to Cuba. Details: ECDET, Washington. Tel: (220) 232-3317. Fax: (202) 232-3440. E-mail: tiana@ciponline.org. URL: www.ciponline.org/cuba/ecdet.htm.

May 25-Jun. 24: Intensive Program of Cuban Studies, University of Miami. Objective of program “is to introduce university students from throughout the U.S. to the history, culture and politics of Cuba.” Local field trips included. Details: University of Miami School of Continuing Studies. Tel: (305) 284-3183. URL: www.miami.edu/miamisemester.

Jul. 3-10: 5th Int’l Convention for Environment and Development, Havana. Themes include environmental business management, tourism, hydraulic resource management and coastal ecosystem management. Cost: $1,900 from Cancún. Details: Jojo White, Global Exchange, San Francisco. Tel: (800) 497-1994. E-mail: jojo@globalexchange.org.

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