

# CUBANEWS

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## USAID financing of dissident groups is centerpiece of Bush's new Cuba policy

BY ANA RADELAT

A little-noticed U.S. government grant program that has distributed more than \$22.3 million to groups seeking change in Cuba is becoming an increasingly important part of the Bush administration's overall Cuba policy.

The U.S. Agency for International Development program was created through a provision in the Helms-Burton Act, which is aimed at discouraging foreign investment in Cuba.

President Clinton objected to the grant program, along with most of the bill's other provisions, but was forced to sign the measure into law after Cuban Air Force pilots shot down two Brothers to the Rescue exile planes on Feb 24, 1996 (see related story, page 2).

Since 1997, more than two dozen organizations have received money from USAID in order to "democratize Cuba." Most of the money went to exile groups, with nearly \$17 million allocated to groups that wanted to "build solidarity with

Cuba's human-rights activists."

Officials at the State Department say aiding Cuban dissidents is key to the Bush administration's policy toward Havana. To help them in that goal, the Treasury Department earlier this year relaxed the embargo's restrictions on U.S. remittances to Cuban nationals.

The program started in 1997 with \$1 million in funding; for next year, the Bush administration is requesting \$7 million. Some Cuban-Americans like Rep. Ileana Ros-Lehtinen (R-FL) are asking for as much as \$50 million, but State Department officials are said to be opposed to a huge expansion of the program.

The Center for a Free Cuba, run by Cuban-American activist Frank Calzón, has received the most money from USAID — more than \$3.3 million. The CFC has smuggled books into Cuba for the island's independent libraries, and has occasionally been stopped by the Cuban

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## Cuba's U.S. grocery bill hits \$500m as Fla. rancher ships 148 cows to Havana

BY LARRY LUXNER

Since December 2001, Cuba has imported half a billion dollars worth of food, forestry and other agricultural products from the United States.

That's the word from Pedro Alvarez, chief of Cuban food purchasing agency Alimport, speaking at an Aug. 21 press conference in Havana.

Of this total, said Alvarez, \$380 million has already been paid in cash by the Cuban government. He said that between January and August 2003, trade between the United States and Cuba exceeded \$200 million — up from \$180 million during the preceding 13 months.

According to Alvarez, Alimport's purchases total 2.1 million tons of merchandise, of which 1.7 million tons has already been imported in 184 cargo shipments — 70% of them on U.S. vessels or those hired by U.S. companies.

All this trade has been made possible by the Trade Sanctions and Reform Export Enhancement Act of 2000, which authorizes U.S. compa-

nies to sell food commodities to the Cuban government on a cash-basis only.

Seated next to Alvarez at the conference was Ron Sparks, Alabama's commissioner of agriculture and industry, who signed three protocols with his Cuban counterpart during his visit.

The documents include a letter of understanding between Alimport and the port of Mobile, which will start shipping products to Cuba in early September; a similar pact was forged between Alimport and the Texas port of Corpus Christi (see *CubaNews*, August 2003, page 3).

Alimport also agreed to buy 10,000 tons of Alabama frozen chicken and dairy products. The deals are likely to boost the Dixie State's food exports to Cuba from \$500,000 in the last year and a half to possibly \$10 million a year.

"This is the beginning of a long and mutually beneficial relationship between Cuba and the state of Alabama," said Sparks.

María Conchita Mendez of the Alabama De-

See **Food**, page 6

**USAID** — FROM PAGE 1

government. The CFC has also transmitted the work of Cuban human-rights activists to international non-governmental organizations.

Another group run by exiles, Grupo de Apoyo a la Disidencia, was the second-largest recipient of USAID funds. The Miami-based group received \$2.7 million for its program to send dissident organizations office supplies, shortwave radios, food and medicines. The goods are sent to Cuba clandestinely through travelers who agree to be couriers.

**FUNDS HELP POST-CASTRO TRANSITION STUDIES**

USAID regulations prevent any of the funds to be given directly to dissidents. But Alfonso Aguilar, spokesman for USAID Assistant Administrator Adolfo Franco — a Cuban-American who runs the agency's Latin American and Caribbean unit — said the groups can give money from other sources to dissidents.

"We don't want the Cuban government to say we're sending money for illicit activities," Aguilar told *CubaNews*.

Nevertheless, the Cuban government has charged dissidents who've received help from USAID-funded groups with treason. Many of them were arrested in a roundup in March, swiftly tried and given prison sentences of up to 28 years.

While most USAID money is used to bolster dissent in Cuba, some of the grants have also gone to Miami-based organizations preparing for a post-Castro government.

The University of Miami's Cuba Transition

Project (CTP), run by Cuban-American activist Jaime Suchlicki, has received more than \$1.5 million. Another \$500,000 grant for the program is "in the pipeline," Aguilar said.

The CTP's latest grant is for studies on health and nutrition in Cuba. With money already received, Suchlicki's group has completed studies on transition to a post-Castro economy and prepared databases on Cuban laws and foreign investment on the island.

"Washington wants to be prepared for whatever is going to happen," he said.



USAID's Adolfo Franco

Also financed by USAID is Florida International University's journalism training program, which has received \$890,000 in taxpayer money. This program, which teaches independent Cuban journalists how to report news stories, was doing relatively well until 22 participants were arrested in the March dissident crackdown.

But John Virtue, deputy director of FIU's International Media Center and head of the training program, said others have stepped up to replace the jailed journalism students.

"We consider the program to have been successful, inasmuch as the articles produced by the journalists are being offered to Latin American editors and are being used in

their newspapers," he said.

So far, 14 students have graduated from the FIU program, which is now in its third year. The remaining 80 to 85 journalists receive their coursework through the mail, in written form or on videotape. The students mail their stories back to FIU where they are critiqued.

Virtue, a Canadian citizen, said he traveled secretly to Cuba in December to hold a workshop for about 18 students.

Asked how he knows which of his journalism students are really spying for Castro, Virtue said "we assumed all along that one or two would be, but not Manuel David Orrio [who was later exposed as a government agent]. He was our best student." □

**TOP 15 RECIPIENTS OF USAID FUNDS**

Center for a Free Cuba	\$3,317,479
Grupo de Apoyo a la Disidencia	2,700,000
Cuba On-Line	2,625,479
Int'l Republican Institute	2,174,462
Freedom House (2 projects)	1,825,000
UM: Cuba Transition Project	1,545,000
Institute for Democracy in Cuba	1,000,000
FIU: Journalism Training	890,000
U.S.-Cuba Business Council	852,000
CubaNet	833,000
Pan American Dev. Foundation	553,500
National Policy Association	424,000
Georgetown Univ. Scholarships	400,000
Acción Democrática Cubana	400,000
UM: Developing Civil Society	320,000

**White House acts to mend rift with Cuban-Americans**

BY ANA RADELAT

In an effort to appease Cuban-Americans who say the White House has abandoned them, the Bush administration has indicted three Cuban military officers for the 1996 shootdown of two exile airplanes.

It's also taking steps to boost the reception of Radio and TV Martí by satellite.

But Miami-based Cuban exile leaders and others say these steps are largely symbolic.

On Aug. 21, the Justice Department issued indictments against Gen. Rubén Martínez Puente, former head of the Cuban Air Force, and two MiG pilots, Lt. Col. Lorenzo Alberto Pérez and Lt. Col. Francisco Pérez, for the killing of four Brothers to the Rescue activists in two planes over international waters.

A third plane, piloted by group leader José Basulto, was able to return to Florida.

The Cuban officers were charged with murder, destruction of U.S. aircraft and conspiracy to kill U.S. nationals by coordinating their attack with Cuban spies in Miami.

Many Cuban-Americans want the United States to prosecute President Fidel Castro for the incident because they believe he personally authorized the attack. Yet the Miami ruling failed to link Castro to the incident.

Basulto called the indictment "cosmetic" and Joe García, executive director of the Cuban American National Foundation, said it

was "far from enough."

Exile groups are already furious with the White House for returning 12 migrants who tried to reach Florida on a hijacked boat in June, and have threatened to abandon Bush at the polls next year. They pointed out that Bush won Florida — key to his victory over Al Gore in 2000 — by only 537 votes.

**INDICTMENT WITHOUT ANY TEETH**

Antonio Zamora, head of the U.S.-Cuba Legal Forum, called the indictment a "token gesture." Because the United States and Cuba don't have an extradition treaty, the indicted officers will likely never face trial. Zamora said "it was simply a political gesture that doesn't have any consequences."

Zamora also told *CubaNews* that the exiles' frustration with the White House runs far deeper than disappointment over how U.S. authorities handled the hijacking incident.

"President Bush said a lot of things during the early months of his administration, and last year on May 20 [Cuban Independence Day], and very few things have been done," he complained. With the embargo and other sanctions already in place, there is little else Washington can do to pressure Castro.

The same day the indictments were filed, the U.S. Broadcasting Board of Governors announced that tests will begin soon to see if TV

and Radio Martí — now transmitted from a balloon tethered high above the Florida Keys — could be beamed to Cuba via satellite.

Cuba has successfully blocked reception of the U.S. government-funded, exile-run TV station since its startup in the early 1990s, and frequently jams Radio Martí's signal as well.

"According to various commercial sources, satellite dishes are being used by more and more Cubans, and the numbers continue to rise," said a board statement. "Moreover, we expect that as a powerful television signal with reliable, objective news and information becomes available to the Cuban people, it will inevitably find viewers."

But Zamora said most of the 15,000 or so Cubans who own satellites are state officials unlikely to be swayed by the broadcasts.

Castro outlawed satellite dishes in 1997, but smuggled dishes from Mexico and Miami can be purchased on the black market. Even so, Castro recently predicted that the new U.S. attempt to broadcast TV and Radio Martí will fail, saying that "up to now, experience has shown that it has gone badly."

The broadcasting board also said it would sneak VHS tapes of "the best of the week's programming on TV Martí" and vowed that if the satellite test didn't work, it would continue to pursue other means to transmit the network's shows to the island. □

## POLITICS

# Dennis Hays steps down as CANF's man in Washington

BY LARRY LUXNER

Politics and pragmatism have convinced Dennis Hays it's time to quit his job as Washington director of the Cuban American National Foundation — the nation's largest and most influential Cuban exile group.

Hays announced his resignation Aug. 12, though he won't be stepping down until early September. The decision follows his unhappiness with the CANF's increasingly sharp and personal attacks on President Bush, whose administration in July ordered the return of 12 Cuban refugees intercepted at sea.

"It's no secret that I disagree with the current approach, but the reason I'm leaving is that it's time to do other things," said Hays, downplaying those disagreements in an interview with *CubaNews*. "I'm happy with what I've accomplished, and I'm on very good terms with the foundation and I expect to continue to be."

Hays, 50, is being replaced by his assistant, Camila Ruiz, 30, who's described by CANF as "a veteran of Capitol Hill."

Ruiz worked on the staff of the House of Representatives' International Relations Subcommittee and on the personal staff of Rep. Ileana Ros-Lehtinen (R-FL), one of Fidel Castro's most vociferous critics in Congress.

"I came to this position and had expected to be here two or three years. As it turned out, it's been three years," said Hays.

"My major goal when I started was to help shift the debate away from the embargo and U.S.-Cuba bilateral relations to the activities of the emerging independent sector inside Cuba — the dissidents, the proto-entrepreneurs, the human-rights activists. And I think we've done this. In the Cuban-American community, there's now an understanding that these are people who are suffering and fighting against great odds, and that they firmly deserve our support."

*CubaNews* interviewed Hays at CANF's Washington headquarters, dubbed the "Embassy for a Free Cuba" at its much-hyped inauguration two years ago. Back then, the CANF stood solidly behind President Bush, who was widely expected to tighten the embargo rather than maintain the status quo.

These days, the four-story, 19th-century rowhouse on Jefferson Place is strangely silent, its one-time staff of seven slashed to two. A "For Sale" sign hangs in a first-floor window, next to a fading poster demanding freedom for Cuban dissident Oscar Elias Biscet.

## CANF OUTRAGED BY RETURN OF REFUGEES

Under Bush's watch, U.S. food and agricultural commodity sales to Cuba have skyrocketed, reaching half a billion dollars since December 2001.

And while the Treasury Department has made it much more difficult for average Americans to visit Cuba on so-called "people-

to-people exchanges," the island continues to receive a steady stream of remittances and visits by Cuban-Americans.

Things really began to boil over in July, when the Bush administration decided to send a dozen Cuban refugees back to their homeland after winning assurances from the Castro government that they'd be sentenced to no more than 10 years in prison.

That touched off an outpouring of anger against President Bush by CANF leaders as well as other prominent Cuban-Americans.

Thirteen members of Florida's state Repub-



Dennis Hays isn't sure what he'll do after leaving CANF.

lican Hispanic Caucus have warned Bush that he risks losing their support in the 2004 elections if he doesn't get tougher with Castro.

## BUSH FACES LOSS OF SUPPORT FROM EXILES

Specifically, they're seeking a revision of current immigration policy; an indictment of Castro for the 1996 shutdown of two Brothers to the Rescue planes; a broadening of Radio and TV Marti, and increased help for dissidents in Cuba.

"We feel it is our responsibility as Republican elected officials to inform you that unless substantial progress on the above-mentioned issues occurs rapidly," warned a letter from the Florida lawmakers, "we fear the historic and intense support from Cuban-American voters for Republican federal candidates, including yourself, will be jeopardized."

Separately, Rep. Lincoln Diaz-Balart (R-FL) told *The Miami Herald* that CANF leaders are merely "remnants of an organization that had once been on our side, but now has become part of the coalition working to weaken U.S. opposition to the dictatorship in Cuba."

The feud has made things very uncomfortable for Hays, a diplomat who served at missions in Jamaica, Burundi and Guyana before ending his foreign-service career as U.S. ambassador to Suriname.

From 1993 to 1995, Hays served as the State Department's coordinator for Cuban affairs. In a touch of irony given the current bickering, he quit that position to protest the

Clinton administration's decision to repatriate Cuban refugees rescued on the high seas.

But Hays insists things are different with George W. Bush in the White House.

"It's my belief that the current administration is by far the best friend that the cause of freedom in Cuba has ever had," he told us. "Having worked on this issue for over a decade, I can say that the difference in vision between this administration and the previous one is striking. Yet some people in Miami are pushing for more."

He added: "My sense is that we need to work with this administration because their goals and the goals of rapid, peaceful, democratic change in Cuba are one and the same."

## HAYS: CANF MUST 'ADAPT TO CHANGE'

The CANF, with an estimated 20,000 members, has been hurt by the recent defections of prominent CANF leaders who said the Miami-based organization was "going soft" on Castro.

Hays said this kind of anger is natural, given the lack of change in Cuba.

"There has been considerable frustration on the part of the Cuban-American community that the regime continues to hold on. It's very clear that Castro has no intention of taking

common-sense steps to at least ameliorate the suffering of his own people.

"So the community has a sense that the end game is in play, and that we should be as proactive as possible to minimize the pains of the transition," Hays told *CubaNews*.

"The community has always provided humanitarian and other support for their own families. But a lot of people look at that and assume the community has softened with respect to Castro. And that's not accurate."

On the contrary, he says, "whereas 10 or 15 years ago there was no reason to think beyond your initial convictions, now we have to because there will be changes coming to Cuba. All of us need to hold onto our principles but adapt to a changing environment."

In the meantime, Hays isn't sure what he'll do next — return to diplomatic life or remain a Washington lobbyist on Cuba issues.

At any rate, he said, "I'm not planning to turn in my membership card. I continue to believe that the CANF is the organization best able to translate the will of the Cuban-American community to the political process."

In that, he has the backing of CANF Chairman Jorge Mas Santos.

In a prepared statement, the exile leader said that "while at CANF, Ambassador Hays made very significant contributions to the cause of a free Cuba, and will be missed. In whatever capacity he chooses to continue to serve the cause of freedom, he will do it with honor. We wish him the best." □

**MEDIA**

# New venture focuses on Cuba-related online advertising

BY VITO ECHEVARRÍA

Steve Marshall, the Havana-based British entrepreneur known for online Cuba travel service Go Cuba Plus, online supermarket Cuba Gift Store and investment site Real Estate Cuba, is now taking his Internet ventures to the next level by launching a digital advertising firm: Digital Panorama S.A.

The new site, at [www.digitalpanorama.net](http://www.digitalpanorama.net), is dedicated to the design and implementation of advertising banners on the 120 or so Cuba-related websites that Marshall already owns. These ads will be aimed at clients interested in reaching out to travelers bound for Cuba.

Marshall told *CubaNews* recently how he built the foundation for providing a digital advertising platform for Cuba.

"Between 1997 and 1999, I bought over 200 domain names relating to Cuba at a total cost of \$28,000 for two years of registration," he explained. "Over the past five years, I have slowly invested upwards of \$200,000 in finding specific information to coincide with each domain, translating the information in two further languages and creating various designs to suit the different sites series I have."

Marshall claims his sites generate a combined 50-60 million hits per month.

Among such URLs are informational sites like [www.cuba-pinardelrio.com](http://www.cuba-pinardelrio.com), [\[laclara.com\]\(http://laclara.com\) and 13 others beginning with "www.cuba..." and referring to specific Cuban provinces. Marshall says that once websurfers visit a site for a given province, he expects them to let their curiosity take them to sister provincial sites, generating further traffic.](http://www.cuba-vil-</a></p></div>
<div data-bbox=)

In addition, Marshall hopes to provide banner advertising space on his main site, Go Cuba Plus, as well as his non-English travel sites. These include "Vamos a Cuba" for Spanish-speaking clients in Latin America; "Bonjour Cuba" for his French clients, and "Ciao Cuba" for Italian speakers.

"We've already had discussions with Air Europa [of Spain], Iberia Airlines, Go Voyage [France] and Ciego Montero [a Cuban state-owned soft-drink and water bottler] about local and nationwide ads on these sites, but we're waiting to launch our final banner database server which will automate the presence of ads, remove them when the time is up, and also provide them real-time effectiveness stats for any given campaign," he said.

Marshall says the advantage of owning so many Cuba-related URLs is that search engines like Google are forced to treat all his websites as separate URLs, and therefore list all of them accordingly. That maximizes the potential number of people who visit his sites in search of Cuba-related information.

In addition, says Marshall, he boosts the

number of potential visitors his sites will generate, because the foreign-language sites will be listed on search engines specifically for those languages.

For example, [www.bonjourcuba.com](http://www.bonjourcuba.com) will be listed on the French search engine Voila.

Marshall told *CubaNews* his latest venture should make around \$50,000 a month, once his sites are all fully running, and once he certifies his traffic details to prospective clients.

The entrepreneur, whose various businesses (including wireless communication, tropical fish exports, etc.) generate a combined \$3 million a year, is also counting on his digital ad venture to attract both Cuban and foreign firms, since under the Castro regime, TV and regular outdoor billboard advertising for commercial products is forbidden.

"I firmly believe that the most effective advertising is that which is provided during the initial research stages of a visit to Cuba," said Marshall. "These days, people buy their vacations both before and after making research online, but they certainly won't be able to make choices when they're in Cuba because of the lack of advertising."

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## A long, hard road: With this issue, *CubaNews* marks its 10th anniversary

When *CubaNews* was launched by the Miami Herald Publishing Co. in September 1993, it was difficult not to be optimistic about the future. The Berlin Wall had come crashing down, communist regimes in Eastern Europe were history, even the Soviet Union itself had collapsed into 15 in-dependent republics of various political leanings.

In Cuba, possession of dollars was suddenly legal, and the regime began eagerly courting foreign investment for the first time since the 1959 revolution.

In our 12-page inaugural issue, editor Mark Seibel wrote: "We can't predict where change ultimately will lead or how long Fidel Castro will remain at the helm. We do not promote investment in Cuba. What we can do is pledge to pull together into one place some of the world's most knowledgeable Cuba-watchers. That way, you'll be prepared to benefit from, or avoid the negative consequences of, whatever lies ahead in the Caribbean's most populous economy."

Well, it's exactly 10 years later, and Castro is still around. So is *CubaNews* — despite early predictions that the little publication wouldn't last six months.

And the experts who have been with us since the very beginning, including Washington correspondent Ana Radelat, political analyst Domingo Amuchastegui, feature writer Vito Echevarría and Miami-based cartographer Armando Portela, continue to provide top-notch content for our readers.

Among the stories we covered in that very first issue: an update on dollarization, a look at the Euromoney conference in Cancún, Mexico, a piece on Cuba's optical neuropathy epidemic and a feature entitled

"Cubans chafing under hardships." We also instituted "In their own words" — a monthly roundup of interesting quotes that remains part of *CubaNews* to this day — along with lots of charts, maps and graphs.

In 1998, when *The Herald* decided to exit the newsletter business, *CubaNews* was sold to Washington-based Target Research and eventually shrank to eight pages a month. Finally, in May 2002, the struggling newsletter was rescued by Luxner News Inc. of Bethesda, Md.

The first thing we did was double *CubaNews* to 16 pages. We expanded our Havana-based business coverage, began using photos, added a geography section and launched a monthly newsmaker feature.

Since then, we've interviewed everyone from dissidents Elizardo Sánchez and Oswaldo Payá to Dagoberto Rodríguez, chief of the Cuban Interests Section. We've also profiled Rep. Bill Delahunt (D-MA), CANF official Dennis Hays, anti-embargo crusader Wayne Smith and half a dozen other Washington lobbyists on both sides of the issue.

*CubaNews* still doesn't promote foreign investment in Cuba, nor do we endorse the U.S. embargo or any other position — yet we pride ourselves on being the world's only Cuba publication that covers the secretive Castro regime while remaining 100% objective.

And so, on our 10th anniversary, we extend a big "thank you" to our subscribers — and can only conclude that if we've made it this long, *CubaNews* will certainly endure for another 10 years, maybe even 20.

Who knows? We might even outlast Fidel.

— LARRY LUXNER



Our first issue: September 1993

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## TOURISM BRIEFS

### CUBA TOPS ONE-DAY SUMMER TOURIST RECORD

On Aug. 12, Cuba reported a record 40,384 guests staying at the island's hotels — topping Cuba's previous one-day summer record of 39,106 on Aug. 14, 2001.

That's one more sign that Cuba's tourism industry is finally recovering from the aftershocks of the Sept. 11 terrorist attacks in the United States. Tourism officials hope they'll be able to lure 2 million tourists to Cuba this year.

Meanwhile, construction is nearing completion on what's being hyped by the government as "Cuba's first 100% ecological hotel" at Yuraguana beach, in eastern Holguín province. The 500-room property, which doesn't have a name yet, boasts a three-level waterfall and swimming pool, among other attractions.

### SOL MELIÁ SAYS PROFITS ARE UP 27.8% IN 2003

Spain's Grupo Sol Meliá, which is Cuba's largest hotel operator, reported net profits of \$11.6 million during the first half of 2003 — a 27.8% jump from the same period last year.

Sol Meliá had revenues of \$517.9 million, while net profits came to \$102.7 million.

Between January and June 2003, Sol Meliá acquired nine hotels with 1,835 rooms, bringing its total to 338 hotels containing 80,842 rooms. As of Jun. 30, the consortium had signed agreements to open another 21 hotels with 4,631 rooms over the next two years.

Last year, the chain averaged 75.5% occupancy in Cuba, where it manages 21 properties with a combined 9,000 rooms.

Another Spanish consortium, Piñero S.A., has recently entered the Cuban market, with its takeover of the former Club Med in Varadero.

The 500-room all-inclusive property, owned by Gaviota S.A. — an arm of the Cuban military — will operate under the name Bahía Principe Varadero. Piñero already has resorts in the Dominican Republic, Spain and Mexico.

### MARINA TO BEGIN OPERATIONS IN PINAR DEL RÍO

A new marina will soon open in the Guanacabibes Peninsula of Pinar del Río province.

The Marina Cabo de San Antonio, designed to receive 100 to 300 boats a day, includes a 200-meter pier and an 80-meter causeway which will allow ships to dock there.

Other amenities include an immigration checkpoint, a bar for crewmen and vacationers, and a variety of shops selling handicrafts, rum, cigars, fuel and boating supplies.

### JARDINES DEL REY SEES STRONG TOURIST GROWTH

Jardines del Rey, considered the fastest-growing tourist region in Cuba, reported over \$15 million in profits during the first seven months of 2003. That compares to profits of \$8.8 million over the same period last year.

The two hotels operating on Cayo Coco and Cayo Guillermo reported revenues of \$67 million from January to July.

Jardines del Rey, which has 3,300 hotel rooms, hosted approximately 110,000 vacationers during the first seven months of 2003, which translates into hotel occupancy of around 60%.

## “ In their own words ... ”

“It's time for him to go. It's his 77th birthday and I was hoping, but I knew better, that perhaps he would announce his retirement.”

— **Secretary of State Colin Powell**, answering a question posed by a *Univisión TV* reporter about what the United States is doing to “get rid” of Fidel Castro.

“We are the only country in Latin America that does not have relations with Cuba, and we are very proud of it.”

— **René León**, *El Salvador's ambassador to the United States*.

“If you would have asked me six months ago, I would have said we should begin to ease the embargo in return for human-rights concessions. But you can't do it now because Castro has just locked up a huge number of human-rights activists and put them in prison. You can't reward that kind of behavior.”

— *Democratic presidential contender and former Vermont Gov. Howard Dean*, answering a reporter's question at an Aug. 25 fund-raising dinner in Seattle.

“We need fewer politicians coming down to South Florida and saying ‘viva Cuba libre!’ with an accent, and more action.”

— **Joe García**, executive director of the *Cuban American National Foundation*, explaining CANF's frustration with the White House in a *Miami Herald* interview.

“In Cuba, there is not even recognition for the people of the only rights that the Constitution of 1844 recognized for Paraguayans: to have their complaints heard and to freely leave the country, which in practice has been converted into an immense prison.”

— **ABC Color**, *Paraguay's largest newspaper*, in a harsh editorial on Fidel Castro's attendance at the inauguration of President Nicanor Duarte Frutos.

“For some time, the Cuban government has imposed a series of impediments, obstructions, denials of service and unjustifiable costs upon the functioning of the U.S. Interests Section and living condition of the Interest Section's employees and dependents.”

— *Aug. 25 notice in the Federal Register announcing new retaliatory measures against the Cuban Interests Section in Washington. Among other things, the measures make it more difficult for Cuban diplomats to buy or sell automobiles.*

“I must tell you that I have confronted this regime for 35 years, and my own history denies this frame-up.”

— *Human-rights activist Elizardo Sánchez*, responding to a Cuban government-sponsored book that claims he's been spying on fellow dissidents since 1997.

“An act of premeditated murder. This was a step to secure justice for the families of these three victims.”

— **U.S. Attorney Marcos Daniel Jiménez**, after reading an indictment Aug. 21 against one Cuban military officers and two MiG pilots for the shootdown of two *Brothers to the Rescue* aircraft over international waters on Feb. 24, 1996.

“They gave them jobs without even seeing if they were doctors. This is causing big public health problems.”

— **Douglas León Natera**, president of the *Venezuelan Medical Federation*, whose organization has successfully petitioned the country's top appeals court to replace 1,000 Cuban physicians it claims are illegally practicing medicine in Venezuela.

“It was an encouragement for people in Cuba to think they need to make it to the United States. It's very dangerous to come across in a rubber raft.”

— **Rear Adm. Harvey Johnson**, the U.S. Coast Guard's district commander, trying to justify why the USCG sank a floating bright-green 1951 Chevy pickup truck with machine-gun fire rather than tow it 40 miles north to Key West, Fla.

“I read something about that, and I was laughing.”

— **Fidel Castro**, predicting that the Bush administration's plans to use a satellite to broadcast TV Martí signals to Cuba would fail.

**Food** — FROM PAGE 1

partment of Agriculture noted that the founder of Mobile — Pierre LeMoyné d'Iberville — is buried in Havana, and that 10 years ago, the two ports agreed to become sister cities.

"We are committed to work with our congressmen to pursue the lifting of trade and travel barriers and the normalization of relations with Cuba," Mendez said. "The key to the agreements signed today is not so much in quantity as in the impact on future trade."

That potential trade — which could involve as many as 16 ships a week steaming from Mobile to Havana — also implies the opening of many third-company representative offices.

**BACK AT THE RANCH**

Meanwhile, Florida rancher and businessman John Parke Wright announced that his company, J.P. Wright & Co., has delivered 148 dairy cattle to Cuba, in what's being called the largest successful shipment of cows to Cuba since the 1959 revolution.

The shipment — the latest of several summer deliveries — has boosted to nearly 450 the number of U.S. cattle sent to Cuba since TSRA went into effect nearly two years ago.

Wright, 53, said the transaction is worth around \$300,000, and calls it "a significant step toward restoring positive relations between the peoples of Cuba and Florida."

"This deal is basic to the production of milk and dairy products," Wright told *CubaNews* in a phone interview from his headquarters in Naples, Fla. "Every month, I'm traveling across Cuba and meeting with farmers, and

there's a real need for agricultural cooperation between Cuba and Florida. This is not a luxury by any means."

The rancher — whose ancestors began exporting cattle to Cuba in 1858 — said his cows were sent in two shipments: a first group of 20 from Port Everglades, Fla., and a second group of 128 from Jacksonville.



John Parke Wright, Ramón Castro celebrate Cuba cattle deal.

The 92 Jersey-bred heifers from Pennsylvania and 36 New York Holsteins in that 2nd group are now being quarantined on a ranch outside Havana, and will soon go into milk production at nearby Hacienda Las Naranjas.

Wright said a Holstein is typically worth about \$1,200, but "by the time you export it,

it's \$1,800 or \$1,900." Likewise, a pregnant Jersey from Maryland or Pennsylvania could be worth as much as \$2,200.

However, Wright insisted that "this is not a question of profit. I'm a practical businessman, but this deal is based on humanitarian beliefs. Some [exiles] are trying to starve the Cuban people. I defy them as Floridians to do

this. Forget about governments. That's where I'm coming from."

Wright, who celebrated the deal by riding horses, smoking premium cigars and posing for pictures with Fidel Castro's older brother, Ramón "Mongo" Castro Ruz, said he's confident there will be many more Florida shipments to come — though it'll be years before the state exports 100,000 head of beef cattle annually to Cuba, as Wright's ancestors did in the 1870s.

"I have a great amount of gratitude to the U.S. Treasury Department, the Department of Commerce and the USDA," he said. "All three helped me to smoothly export these cattle to Cuba: Treasury for the license

to travel, Commerce for the license to export, and USDA for all the protocols they have been able to work out with the Cuban authorities."

Arthur Savage, president of Tampa-based A.R. Savage & Son Inc., advised Wright on letters of credit, payment issues and shipping arrangements with Jacksonville-based Crowley Liner Services, which has carried more U.S. food commodities to Cuba since December 2001 than any other shipping line.

"We've had three shipments [of dicalcium phosphate] from Tampa, and have also represented the Cubans on a grain shipment that was loaded in Texas and Louisiana, and also on a grain shipment that went out of Virginia," said Savage, whose company also operates a container terminal and a trucking firm.

"We see Cuba as a huge part of our future," said the businessman, who was recently asked by the Tampa Chamber of Commerce to create and head a new Cuba Task Force. □

## Study details Cuba's water resources

Some 14% of Cuba's territory, equivalent to 1.58 million hectares, is vulnerable to drought, according to a new government study on desertification and soil degradation.

The report also said that 14.9% of the island is affected by salinity, 43% from erosion and 7.7% from soil degradation. Natural factors such as drought and salinity are major causes of desertification, in addition to the damage caused by human development through misuse of land and indiscriminate cutting of trees.

Areas most affected by chronic drought are located along the southern coast of Pinar del Río, La Habana, Sancti Spiritus and Guantánamo provinces. During the 1990s, low precipitation has also plagued the provinces of Las Tunas and Holguín.

In an attempt to reverse the situation, the Cuban government launched a reforestation program in the 1970s. By the end of 2002, the country had 2.5 million hectares of forested land, almost double that which existed in 1959.

Efforts have also been made to retain water from rainfall and underground streams. Unstable rainfall patterns and vulnerability to hurricanes compelled Cuban authorities to dedicate substantial resources to the construction of a network of dams and reservoirs. Cuba's annual rainfall averages 1,375 mm, with 80% of that falling between May and October.

Potential water resources are estimated at 38.1 billion cubic meters, of which 6.4 billion meters are in underground wells and 31.7 billion cubic meters consists of surface water in 632 river basins.

Of that potential, the actual water available amounts to 24 cubic kms per year (75% from surface water and 25% from underground wells). That works out to 2,130 cubic meters per person per year, based on Cuba's 2000 population of just over 11 million.

Present water infrastructure consists of 214 dams managed by Cuba's Instituto Nacional de Recursos Hidráulicos (INRH) with a capacity of almost 9 billion cubic meters. The system also has 759.6 kms of main canals and over 2,000 kms of dams and canals for flood production.

As of December 2000, some 94.2% of Cuba's population received drinking water from safe sources. This water is delivered through a network of 2,517 settlements with aqueducts, 2,501 pumping stations and 18.3 million kms of sewer pipes. There are 55 water treatment plants, five desalination plants and 1,522 facilities where chlorine is added to drinking water.

Almost one-third of all residual water is treated in 10 plants and 564 oxidation tanks. Water supplies are now being jointly managed with the participation of Spain's Aguas de Barcelona and other foreign investors. □

### CORRECTION

In a July 2003 feature on Miami's Cuban Jewish community, *CubaNews* incorrectly identified Jaime Mandel as vice-chair of the University of Miami's board of trustees and chairman of Mandel Industries.

In fact, neither Jaime Mandel nor Mandel Industries exist.

The misleading information — as well as a quote attributed to the fictitious Mandel — was contained in a press release faxed to *CubaNews* by Jaime Suchlicki, director of UM's Institute for Cuban and Cuban-American Studies.

Asked to explain, Suchlicki said he "never intended for the quote to be published" and apologizes profusely for the error. So do we.

## ECONOMY

## 3 academics analyze Cuba's past, future economic woes

Last month's meeting of the Association for the Study of the Cuban Economy (ASCE) in Miami attracted over 100 academics, most of whom presented papers relating to Cuba's current economic difficulties.

Here are summaries of three of the most interesting presentations, in our view:

### ROLANDO H. CASTAÑEDA

In his paper entitled *"The Cuban External Sector in 1989-2002: Achievements, Failures and Challenges,"* Castañeda argues that with the decline of tourism and foreign direct investment (FDI) in 2001 and 2002, the Cuban economy is on a new downturn.

In 2003, the country's balance of payments is in the worst shape it has been in several years and cannot be expected to benefit from the improving international situation.

Net transfers — mainly family remittances from Cubans living in the United States and elsewhere — have been positive, and remain a major source of financing since 1993.

Such remittances have jumped from \$263 million in 1993 to \$829 million in 2002, translating into an annual increase of 13.5%. Yet they have remained stagnant since 1998, while other scholars say the true value of remittances varies from \$500 million to over \$1 billion.

Cuba's inadequate external policies are responsible for the economy's poor performance over the last decade, and have adverse implications for the sustainability of current financial inflows.

A failure to significantly expand the exports of goods and services under current conditions would jeopardize Cuba's gradual economic recovery. Given the island's relatively small size, the economy cannot continue to function as a closed economy and without market mechanisms and institutions.

The past decade has seen significant changes in the composition of exports, mainly reflecting developments in sugar, nickel, tobacco, fish and seafood. Sugar comprised 66% of Cuba's total exports by value in 1993, but only 33% in 2001. Meanwhile, nickel and cobalt rose from 12% to 26%, tobacco from 5% to 16%, and other goods from 8% to 20%. Fish and seafood fell from 6% to 5% in the same period.

Calculated on an annual basis, nickel and cobalt exports grew by an average 15.1%, tobacco at 17.7% and other exports by 16.0% from 1993 to 2001. FDI averaged \$248 million in 1993-2002 but dropped to 439 million in 2001, with no improvements reported in 2002.

### ERNESTO HERNÁNDEZ-CATA

Ernesto Hernández-Cata, a former IMF expert and now a professor at Johns Hopkins University, is the author of a paper entitled *"Output and Productivity in Cuba."*

In it, he says Cuba's economic recovery in the late 1990s could be the result of one of several factors: that the recovery never took

place and was a mere statistical fabrication; that it reflected the Keynesian effects of demand-side shocks, or that it resulted from the macroeconomic and structural measures adopted in 1993-94.

The author's conclusion is that there's little empirical support for the first two hypothesis while the third seems to be consistent with the evidence. The liberalization and stabilization plan of 1993-94 brought about the resumption of positive growth. The recovery was real — not a statistical trick.

But that recovery is running out of steam.

The structural reforms that fueled recovery in its early years have been essentially interrupted, capital formation continues to shrink, and the benefits from macroeconomic stabilization have been largely absorbed.

Therefore, barring new structural change, further positive growth of GDP — stemming, for example, from a rise in tourist receipts or a policy-induced expansion of domestic demand — would soon bump against the constraints of falling potential output.

The result could be a resumption of inflation in free and black markets and the temptation to tighten price controls. More likely, as has already happened since 2001, it will take the form of a rise in demand for imports.

Given the lack of official international reserves and the authorities' insistence on maintaining the official exchange rate at par with the dollar, this would manifest itself in two ways: the further tightening of import controls and the depreciation of the peso in the parallel market.

Without new supply-side measures, continued recovery is likely to be thwarted by as the gap between potential and actual GDP continues to narrow. Never has the policy choice been so clear: continued policies mean, at best, stagnation and debt services difficulties.

Hernández-Cata says further backtracking on structural reforms would be a recipe for disaster, particularly if macroeconomic stability is given up. By contrast, a decisive reform plan would reinvigorate the Cuban economy and set the stage for a lasting improvement in the living standards of the population, after so many years of economic deprivation.

### JORGE F. PÉREZ-LÓPEZ

Author of a paper entitled *"The Cuban Economy in 2002-03,"* Jorge F. Pérez-López is a prominent Cuban-American economist and one of the founding members of ASCE.

In his paper, Pérez-López says that despite Cuba's adverse economic conditions, unemployment reportedly fell in 2002 to 3.3% from 4.2% a year earlier.

Three observations regarding this very low, and declining, unemployment rate are in order. The first is that the reported unemployment rate refers to open unemployment and therefore masks the severe underemployment that exists throughout the island.

CEPAL estimated measures of "equivalent unemployment" — open unemployment plus underemployment — for the mid-1990s at about a third of the labor force (at that time, open unemployment was about 7-8%).

Secondly, not counted among the unemployed in 2002 are the roughly 320,000 Cubans engaged in "urban agriculture," tending to garden plots in areas within and on the outskirts of cities, and the nearly 120,000 high-school dropouts who were unemployed and have been brought into the so-called "schooling as a job" program.

Thirdly, also not included in the labor force are over 7,000 youths now being trained as social workers. In addition, 100,000 workers have been left jobless as a result of the sugar industry's drastic restructuring. These are split about evenly between field and mill workers — many of whom were promised new jobs or the chance of "schooling as a job."

Cuba has been in technical default of its foreign debt since the early 1980s. Therefore, its borrowing has been limited to supplier credits and short-term loans with very high interest rates. As of mid-2002, Cuba's main short-term creditors were France (\$548 million), Netherlands (\$302 million), Spain (\$300), Germany (\$140 million), and Italy (\$105 million). China reportedly committed \$400 million in long-term loans to Cuba in April 2001.

In 2002-03, Cuba has encountered difficulties in meeting repayment terms vis-a-vis key trading partners.

Meanwhile, based on official statistics, CEPAL has estimated that exports of goods and services in 2002 came to 4.3 billion pesos, down by 6.5% from the 4.6 billion pesos recorded in 2001. Two factors contributed to the fall in the value of exports of goods and services in 2002: (1) the reduction in the number of tourists and in revenues from tourism; and (2) weak international market prices for sugar, 20% below the average price in 2001.

Imports of goods and services were severely constrained in 2002, falling to under 4.8 billion pesos from 5.5 billion pesos — a 14% drop. The oil bill in 2002 exceeded \$1 billion as oil world market prices rose during the year from about \$20/barrel to \$26/barrel and supplies from Venezuela, under a bilateral arrangement, suffered disruptions.

The condition of Cuba's economy in 2002-2003 can be characterized by stagnation, foreign-exchange crisis and policy crisis.

Quoting researcher Philip Peters of the Lexington Institute, Pérez-López concludes: "Based on the current economic policy discussions in Cuba, it seems highly unlikely that a new round of economic reforms would be adopted in the near term. It therefore seems very likely that the partially met challenges of Cuba's unique brand of socialism will be faced by the island's next generation of economic policymakers." □

## NEWSMAKERS

# Ramón Humberto Colás: Library books for everyone

BY LARRY LUXNER

If it weren't for Fidel Castro's "big lie," as he calls it, Ramón Humberto Colás might never have begun Cuba's independent library movement — and he wouldn't be exiled in Miami today with his wife and three kids.

Colás is a 41-year-old black journalist who fled Cuba last year after what he claimed was constant political and racial harassment by the regime. He spoke Aug. 22 at the National Press Club in Washington.

"I'll never forget when a foreign journalist asked Castro if there were there such a thing as banned books," Colás told his audience of human-rights activists, reporters and U.S. State Department officials. "He answered that there were no banned books, only a lack of resources with which to buy them."

That was when Colás and his wife, Berta Mexidor Vázquez, decided to act. On Mar. 3, they founded Cuba's first independent library in their hometown of Las Tunas. Its purpose was "to promote reading not as a mere act of receiving information, but as a way of developing people's free personal opinion, with no censure or obligation in a belief."

Within two months, the couple's little Biblioteca Félix Varela — named after the same 19th-century priest as Oswaldo Payá's much more famous Varela Project — registered 1,500 members and received 1,000 books.

Since then, independent libraries have sprouted up across the island, under the banner of Bibliotecas Independientes de Cuba, also started by Colás and Mexidor.

## 17 INDEPENDENT LIBRARIANS IN JAIL

At present, Cuba has 105 such independent libraries, and they can be found in every province except Holguín.

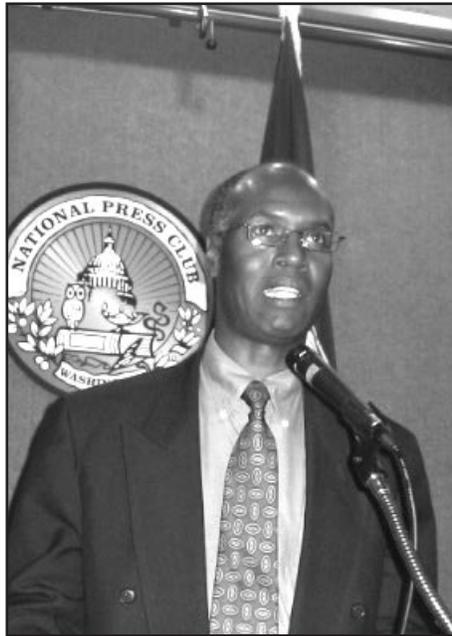
The biggest concentrations are in Pinar del Río (18), the municipality of Havana (17) and Santiago de Cuba (16), followed by Las Tunas (12); Villa Clara (11); La Habana (7); Matanzas (7); Granma (5); Ciego de Avila (3); Guantánamo (3); Camagüey (2); Isla de la Juventud (2); Sancti Spiritus (1) and Cienfuegos (1).

A list of all of these libraries, with their names, addresses and phone numbers can be found at the organization's bilingual and highly professional website: [www.bibliocuba.org](http://www.bibliocuba.org).

"In the five years since we created that project, the Cuban regime has incarcerated 17 of

our fellow librarians," said Colás, noting that one of his colleagues, José García Paneque, was recently sentenced to 24 years in prison.

"The national customs agency confiscates books regularly," he said. "We have official government documents that demonstrate how even the United Nations' Universal Declaration of Human Rights was confiscated as subversive. In the wording of Cuban customs



Ramón Humberto Colás speaks in Washington.

officials, these documents are a threat to the internal interests of the nation."

Because of the hostile political climate in which they're forced to operate, independent libraries are generally small and keep a very low profile.

"People think that when we refer to independent libraries, we're talking about 800,000 or a million books," said Colás. "But really these are people who open the doors of their homes and private collections, which might be nothing more than two square meters."

He added: "I was able to obtain over 2,000 books, but others had only 250 books — the minimum required for our project. Gisela Delgado [the current executive director of Bibliotecas Independientes de Cuba] was able to

amass over 5,000 books in her library before the most recent crackdown. They confiscated all the books that had the words 'democracy' or 'human rights' or 'civil society' in them."

In fact, a Martin Luther King Jr. biography personally given to Delgado by former President Jimmy Carter was among the many volumes taken from the human-rights activist.

"This is irrefutable evidence that in Cuba, cultural rights are also violated," he said.

## WEAPONS IN THE 'BATTLE OF IDEAS'

Colás, who was once a member of the Cuban Communist Party, now insists that "we are immersed in a battle of ideas against the Castro regime, which is desperately trying to suppress the independent libraries movement. Those of us who confront the regime have peaceful means as our only weapon."

The activist recalled that as far back as 1988 — during the Gen. Ochoa Sánchez drug-trafficking trials — Castro had said that "we reserve the right to inform the Cuban people of whatever we believe to be convenient." On another occasion, he pointed out, "Castro said there are books of which there should not be printed not a single copy, not a single chapter, not a single page, not a single letter."

## HELP FROM USAID CRUCIAL TO THE STRUGGLE

Colás, who was trained as a clinical psychologist, is now a researcher at the University of Miami's Institute for Cuban and Cuban-American Studies — an unabashedly anti-Castro academic outfit. Likewise, he maintains very close ties with the U.S. Agency for International Development, which has given independent libraries nearly two million books, pamphlets, magazines, videos and other materials.

"What Ramón Colás and his wife have done in just a few short years is extraordinary," says Adolfo Franco, USAID's Cuban-born assistant administrator for Latin America and the Caribbean.

"These books by Martin Luther King, Vaclav Havel, José Martí and Mark Twain are the types of books Castro and his regime have labeled counterrevolutionary. Yet books by Marx and other communists are readily available in these independent libraries, and of course, the regime hates this."

Franco added: "Our program aims to support American universities and institutions engaged in disseminating information in Cuba, so people can think for themselves and read what they want."

Yet that's remains a nearly impossible dream under Castro, argues Colás.

"Next time you visit Cuba, go to an [official] Cuban library and try to find the works of Sartre, Bertrand Russell or anyone who has ever criticized a totalitarian regime. You won't find any of those books," he said.

"Forty-four years after the revolution, the country is trapped by Castro's lies and has not

## THE 7 MOST SOUGHT-AFTER BOOKS IN CUBA'S INDEPENDENT LIBRARIES

"The Power of the Powerless" and "Political Discourse" — *Vaclav Havel*

"Animal Farm" and "1984" — *George Orwell*

"Feast of the Goat" — *Mario Vargas Llosa*

"El Tigre y los Niños" [The Tiger and the Children] — *Roberto Luque Escalona*

"Vispera del Final: Fidel Castro y la Revolución Cubana" [On the Eve of the End: Fidel Castro and the Cuban Revolution] — *Carlos Alberto Montaner*

advanced at all in the issue of human rights. In four decades, Cuba has not had any parallel leadership to that of Fidel Castro. Those who try by peaceful means and work within civil society put themselves in danger of incarceration and even death."

Colás added: "When we look to Cuba, we have to focus on the violation of human rights going on there. That's the real issue in Cuba, not the the myths that have been promoted by the Castro regime, that the problem is the

business executives not to support Castro through joint ventures or other investments.

"It's not that we're threatening investors," he said. "We're merely alerting them to the fact that when democratic transition finally comes to Cuba, individual investors will be held accountable for their actions today."

Likewise, during his visit to Paris, Colás visited the famous Quay d'Orsay and asked for French classics as well as library training for independent librarians.

*"There are no forbidden books in Cuba, only a lack of resources with which to acquire them."*

— FIDEL CASTRO, IN A 1998 DECLARATION THAT SPURRED RAMÓN CÓLAS TO ACTION

U.S. embargo or the threat of a U.S. invasion."

Colás said his organization has started an international campaign called "Send a Book to Cuba" and has promoted this idea not only to the United States but in Western Europe, following a tour last month that took him to Spain, France, Italy, Germany and Sweden.

#### MORAL SUPPORT FROM EUROPE

While in Spain, Colás met with intellectuals and labor unions, and urged the country's

Because of the European Union's new policy of distancing itself from the Castro regime and openly supporting Cuba's dissident movement, French authorities have reconsidered their cooperation with the Cuban government and no longer train Cuban police.

In fact, on Jun. 14 — two days after *Le Monde* published an article about the independent libraries — the French Embassy in Havana invited Delgado to its Bastille Day festivities, sparking renewed protests from Cuba

but giving hope to dissidents who had previously been excluded from such gatherings.

"We can really perceive a change in Europe today. The word now used there with regard to Cuba is dictatorship," said Colás. "We are concentrating our efforts on several principal points, including the liberation of all political prisoners, raising the profile of democratic movements in Cuba, and helping civil-society leaders so they'll support our campaign.

"We're asking for financial assistance for the dissidents. Virtually none of them have any form of employment. We're also requesting solidarity with those who are in prison so that their living conditions may be improved."

Despite the crackdown, several new independent libraries have opened, including the 300-volume Liberty and Democracy Library — which was inaugurated Jul. 21 at a private home in Camagüey.

Meanwhile, says Colás, his fellow Cubans are desperate for fresh news and information about the world outside.

The activist recalled how, after a visit to the Spanish Embassy in Havana, he picked up a few copies of *El País*, *El Mundo*, *ABC* and other Madrid newspapers that were over two months old. When Colás returned to Las Tunas, his neighbors devoured the papers as if they were printed that same morning.

"In Cuba, it's often said that there's a great thirst for liberty, but there's also a great thirst for information, and the libraries satisfy this," he said. "We believe this is the appropriate moment for an invasion of information." □

## REPORTERS WITHOUT BORDERS DISCOURAGES FRENCH TOURISM TO CUBA

Reporters Without Borders, known by its French name Reporters sans frontières, has launched an anti-Cuban tourism drive in response to Fidel Castro's arrests of independent journalists earlier this year.

Among other measures, RSF has made a 35-second commercial spot warning tourists that news is censored in Cuba and that some 30 journalists are currently languishing in prison there.

According to RSF spokeswoman Lucy Morillon, the controversial spot is currently being shown in French movie theaters, with plans on showing the advertisement outside France.

"They began in July, and it's being shown until the end of August [in France]," Morillon told *CubaNews* in an interview from Paris. "We are provided free ad time by the French media, since we are a non-profit organization."

The French-language version of that spot is being shown in 400 movie houses in Paris and other important French cities with the help of the Médiavision network.

RSF plans on producing the same ad in English and Spanish, in hopes of running it in the United States, Canada and Latin America.

The ads have already incurred the wrath of the Cuban government, since RSF is trying to use them to convince the 120,000 French tourists who visit Cuba annually not to go back there again — not to mention hundreds of thousands of other European tourists who travel to the Caribbean island.

The cinema ad campaign is RSF's latest ploy to raise awareness of Cuba's crackdown on journalists. In late June, the organization hand-

ed out controversial postcards to French tourists boarding Cubana flights at Charles de Gaulle International Airport in Paris.

The postcards were similar to the famous 1968 poster of a riot policeman with a truncheon in one hand and a shield in the other — except that the face in this case was Che Guevara, in his trademark beret with red star.

A caption read: "Welcome to Cuba, the world's biggest prison for journalists." And the text on the flip side urged Cuba-bound tourists to examine the Caribbean island more closely than the picture-postcard clichés.

As Morrillon said: "We distributed the postcards at the airport, so that tourists are aware of what's happening in Cuba."

Along with the postcards, RSF also produced a 40 x 60 cm poster of the same picture (designed by French advertising agency Rampazzo) that was to have been displayed last month in Paris by the Art Vision network.

However, at the behest of a lawsuit filed by Diane Diaz López — the daughter and heir of late Cuban photographer Alberto Diaz Gutiérrez, also known as Korda — a French court banned RSF from using Korda's famous image of Che as part of its anti-Cuba campaign.

The suit halted the poster campaign, but not the cinema ad campaign, since Korda's image of Che isn't used there.

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— VITO ECHEVARRÍA



RSF's pitch to tourists: Don't go!

## TOURISM

# Israelis show interest in Cuban tourism, real-estate sectors

BY LARRY LUXNER

Israel and Cuba haven't had diplomatic relations since 1973, but that hasn't stopped thousands of Hebrew-speaking Israelis from touring the Caribbean island anyway.

"We assume that 10,000 Israelis have already visited Cuba," said Daniel Faians, president and CEO of Polaris Group, a large travel wholesaler and airline agent based in Tel Aviv.

"Overall traffic from Israel to Latin America is estimated at 80,000 per year, of which half are *mochileros* (backpackers) on limited budgets. But those who go to Cuba aren't *mochileros*. They stay in deluxe hotels and travel in private cars with private guides."

Faians, who spoke to *CubaNews* by phone from Tel Aviv, said "Israelis by nature are very inquisitive and are always looking for new destinations. Cuba appeals to the Israeli market because it's something new and unusual."

He said that Cuba is almost never sold as a single destination, but is usually combined with a Central American country like Costa Rica or Guatemala, with tourists spending one week in each place.

Israelis generally pay \$1,000 to \$1,500 for a seven-day tour of Cuba. That includes accommodations at four- and five-star Meliá hotels, but excludes airfare, which can cost another \$1,100 or more. Israelis bound for Cuba can either fly Iberia from Tel Aviv to Havana via Madrid, or take El Al from Tel Aviv to Toronto, then Grupo Taca from Toronto to Havana.

Faians said his agency pushes the main attractions — Havana, Trinidad and Santiago de Cuba — but lets his clients spend the last two nights in Varadero, so they can at least see what a Caribbean beach destination is like.

Unlike their European or Canadian coun-

terparts, said Faians, "Israelis don't visit Cuba as a vacation destination, and they generally don't go to the beaches. If they want that, they can go to Turkey, which is a lot cheaper and closer. Instead, they're looking for the cultural experience, and I must say that we have had a very good performance with Cuba re-



Havana fruit vendor shows off his Israeli T-shirt.

garding services and infrastructure. We have not had even one complaint in the five years we've been selling Cuba, which is amazing."

The fact that Havana and Jerusalem lack diplomatic ties hasn't affected such tourism in the least, he added. Anti-Semitism is definitely not a problem, and there's no personal hostility toward Israel in Cuba — despite the regime's friendship with the Arab world and its position equating Zionism with racism.

"The Cuban people don't know much about Israel and the current situation in the Middle East, so they just see us as other tourists, like Germans or Spaniards," he said. "And we don't have any problems with the authorities. If you arrive with an Israeli passport, you get the same treatment as anybody else."

One thing Faians avoids, he told us, is any involvement with Israeli investors in Cuba.

Currently, the biggest one is Tel Aviv-based Grupo BM, which is pouring millions of dollars into an 18-building office complex.

The \$200 million project, known as the Miramar Trade Center, is managed locally by Inmobiliaria Monte Barreto S.A., an unusually secretive entity registered in Panama.

The company's chief is Enrique Rottenberg, an Argentine Jew living in Havana. Rottenberg, who refused to talk with *CubaNews* during a visit there in 2002, told us again in a phone conversation last month that he would give out no information about BM's activities — not even to say how much of the 180,000-sq-meter project is finished.

According to an official pamphlet, however, the project is being built in five phases and should be done by 2008. Last year, Tel Aviv newspaper *Yediot Aharonot* reported that Habas H.Z. Investments paid Grupo BM \$30 million for a 15% stake in the project.

Dozens of state-run trading companies, foreign firms and embassies already have offices in the center, which is adorned with Israeli art and is on par with what a visitor might find along Brickell Avenue in Miami.

One thing's for sure: despite its rather obvious location along 3ra Avenida between Calle 70 and 80, the Miramar Trade Center won't be on the must-see list for Israeli tourists — or tourists of any nation, for that matter. Only people who have official business there are allowed on the premises.

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## YOUNG CUBANS VISIT ISRAEL IN FIRST SUCH TRIP SINCE '73 YOM KIPPUR WAR

Eight young Cuban Jews visited Israel in August — marking the first organized religious pilgrimages from Cuba to the Holy Land in 30 years.

The eight were part of birthright israel, a program that offers free 10-day trips for Jews aged 18-26 who have never visited Israel before.

They were accompanied by William Miller, director of ORT-Cuba and a counselor for the trip, and David Tasher, a board member of the organized Cuban Jewish community.

"We came here to build bridges between Cuba and Israel," said Miller, "to bring Jewish youth closer to Israel, to see a little more about the reality here."

Havana and Jerusalem have not had diplomatic ties since Fidel Castro broke them just before the 1973 Yom Kippur War. Following that war, Castro sent advisors to Syria, and throughout the years has offered training and support to enemies of Israel such as the PLO's Yasser Arafat, Libya's Muammar Qaddafi and Iraq's Saddam Hussein.

Nevertheless, Cuba began allowing its few Jews to emigrate in 1994 — for a fee paid by the Israeli government. By 2000, 500 Cuban Jews had reached Israel via a secretive deal code-named Operation Cigar.

For those who remained in Cuba, however, a trip to Israel was out of the question — until birthright israel came along.

The program (whose name is intentionally lower-case to avoid confusion with a pro-life group) has brought 48,000 young Jews from 34 countries to Israel since it began in 1999. This summer, delegations from Bulgaria, Switzerland and Venezuela took part in birthright for the first time, in addition to Cuba.

The Cuban participants "were very excited and emotional" during the trip, said Tal Somech, the security guard who accompanied them. "They said that it was the most beautiful 10 days of their lives."

Organizing this first trip wasn't easy, however.

After finding out about the program on the Internet, Miller contacted birthright israel offices in Jerusalem. He then arranged sponsorships from Canadian Jewish federations. With a letter of invitation in hand showing that the trip would be fully funded by outside sources, Miller approached Cuban government officials.

"We explained to the government our reasons why it's important for Jewish people to come to Israel," said Miller. "They understood."

Added María Luisa Zayón, a 21-year-old journalism student from Havana: "Now the land of Israel, the Holy Land, is nearer to us. We always heard about Israel, the land of our forefathers and foremothers, but now it's reality for us. We are actually in Israel. It's amazing."

— JEWISH TELEGRAPHIC AGENCY

## FOREIGN INVESTMENT

## Russian firm to repair Cuba's vehicles

A Russian firm has signed a joint venture with the Castro government to repair Soviet-built cars, trucks and buses, which make up 80% of Cuba's vehicle fleet.

The contract is between a state entity, Soluciones Mecánicas, based in Camagüey, and Russia's Río S.A.

Julio Martínez, director of the Cuban firm, said his Russian partners "will guarantee the supply of replacement parts for engines for Kamaz, KTP-3, Maz-500, Lada and Volga vehicles, among others, and will introduce advanced technologies."

According to reports, the deal seeks the "reactivation" of Soviet automotive technology currently widespread in Cuba. The main repair facilities will be located in the eastern provinces of Camagüey and Las Tunas.

Alexander Enisev, principal representative of Río S.A., said the deal "will be successful," though he gave no information about how many engines per year will be repaired or how much either the Cuban or Russian partners are investing in the venture.

With the fall of the USSR, Cuba was left — for the second time in recent history — without a source of parts for its automobiles, trucks and other vehicles. The first time was in the early 1960s, when the U.S. embargo prevented Cuba from obtaining spare parts for its American vehicles.

The deal is apparently unrelated to Caribbean Diesel Inc., a unit of Canada's Tokmakjian Group which remanufactures engines at



Soviet-built Ladas are a common sight in Cuba.

two factories in Camagüey and Havana.

Company President Cy Tokmakjian, who was profiled in the December 2002 issue of *CubaNews*, told us that besides being Cuba's exclusive distributor of Hyundai and Isuzu vehicles, his company also supplies spare parts to the Soviet-built KTP combine factory in Holguín — but that it has nothing to do with the new Russian venture.

Separately, a state-owned factory in Pinar del Río province will launch a new line to produce steering and brake parts for cars.

The new line, to begin production late this year or early next year, will supply the domestic market with up to 200,000 spare parts annually. An administration contract is currently being negotiated with Italy's Intercontinental Service, which would supply raw materials and financing for the initial investment in tools and equipment.

## Mideast, India seek out Cuban biotech

The Cuban government is devoting a lot of energy to selling its biotechnology and pharmaceutical expertise throughout the Middle East and beyond.

Experiences with Iran, Qatar, India and Malaysia have apparently met with unexpected success, and the establishment in May 2003 of diplomatic ties between Cuba and Saudi Arabia — the key player in the six-nation Gulf Cooperation Council — has raised expectations further.

Cuba hopes to replicate its strong relations with Qatar and its ruling al-Thani family with Saudi Arabia, albeit on a much larger scale.

The "Qatari model" of cooperation was recently expanded after a visit to Havana of three al-Thani royal family members.

Oil-rich Kuwait, which recently granted \$10 million to rehabilitate Santiago de Cuba's aging water system, is also said to be interested in Cuban medical services, pharmaceuticals and biotech, along with Bahrain and Yemen.

Cuba already has local production and technology transfers with several Middle Eastern nations like Algeria, Iran, Egypt and Tunisia. Beyond the Mideast, similar arrangements have been signed with India and Malaysia.

China is also moving in a similar direction, with the construction of four big biotech facilities in Cuba, three of them already finished.

*The Economic Times of India* reports that Indian manufacturers "are eyeing Cuban scientific institutes for licensing technology transfers of biotech products such as the genetically engineered protein erythropoietin (EPO); hepatitis B and meningitis B vaccines; a skin growth factor; interferon, thrombosis and heart-attack medicines, and AIDS drugs.

Biocon India says it's entered into a venture with Havana's Center of Molecular Immunology and its commercial branch, CIMAB, for locally manufacturing health-care products.

Likewise, Kee Pharma has signed an agreement with Cuba's state-owned Heber Biotech "to utilize its manufacturing base to tap both Indian and Russian markets."

Initially, Kee Pharma plans to focus on cardiology, immunology and oncology segments with the introduction of melagenina (remedy for leucoderma patients), recombinant streptokinase (a cardiac drug), recombinant interferon, gamma and alpha interferon (for cancer) and epidermal growth factor.

— DOMINGO AMUCHASTEGUI

## LETTERS TO THE EDITOR

In the July 2003 issue of *CubaNews*, there was an article by Douglass Norvell about recreational boating that had so many mistakes and strange ideas, it makes me wonder if you check your articles for accuracy.

For example, Cubanacán is not a unit of the Ministry of Tourism. Marina Acua is now called Darcena de Varadero and has over 100 slips. Not many boats from Florida are going to go to Puerto Vita in Oriente. And an "out-board going from Miami to Cancún a breeze?"

This guy knows about boating what I know about nuclear science.

— Antonio Zamora (Miami, FL)

*Mr. Norvell responds:*

As I understand, Cubanacán is owned by the Ministry of Tourism. Virtually all Cuban corporations are owned by the government, and as a tourism company, Cubanacán rightfully comes under the Ministry of Tourism.

I think this gentleman has confused the Marina Acua with another marina, although he may be correct and my information dated.

As far as outboards going to Cuba and on to Cancún, please keep in mind that many outboards have twin 250-hp engines and enclosed cabins, and can easily travel 50 mph. Outboards frequently travel from South Florida to the Bahamas, although the distance is not quite as far as from Key West to Cuba.

Once in Cuba, outboards could hug the coast to Cabo San Antonio and then make the run to Cancun. At no time would a big outboard be more than 45 miles from land along the Pista de Piratas.

Keep in mind that boating is full of enthusiasts, and many Americans who travel to Cuba in their boats have become instant experts.

With reference to your article "Coffee with a cause" (*CubaNews*, July 2002, page 11), why not re-title your article "Hug a Murderer Coffee?" And yet by your own admission, this coffee contains not one bean from Cuba! Why be a publicist for [Jeff] Katzeff, an obvious opportunist who is using the image of assassins to sell a crummy product?

— Elena Maza (Miami, FL)

*CubaNews responds:*

It's amazing how some people always think that because a journalist writes about something, therefore he advocates it. You seem to fall into this trap as well.

Let's make something clear: we are not publicists for Mr. Katzeff or his products. We do not endorse or oppose the U.S. embargo, and we couldn't care less what he calls his coffee.

The fact is, what Mr. Katzeff is doing is interesting — whether we like him or not. If it were not, you wouldn't have read the article.

Incidentally, if we were such publicists for Mr. Katzeff, we would obviously have not quoted two Cuban exiles who think that what he's doing is outrageous and insulting.

## BUSINESS BRIEFS

### HATUEY TO BREW ORGANIC BEER, COOLERS

Santiago de Cuba's Hatuey brewery will soon begin producing organic beer and coolers, in a joint venture with Canada's Caribbean Classic Beverage.

The coolers are described in a press release as "sort of a refreshing carbonated beverage, with a low alcohol level and made of natural juices of orange, tangerine, grapefruit, mango and guava, among other flavors."

The first batch of coolers should be produced in October, with sales of 125,000 boxes this year. The venture expects to produce two million boxes of coolers in 2004.

Under the 5-year agreement, the Hatuey brewery will also produce organic beer from imported raw materials, without the use of any chemicals. Both products will be sold locally and exported to Europe and Canada.

The Hatuey project is unrelated to Cervecería Bucanero S.A., a joint venture between Canada's Labatt Brewing Co. Ltd. and state-run Coralsa. Early next year, the two partners are to break ground on a \$100 million brewery just outside Havana; operations will likely begin three years after that, with production reaching 1.5 million hectoliters annually.

### HYDRO PLANT ALMOST FINISHED IN GRANMA

Workers are nearing completion on a \$3 million hydroelectric plant in the municipality of Guisa, in eastern Granma province.

The facility, which uses Chinese technology, should be finished over the next few months. It is one of five hydro plants under construction throughout Cuba, as part of a strategy to diversify energy sources.

At present, Cuba has five small hydro plants producing 7.31 mW, and 170 mini-plants with a combined generating capacity of 7.07 mW.

### ELEKA REPORTS 16% RISE IN CABLE SALES

State-owned Eleka S.A. has seen a 16% increase in sales of its telephone and electric cables so far this year, say company officials.

About 90% of Eleka's production is for the domestic market — mainly construction, tourism, telecom and the electric industry.

Eleka's flexible force cables were exhibited for the first time at the 8th International Metanica 2003 fair in Havana.

Eleka says it is trying to increase regional exports of its products to such markets as Mexico, Guatemala and Jamaica.

*Details: Eleka, Calle 17, #33816 e/6ta y 6ta-A, Tarará, Playas del Este, La Habana. Tel: +53 7 96-1502 or 96-1534. Fax: +53 7 96-1096. E-mail: eleka@eleka.colombus.cu.*

### FINANCE FIRM CFH EXPANDS ITS PORTFOLIO

Corporación Financiera Habana, the first joint venture of its kind in Cuba, reported a 14.1% increase in revenues last year, with profits coming to \$1.6 million in 2002.

Volume of net financing grew by 22.6% to \$72.1 million, while CFH's portfolio increased by 27.1% to 267 clients.

CFH carries out various operations, espe-

cially loan-granting transactions for Cuban or Cuba-based companies. It also finances joint ventures, foreign trade and real-estate projects, while providing managerial services such as coverage of interest rates and exchange risks, guarantees and trusteeships.

Founded in 1998, CFH is owned by Spain's Caja Madrid (60%) and Cuba's Banco Popular de Ahorro (40%).

*Details: CFH, Ave. 3ra y 78, Miramar, Habana. Tel: +53 7 204-3611. Fax: +53 7 204-3706.*

### ALTADIS TOBACCO GIANT SAID TO BE IN TROUBLE

Altadis, the famous Spanish-French tobacco conglomerate, seems to be facing serious problems in the world cigarette market, especially following the privatization of UETI, Italy's largest state tobacco entity, and growing competition from BAT and Philip Morris.

According to *Le Monde*, factories have been closed in Lille, resulting in more than 1,500 layoffs. Altadis official Jean Dominique Comolli says such measures are aimed at "preserving the competitiveness of the group."

It's unsure how all this will affect Cuba.

Habanos S.A., the island's premier marketer of Cuban cigars, is a joint venture between Altadis and state-run Tabacuba. The board of Habanos recently replaced the co-chairman representing Altadis, Jaime García Andrade, with Fernando Domínguez Valdés-Hevia, a 44-year-old industrial engineer from Spain.

### CUBA PURSUES VARIOUS NUCLEAR PROJECTS

Cuba is implementing 16 projects in the field of nuclear energy, within the framework of the Latin American and Caribbean Regional Agreement for the Promotion of Nuclear Science and Technology (ARCAL).

Although most of these projects deal with nuclear medicine, like radiological pharmaceuticals, some others are related to agriculture,

hydrology and nuclear safety.

Cuba relies for oncology services on nine radiotherapy facilities throughout the nation, 11 cobalt-60 machines and a linear accelerator for the external treatment of tumors.

Dr. Ana María Cetto, deputy director-general of the International Organization of Atomic Energy, was recently quoted as saying that "in Cuba there is a true culture of nuclear safety, considering how all of its institutions meet all the requisites established by the IOAE for the peaceful use of nuclear techniques in medicine, agriculture and other activities."

IOEA has been working with Cuban authorities for the past 25 years, particularly with regard to supervision of the Soviet-built Juraguá nuclear power plant in Cienfuegos, which was recently mothballed.

Key Cuban institutions in the field of nuclear technology are: Agencia de Energía Nuclear y Tecnologías de Avanzada; Centro de Isótopos; Centros de Protección e Higiene de las Radiaciones; Centro Nacional de Seguridad Nuclear, and ISOCOMER (which is in charge of importing radioactive substances).

The principal adviser to the Council of State in this field is Dr. Fidel Castro Díaz-Balart, eldest son of Fidel Castro.

### GOVERNMENT: IRON, STEEL EXPORTS UP SHARPLY

Cuba's iron and steel industry claims exports jumped by 95% in the first half of 2003 to \$37 million compared to the same period last year.

Government sources say the most important exports in this sector are steel, electric and telephone cables, and agricultural machinery and parts; other exports include scrap iron, cars, aluminum and iron parts, batteries and tools. Main overseas customers are Spain, Costa Rica, Haiti, Cuba, Netherlands, Jamaica, Mexico and the Dominican Republic.

## Central Bank relaxes FX controls following protests

Managers and foreign companies doing business in Cuba are in an uproar over the Central Bank's recent decision to introduce foreign-exchange controls for state-run enterprises, reports Reuters, noting that the Castro government has already begun to reconsider the measures.

In a Jul. 21 decree, the Central Bank announced that state companies could no longer use the dollar for transactions within Cuba, but would instead have to use the *peso convertible* — a Cuban unit that trades at par with the dollar.

Foreign banks responded to the decree immediately, saying they'd no longer accept letters of credit from Cuban banks as there was no guarantee they would be paid.

Two days after the decree, the Central Bank announced that "letters of credit issued by Cuban banking institutions ... will be considered payment transactions that already have the Central Bank's approval."

Foreign governments and banks are

demanding a similar exception for lines of credit, diplomats said.

Since the decree was issued, Central Bank President Francisco Soberón has met with diplomats and foreign business representatives to give reassurance that their interests will not be hurt — but few are convinced.

"It is a real mess," one Western diplomat told Reuters. "This will lower financial confidence and paralyze trade," said another.

The Central Bank also reduced its commission for exchanging dollars for *pesos convertibles* from 2% to 1% after local and foreign companies protested.

The Central Bank also agreed to waive currency controls for transactions of less than \$5,000.

Joint ventures between foreign investors and the Cuban government were exempted from the new exchange control, says Reuters, but now must wait for local clients to seek approval to pay them.

## COMMODITIES

# Cuba benefits from steady rebound in world nickel prices

BY ARMANDO H. PORTELA

Since late October 2001, when nickel prices bottomed out at \$4,440 per ton — below the estimated production costs at Cuba's government-owned mines — prices have steadily risen for the past 22 months, reaching \$8,875/ton in June.

Although average prices dipped by 0.9% in July, analysts believe the market is strong enough to prices rising into 2004 and beyond.

"We expect extensive supply deficits during 2004 and 2005," said Ingrid Sternby, a commodities analyst at London-based Barclays Capital. Barclays raised its price forecast for 2003 to \$8,318/ton, while it sees nickel doing even better in 2004, at \$8,563, and still remarkably strong in 2005 at \$8,150.

Luckily for the Cuban government, the rebound in nickel prices coincides with the sustained recovery of Cuba's domestic nickel industry, which is centered in the province of Holguín, 800 kms east of Havana.

The trend not only puts the industry well ahead of production costs at the René Ramos Latour and Che Guevara plants — estimated by outsiders at \$5,500 and \$4,800 per ton respectively — but would also help the Castro government pay for the enormous investments it made in the 1990s to improve the sector's efficiency.

Cuba hopes to boost nickel production to 100,000 tons by 2007, displacing Indonesia as the world's 5th largest nickel producer (Cuba is currently No. 6).

To that end, the government seems committed to expanding operations at its Che Guevara plant in Moa. That plant currently produces 30,000 tons a year but could reach 36,000 tons in the near future.

Meanwhile, the government is upgrading the ore transportation system and is preparing to open new mines at its 60-year-old René Ramos Latour plant in Nicaro — in a \$27 million effort to keep afloat this World War II-vin-

tage facility for another 15 years while its output stabilizes at 17,000 tons.

The third plant, known as Pedro Soto Alba, is jointly operated by state-owned Cubaniquel and Canada's Sherritt International Corp., It reportedly enjoys the lowest production costs in the world, only \$2,200 per ton, thanks to an efficient acid leaching technology.

Dennis Maschmeyer, Sherritt's president

and will lead to increased capacity coming out of Cuba in the next five years."

In another hopeful sign, Cubaniquel signed two letters of intention with Chinese partners in July to build or adapt existing facilities to refine small quantities of nickel and cobalt.

Currently, Cuba's nickel production is exported in the form of sinter, oxide and sulfur of nickel plus cobalt to be converted

## NICKEL PRICES 1998 - 2003 (in dollars per ton)



Sources: The London Metal Exchange; The World Bank

and CEO, recently announced that his company would expand its operations in Cuba, which has 27% of the world's near-surface nickel laterite deposits.

"We are well-positioned to be a major player in the development of Cuba's nickel resources," Maschmeyer he told mining executives Jun. 4 at the Scotia Capital Materials Conference in Toronto. "Studies have verified that we can incrementally expand existing operations by 50,000 tons of nickel and cobalt. Such economies, in our view, are very com-

abroad into final products.

Cuba's 2002 nickel production of 75,200 tons was worth \$509 million at prevailing market prices, well above the \$437.8 million recorded in 2001 and far better than the estimated \$440 million in 2002 sugar exports.

If, as expected, nickel prices average \$8,318/ton and last year's output is repeated, Cuba's 2003 nickel output would be worth \$624 million — a long-awaited achievement for a sector that invested aggressively during hard times in hopes of a better future. □

## Cuba, South Africa sign mining accord

Cuba has signed a bilateral mining and energy agreement with South Africa, says the U.S. *Cuba Policy Report*, quoting from a Johannesburg mining magazine.

According to South Africa's Department of Minerals and Energy, the Jul. 4 accord "will enable further collaboration between the two countries in electricity, hydrocarbons, mining and human resources development."

Other than Canada and Russia, both of which enjoy good relations with Cuba, says the report, "perhaps no other country has the well-developed and mature mining industry that South Africa has. Compared to Cuba, which mines nickel at three locations from near-surface, laterite-ore deposits and is exploring at a fourth, South Africa's nickel

production consists of metal-in-concentrate and sulfate at its only primary mine, Nkomati.

Terence Creamer, deputy editor of Johannesburg's *Mining Weekly*, said "there is no doubt that nickel is beginning to tickle the fancy of South African mining firms, with at least four pursuing serious nickel project plans on as many continents."

Diplomatic ties between South Africa and Cuba were established by Nelson Mandela in 1994, and in December 1995, the two countries signed a Promotion and Reciprocal Protection of Investments Agreement.

Details: *Oabilwe Roy Setlhapelo, Commercial Attaché, South African Embassy, 5ta. Avenida #4201, esq. 42, Miramar, La Habana, Cuba. Tel: +53 7 204-9671. Fax: +53 7 204-1101.*

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**GEOGRAPHY**

# Las Tunas: A look at one of Cuba's least-known provinces

BY ARMANDO H. PORTELA

The province of Las Tunas has existed since 1976, when the former province of Oriente was split into five new territories. A piece of neighboring Camagüey was also carved to form the southwestern part of Las Tunas.

With 6,587 sq kms (2,544 sq miles), its largely flat territory accounts for 5.9% of Cuba's land area.

Water resources in the province are restricted by long and recurrent droughts, combined with poor management and neglected infrastructure. Reservoirs have a shared capacity of 350 million cubic meters (92.5 billion gallons), while groundwater aquifers retain up to 159 million cubic meters (42 billion gallons) of fresh water. But every year, by the end of the dry season, water reserves are increasingly being pushed to their limits.

Large-scale assimilation of Las Tunas occurred mostly after Cuba's

*This is the 14th in a series of monthly articles on Cuba's 14 provinces by Armando H. Portela, who has a Ph.D. in geography from the Soviet Academy of Sciences. Portela currently resides in Miami.*

independence, as the sugar boom of the early 20th century lured U.S. capital and immigrants from Spain, various Caribbean islands and other Cuban provinces. At that time, the land was covered with a combination of tropical forest and shrubby savannas. Today, forests cover only 12% of the province; relics of the original landscape are confined to the rocky shores and mangrove swamps.

Farming is the base of the economy, with 83% of the land devoted to agriculture. Rolling and flat plains with sugar-cane plantations, grazing or vacant lands form the typical landscape of Las Tunas.

**POPULATION**

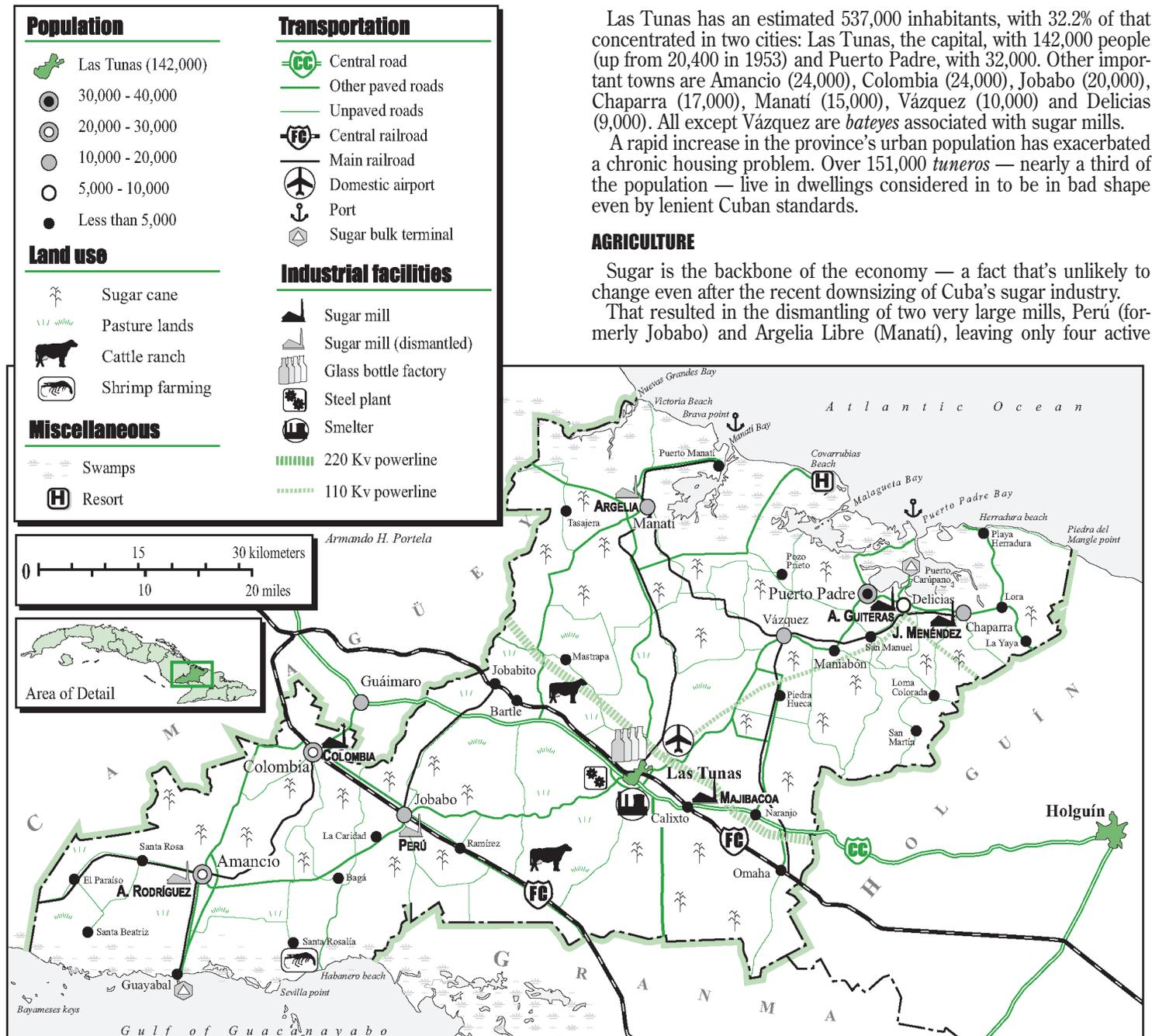
Las Tunas has an estimated 537,000 inhabitants, with 32.2% of that concentrated in two cities: Las Tunas, the capital, with 142,000 people (up from 20,400 in 1953) and Puerto Padre, with 32,000. Other important towns are Amancio (24,000), Colombia (24,000), Jobabo (20,000), Chaparra (17,000), Manatí (15,000), Vázquez (10,000) and Delicias (9,000). All except Vázquez are *bateyes* associated with sugar mills.

A rapid increase in the province's urban population has exacerbated a chronic housing problem. Over 151,000 *tuneros* — nearly a third of the population — live in dwellings considered in to be in bad shape even by lenient Cuban standards.

**AGRICULTURE**

Sugar is the backbone of the economy — a fact that's unlikely to change even after the recent downsizing of Cuba's sugar industry.

That resulted in the dismantling of two very large mills, Perú (formerly Jobabo) and Argelia Libre (Manatí), leaving only four active



mills producing sugar and one, Amancio Rodríguez (Francisco), making molasses.

Before the downsizing in October 2002, Las Tunas accounted for 8% to 10% of Cuba's sugar production. That ratio has actually increased as a result of sharper cutbacks in other provinces. Current grinding capacity has dropped to 32,000 tons of sugar cane, or 61% of the capacity of a decade ago.

This year, Las Tunas produced 281,000 tons of raw sugar, making it Cuba's top producer. That crop was worth \$48.6 million at average market prices during the grinding season, down from the 479,600 tons produced a year earlier (worth \$72.8 million) and only a sad fraction of the 725,000 to 750,000 tons produced annually in the late 1980s and worth in excess of \$400 million at the preferential prices paid by the former Soviet Union.

Sugar-cane plantations now cover 92,300 hectares (228,000 acres), down from 198,300 hectares (490,000 acres) in the mid-1980s.

Las Tunas has some of the largest sugar mills in the island. The Antonio Guiteras (Delicias) mill has a daily grinding capacity of 12,470 tons of cane; it is currently the top producer in Cuba. This season, the Guiteras mill produced 120,000 tons of raw sugar, or roughly 6% of Cuba's total output. But that's down dramatically from the mill's record production of 218,200 tons in 1985.

Two other large mills, Jesús Menéndez (Chaparra) and Colombia (Elia), have daily grinding capacities of 9,000 and 6,000 tons of cane respectively, but are working at a vastly reduced pace these days. This year, the Menéndez mill produced 71,700 tons (or 60% of its 120,000-ton capacity), while Colombia produced 39,300 tons of sugar (50% of normal output). Another mill, Majibacoa, was built in the 1980s and this year produced 50,000 tons.

During the 1980s, grazing lands covered over 220,000 hectares (544,000 acres), sustaining an average annual production of 30 million liters of fresh milk — or barely 60 liters per capita. Since then, production has fallen even more following the economic havoc of the '90s.

Cattle raising has traditionally shown poor yields, forcing Las Tunas to supply its dairy needs from outside the province.

## INDUSTRY

Other industrial facilities include the Duralmet factory, which produces prefabricated forms for various industrial and construction uses.

A stainless steel smelter using Italian design and technology opened in 1992. Currently working under the brand name Acinox, it's capable of producing 150,000 tons of stainless steel slabs per year, but at 100,000 tons the plant it's working well below capacity.

A gargantuan bottle factory, designed to churn out 300 million glass bottles per year, was finished in the early 1980s. The investment was a resounding failure as silica sand — the key ingredient — had to be brought from Pinar del Río at the opposite end of the island. Plastic containers and aluminum cans made this facility obsolete even before it was finished.

Finally, Las Tunas produces around 70,000 tons of common salt per year for domestic use.

## TOURISM

Las Tunas lags well behind other territories in tourism development. Its four-star, 180-room Hotel Cobarrubias, along the northern coast, represents only 0.5% of Cuba's national lodging capacity. No further developments in tourism are foreseen.

## INFRASTRUCTURE

The two-lane Central Highway and the Central Railroad link Las Tunas with the rest of the island, and a network of secondary roads and railroad branches reaches all large settlements and economic hubs. Roads and railroads are reportedly in very poor condition.

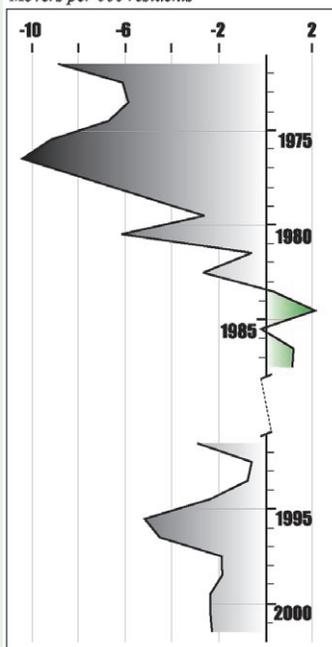
The bulk terminals at Guayabal and Carúpano handle sugar shipments from the neighboring provinces of Camagüey and Holguín besides its own Las Tunas production. In their heyday, the two handled over a fifth of Cuba's sugar exports. A minor shipping facility exists at Manatí bay, in the northwest.

A domestic airport in the city of Las Tunas handles around 200 commuter flights a year.

## Population of Las Tunas is stagnating

### NET MIGRATION BALANCE

Movers per 1000 residents



Sources: Cuba statistical yearbooks

Las Tunas is rapidly losing its charm for thousands of its own residents.

The territory that today comprises Las Tunas began the 20th century attracting thousands of immigrants to its newly opened sugar mills. Those early settlers helped convert the city of Las Tunas from a hamlet of under 1,000 inhabitants in 1899 to a town of 20,000 half a century later.

Other villages like Amancio (Francisco), Chaparra, Delicias and Manatí sprouted literally from the heart of the forests in the early 1900s.

These days, however, the demographics of Las Tunas province is more about emigration than immigration. In the '70s, poor living conditions and scarce job opportu-

nities fed the flow of migrants, and by 1975, one of every 100 residents was leaving each year.

A gradual decline in the pace of emigration after 1980 coincided with the opening of large industrial facilities by the government, an effort to bring opportunities to Las Tunas. The economic paralysis of the '90s renewed the exodus of *tuneros*, though at a lower pace.

From 1997 to 2001, Las Tunas lost an average 2.2 residents per 1,000 annually; some of these people departed for other provinces, while others left Cuba altogether.

Unlike other *orientales* who rush primarily to Havana, the *tuneros* show a clear preference for neighboring Camagüey and Holguín; these two provinces attracted nearly half of all departing Las Tunas residents between 1998 and 2001. Most of the rest go to Havana, Santiago de Cuba, Granma and Ciego de Avila.

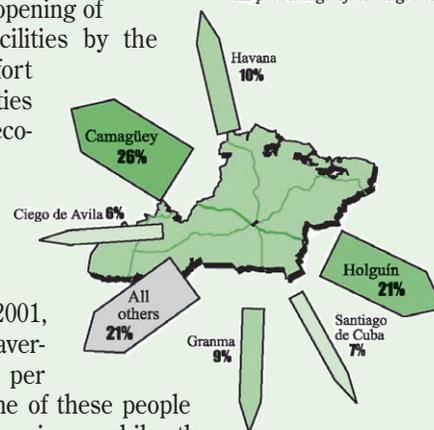
With annual growth averaging 0.6% between 1991 and 2001, the population of Las Tunas is virtually stagnating. In contrast, the province grew at 1.3% a year during the 1970s and 1.5% in the 1980s. Since 1994, net migration has cost the territory 13,000 inhabitants, or 2.5% of its population.

The gradual collapse of Cuba's sugar industry — by far the largest employer in the province — now threatens to spark a new exodus of people from Las Tunas.

— ARMANDO H. PORTELA

### Preferred destinations (1998-2001)

As percentage of net migration



## 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](mailto:larry@luxner.com).

**Sep. 8:** "Foreign Assistance in a Transitional Cuba: The Role of Volunteerism and NGOs." Luncheon sponsored by University of Miami's ICCAS. Cost: \$25. *Details: ICCAS, 1531 Brescia Ave., Coral Gables, FL 33134. Tel: (305) 284-2822. URL: www.miami.edu/iccas.*

**Sep. 17-20:** Feria Internacional de Transporte, Pabexpo, Havana. Trade show for the transportation industry. *Details: Miguel A. Cabrera Reyes, Ministry of Transport, Havana. Tel: +53 7 55-5079 or 55-5082. Fax: +53 7 33-5118. E-mail: vmp@mitrans.transnet.cu.*

**Sep. 23:** "Cuba The Morning After." AEI scholar Mark Falcoff lectures on Cuba's future after communism. No charge. *Details: American Enterprise Institute, 1150 7th St., Washington, DC 20036. Tel: (202) 862-5855. Fax: (202) 862-7177. E-mail: LDiCecio@aei.org.*

**Oct. 4:** Florida National Summit on Cuba, Biltmore Hotel, Coral Gables, FL. Former Soviet President Mikhail Gorbachev, various Cuban-American leaders, U.S. lawmakers "to discuss how changing dynamics affect current and future U.S. policy toward Cuba." Cost: \$175. *Details: Michele Wojcik, World Policy Institute, 66 Fifth Avenue, 9th Floor, New York, NY 10011. Tel: (212) 229-5953. URL: www.worldpolicy.org/projects/uscuba/summit.html.*

**Oct. 13-20:** "Inside Cuba" program for travel agents. OFAC-licensed educational tour includes Miami-Havana airfare, lodging at Meliá Cohiba and trips to Trinidad and Santa Clara. Cost: \$2,295. *Details: Benita Lubic, Transeair Travel, 2813 McKinley Pl. NW, Washington, DC 20015. Tel: (800) 666-4901. Fax: (202) 362-7411. E-mail: blubic@aol.com.*

**Oct. 16-18:** U.S.-Cuba Travel Conference, Hotel Gran Meliá Cancún, Mexico. Cuban Tourism Minister Ibrahim Ferradaz, 20 other officials "will meet with leaders of the U.S. travel industry for several days of presentations and one-on-one meetings." Cost: \$2,250. *Details: Erin Libit, Association of Travel Related Industry Professionals, 2300 M Street, NW, Suite #800, Washington, DC 20037. Tel: (202) 872-5071. E-mail: erin@atripusa.org.*

**Oct. 18-27:** Cuba Study Tour: Sustainable Agriculture and Fair Trade. Includes visits to coffee farms, organic gardens, educational institutions, etc. Cost: \$2,100. *Details: Rachel Bruhnke, Global Exchange, 2017 Mission St., #303, San Francisco, CA 94110. Tel: (415) 255-7296 ext 354. URL: www.globalexchange.org/campaigns/cuba/sustainable/index.html.*

**Dec. 8-10:** 27th Miami Conference on the Caribbean Basin, Loews Miami Beach Hotel. Florida Gov. Jeb Bush, 11 heads of state, many U.S. government officials to attend. Cost: \$575 (before Sep. 30). *Details: Caribbean/Latin American Action, 1818 N St. NW, #310, Washington, DC 20036. Tel: (202) 466-7464. Fax: (202) 822-0075. URL: www.claa.org.*

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**CUBANEWS** (ISSN 1073-7715), founded in 1993, is published monthly by Luxner News Inc., 10454 Parthenon Court, Bethesda, MD 20817, USA.

Subscriptions: US\$429 per year (\$200 for individual scholars and non-profit groups only). Please view our website at [www.cubanews.com](http://www.cubanews.com) to learn more about the newsletter.

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