

CUBANEWS

www.cubanews.com

In the News

The Famous Five

Lawyers for 5 jailed Cuban spies prepare for Mar. 10 hearing in MiamiPage 3

Cohibas, anyone?

Cigar exports to recover in 2004, say experts at VI Habano FestivalPage 4

Political briefs

UN appoints human rights czar for Cuba; exiles forge "transition" planPage 5

Census silence

18 months after Cuban population census still no word on resultsPage 7

Newsmakers

When it comes to Cuba, British entrepreneur Steve Marshall has his finger in just about everythingPage 8

Beautiful babes

Despite red tape, modeling agencies hire Cuban girls on the cheapPage 10

FAR extends reach

Manuel Marrero is latest military man to occupy high tourism postPage 11

Business briefs

Havana Club ranks 50th on top spirits list; La. port seeks Cuba tradePage 12

Best pollo in town

Opened in 1947, Havana's Restaurante El Aljibe still lures crowdsPage 14

CubaNews (ISSN 1073-7715) is published monthly by Luxner News Inc. © 2004. All rights reserved. Subscriptions: \$429/year. For subscription or editorial inquiries, call toll-free (800) 365-1997, send a fax to (301) 365-1829 or e-mail us at larry@luxner.com.

Treasury announces Cuba crackdown; opponents smell election-year politics

BY LARRY LUXNER

Early last month, the Treasury Department announced that its Office of Foreign Assets Control (OFAC) would freeze the assets of Cuba-run travel companies and pursue civil and criminal action against U.S. citizens who do business with those companies.

Then, on Feb. 26 — the same day OFAC lifted the U.S. travel ban against Libya — President Bush signed an executive order that expands Washington's authority to inspect U.S. yachts sailing to Cuba, place guards on vessels and in some cases confiscate the boats.

Bush justified the tough new policy, warning U.S. boaters that they could be injured or even killed by the Cuban military's "potential use of excessive force" if they entered Cuban waters.

There's also talk that OFAC might slash the \$1,200 in annual remittances that Cuban-Americans may send their relatives each year, while maybe eliminating the \$100 allowance for rum, cigars and other souvenirs which licensed trav-

elers are permitted to bring back from Cuba.

Revoking that \$100-per-passenger allowance would further squeeze the Castro regime and "reinforce the seriousness" of U.S. travel restrictions to Cuba, according to the OFAC website.

Treasury official Juan Carlos Zarate, however, declined to comment on specific measures his office might take with regard to Cuba.

"We're reviewing our current regulations to see if any improvements can be made," he told *CubaNews*. "We're talking about taking a fresh look at existing laws and regulations, with no promise to change anything."

Zarate's official title is deputy assistant secretary for the Treasury Department's Executive Office of Terrorist Financing and Financial Crime. As such, he oversees not only OFAC but also U.S. efforts to fight money laundering by al-Qaeda and other terrorist groups.

In an exclusive, hour-long interview at his office one block from the White House, Zarate

See **Zarate**, page 2

Foreign firms that offer Cuba-related websites fear they'll be targeted next

BY VITO ECHEVARRÍA

Given the number of online services that thrive on the Cuban exile community in South Florida and elsewhere, many in the e-commerce industry are wondering if the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) will expand its growing blacklist to include their ventures too.

These companies cater mainly to U.S. credit-card holders who order consumer products to be delivered to relatives and friends in Cuba.

Some of the most successful are the online supermarkets, such as PreciosFijos.com and CubaGiftStore.com, and money transfer outfits like Cash2Cuba.com, Duales.com and Transcardinter.com (Transcard Canada) as well as online travel agencies like CubaLinda.com and GoCubaPlus.com.

Enzo Ruberto, who runs ICC Corp. out of an office in Thunder Bay, Ontario, has 30 employees and 140 websites including Cash2Cuba.com

and PreciosFijos.com. He wouldn't disclose annual sales, but did say he has 20,000 clients.

Like the 10 entities singled out by Treasury, most of these companies have no interests in the United States; they therefore fall well outside of U.S. jurisdiction.

Even so, owners of such companies are reluctant to talk on the record.

In a recent e-mail to *CubaNews*, Philip Agee — the former CIA agent who now runs the travel site CubaLinda.com — said "I know of the new [OFAC] measures, but I don't have any comments to make at the moment."

Since the beginning, these Cuba-based online entities have used online credit card processing firms — such as InternetSecure in Canada and WorldPay.com, a subsidiary of the Royal Bank of Scotland — to circumvent the embargo.

That lets U.S. clients have their credit cards debited by a non-Cuban entity, while still paying

See **OFAC**, page 6

Zarate — FROM PAGE 1

said “the most significant action” taken yet by OFAC against Castro was the Feb. 9 designation of 10 companies involved in Cuba’s lucrative tourism industry.

“It’s the first time we’ve actually identified entities that are owned by the Cuban government,” he said. “In so doing, we’re trying to raise awareness with the American people and internationally as well.”

TRANSFERS MUST BE BLOCKED

The 10 entities singled out by Treasury Secretary John Snow during his speech to cheering Cuban-American exiles in Miami are all owned by the Cuban government. They include Havana-based Corporación Cimex S.A. and Grupo Cubanacán, along with subsidiaries operated by those state-owned giants in the Caribbean, Canada, Europe and South America (see box, page 6).

“We have notified U.S. financial institutions that any assets or transfers related to those entities must be blocked,” said Zarate. “So if you have a dollar transfer in place between Cubanacán and Havanatur and the funds are clearing through New York, that would now be blocked. Absent a license to do business with these designated parties, it is now illegal for U.S. citizens to provide services to any of those companies.”

On the other hand, Zarate reassured us that it’s not OFAC’s goal to punish non-Cuban companies from providing services to the Castro government.

“Our powers are limited, but the power of any sanctions the U.S. wields stems from the use of the dollar and access to the U.S. financial system,” he said. “We don’t want to affect commerce underway between Cuba and legitimate 3rd-party countries like Canada. There is a qualitative difference between entities owned by the Cuban government and foreign companies merely doing business in Cuba.”

Rep. Lincoln Díaz-Balart (R-FL), a staunch supporter of the embargo, praised the recent White House crackdown on Cuba, telling the *Miami Herald* that “the Castro regime harbors terrorists and has repeatedly hampered U.S. anti-terrorist efforts since Sept. 11, 2001. President Bush’s commendable action will reduce the resources available to the Cuban terrorist regime.”

RAISED EYEBROWS IN MIAMI AND HAVANA

OFAC’s threats are meeting, however, with a great deal of skepticism from observers on all sides of the Cuba debate.

“This is not new,” says Enzo Ruberto, a Canadian businessman who runs Precios-Fijos.com and Cash2Cuba.com. “The foreign travel companies identified [by Snow] are all 100% owned by Cuban government corporations. For the past 40 years, Cuban companies have been banned from doing business inside the U.S. There’s no change here, other than that the Bush administration has now decided to enforce this during an election year.”

Even Joe García, executive director of the Cuban American National Foundation, said

OFAC’s new policies — particularly the one restricting U.S. boaters from sailing to Cuba — don’t really amount to much.

“This is the United States government applying existing law,” he told the *South Florida Sun-Sentinel*.

Zarate, 32, is one of more than a dozen high-ranking Bush administration officials of Cuban origin who are directly involved in for-



Treasury’s Juan C. Zarate: Time to get tough.

mulating Cuba policy. Others include the State Department’s Otto Reich; top USAID official Adolfo Franco; Emilio González, chief of the Cuba portfolio at the National Security Council, and Mauricio Tamargo, chairman of the Foreign Claims Settlement Commission.

Zarate has had direct oversight of OFAC ever since his office was established one year ago in the reshuffling that followed establishment of the mammoth Department of Homeland Security (DHS). Before that, OFAC reported to the Treasury Department’s undersecretary for enforcement.

AN ‘ABUSE’ OF PEOPLE-TO-PEOPLE LICENSES

The product of a Cuban mother and a Mexican father, Zarate was born in California, graduated from Harvard Law School in 1997 and worked as a prosecutor in the Department of Justice’s Terrorism and Violent Crime Section before taking on his current job.

“For those of us who have close personal ties to Cuba, the destruction of civil society is a sheer travesty,” he said. “I’ve never been to Cuba, but it’s long been a topic of discussion in our family. And it’s always been clear to me that Cuba is in a very different category from the other countries under U.S. sanctions.”

One reason for that is Cuba’s proximity to the United States; the island is certainly a lot closer than Libya, North Korea, Iran, Iraq or Sudan. It also attracts many more tourists than the five other countries combined.

That’s why Zarate is particularly proud of the White House for eliminating the so-called “people-to-people” licenses, most of which expired on Dec. 31.

“What we saw was an abuse by the companies marketing those programs,” he said. “People were traveling on tourist packages instead of engaging in academic pursuits. The flip side of that was that the regime itself co-opted the process and in many instances began taking control of those programs. So we eliminated that licensing provision.”

ZARATE: CASTRO SQUANDERED HIS CHANCE

At present, roughly 13% of OFAC’s budget goes to enforce Cuba-related sanctions. While critics accuse the White House of squandering taxpayers’ money when it should be fighting al-Qaeda and other terrorist groups that threaten Americans, Zarate claims the administration’s current Cuba policy is justified.

“President Bush well over a year ago provided the Castro regime with an opportunity to re-engage in a relationship with us,” he explained. “As a precondition, the president indicated that Castro would have to allow for free elections and open up Cuba’s economy as an important first step. It was a historic crossroads for relations between the U.S. and Cuba, and the Castro regime rejected it outright. That has resulted in increased enforcement of existing law.”

He added: “The reason we’re focusing so intently on the travel industry is that it’s such a seminal part of the regime’s ability to survive and perpetuate itself. Over 70% of Cuban tourism is segregated, and it doesn’t allow the interactions that we all want.”

On Oct. 10, the Department of Homeland

See *Zarate*, page 3

DOC rules against piano donations to Cuban schools

The U.S. Department of Commerce has revoked the export license it has granted annually since 1995 to Send a Piana to Havana, a non-profit group that donates pianos to music schools in Cuba.

The DOC’s Bureau of Industry and Security told group founder Benjamin Treuhaff that “after reviewing your application to export pianos and other musical parts and instruments, bicycles and building supplies to Cuba, the Department of Commerce, upon the advice of the State Department, has concluded that export of these items

would not be consistent with U.S. foreign policy toward Cuba.”

Last year, the Treasury Department refused to renew the group’s license to tune the pianos once they arrive in Cuba. With the force of three U.S. agencies arrayed against them, it will be hard for them to continue their humanitarian task, said Treuhaff, though he promised to find a way.

“The Cuban kids’ incredible motivation and will to succeed is infectious,” he said.

Details: Benjamin Treuhaff, Send a Piana, 39 E 7th St. #3, New York, NY 10003. E-mail: blt@igc.org. URL: www.sendapiana.com.

LEGAL AFFAIRS

Lawyers for 'Miami 5' spies await crucial Mar. 10 hearing

BY LARRY LUXNER

Attorneys for the "Miami Five" — a group of five Cuban nationals serving long jail sentences after they were convicted in 1998 of spying for the Castro regime — will argue at a Mar. 10 hearing in Miami for a retrial.

The five men are Ramón Labañino, Antonio Guerrero, René González, Fernando González and Gerardo Hernández. They were sentenced to terms of between 15 years and double life in prison, on charges of conspiracy and acting as foreign agents.

The Cuban government, which regards the five as heroes, counters that they were merely "gathering valuable intelligence" on right-wing extremist groups in Miami that have perpetrated terrorist activities against Cuba.

Leonard Weinglass, a New York lawyer representing Guerrero, told *CubaNews* that the lengthy sentences these men received were unjustified, since "not a single page of classified information" was ever passed to Havana.

"Right from the beginning, this case has been a political case involving U.S. policy toward Cuba, rather than a typical criminal justice case where charges are being brought for violations of domestic law," he said.

Weinglass also criticized the fact that the State Department has denied visas for wives of two of the men to visit their husbands in

prison. The five Cubans are now doing time at federal penitentiaries in California, Colorado, South Carolina, Texas and Wisconsin.

"This is a basic denial of human rights," said Weinglass, "because under the Constitution, spouses cannot be prevented from see-



Propaganda poster urges freedom for "the five."

ing their inmate husbands, even under Bureau of Prisons regulations."

He added: "I visited three of the five, and they're very strong men who are holding up very well under very difficult circumstances."

A San Francisco-based group, the National Committee to Free the Cuban Five, sponsored a full-page ad Mar. 3 in the *New York Times*. The ad itself cost \$43,000, not including \$7,000 more in related publicity costs.

"We received over \$10,000 from the Cuban community in Miami alone, which is surpris-

ing," said committee coordinator Gloria La Riva in a phone interview with *CubaNews*, though she added that "some people are afraid of donating" to the charity due to the U.S. embargo against Cuba.

The U.S. Treasury Department's Office of Foreign Assets Control (OFAC) had held up \$1,200 in donations from overseas because the name "Cuba" appeared in the bank drafts, according to Ian Thompson, a lawyer with International Peace for Cuba.

La Riva said "this has affected the timeliness of the donations, so we're going to have to find alternative means for other donations to come in" for future advertisements.

Besides La Riva, those endorsing the *Times* ad include Alice Walker, Noam Chomsky, Ramsey Clark, Rigoberta Menchu, the National Lawyers Guild and the International Association of Democratic Lawyers.

La Riva said her group will stage a major protest Mar. 5 in New York, with similar demonstrations planned for Los Angeles, Milwaukee, Chicago and elsewhere. Another protest is set for Mar. 10 in Miami, to coincide with a hearing by three judges from the Atlanta-based 11th Circuit Court of Appeals.

Details: Gloria La Riva, National Committee to Free the Cuban Five, 2489 Mission St., Room #24, San Francisco, CA 94110. Tel: (415) 821-7575. E-mail: freethefive@freethefive.org. URL: www.freethefive.org.

Zarate — FROM PAGE 2

Security — acting on orders from the White House and in conjunction with OFAC and other agencies — began inspecting 100% of all Cuba-bound charter flights originating in Miami, New York and Los Angeles, the three designated "gateway" cities for such flights.

As of Feb. 10, according to OFAC, 569 flights had been targeted for outbound in-

spection. More than 44,000 passengers were screened as they departed the United States, and some 50,915 passengers were screened upon their return for Cuba.

OFAC says 275 passengers were prevented from boarding after examinations revealed that they didn't qualify for travel to Cuba under any OFAC category. In addition, more than 1,000 flights returning from Cuba were targeted for inspection, resulting in 376

seizures — most of them related to the unlicensed importation of Cuban cigars and rum.

"If people are engaging in activities that run afoul of U.S. law, they're subject to OFAC fines," said Zarate. "What we're trying to do is enforce the law more effectively."

One way of catching those who break the law is by stepping up enforcement at airports throughout Canada and the Caribbean.

Customs inspectors are now stationed at pre-clearance facilities at six facilities in Canada, looking for telltale signs that tourists have been to the forbidden island. Similar inspectors are on the job in Bermuda, Nassau and Aruba, Zarate told *CubaNews*.

"It's not about harrasing people, but effectively enforcing U.S. law," he said in response to a question about the wisdom of punishing little old ladies for bringing Bibles to Cuba in violation of the travel ban. "We look at each situation on a case-by-case basis. The fines range from very low amounts up to \$55,000, depending on how forthright the person is."

Asked about a possible link between OFAC's get-tough attitude against Castro and the president's need to win Florida's 25 electoral votes in November, Zarate sighed.

"This is not about politics, it's about good policy," he insisted. "The enforcement of U.S. law is something this administration is proud of, and if God willing the president is re-elected, we will move forward on this policy." □

Cuba now ranks 35th in U.S. food purchases

Cuba is now the 35th-largest market in the world for U.S. food exports, according to the New York-based U.S.-Cuba Trade and Economic Council.

That's up from 50th in 2002 and 144th in 2000, says Council President John Kavulich. He said Cuba's purchases of U.S. farm commodities doubled last year to \$256.9 million.

One company, Archer Daniels Midland of Decatur, Ill., accounted for 50% of total sales to Cuba, followed by Cargill and FCStone. Exports consisted mainly of 10 commodities led by soy, wheat, corn, rice and poultry.

A smaller volume of processed foods, lumber and even newsprint have also been exported to Cuba under the Trade Sanctions Reform Act of 2000, which allows agricultural exports to Cuba on a cash-only basis.

U.S. food sales to Cuban food purchasing agency Alimport made the United States Cuba's 7th-largest trading partner in 2003, according to official figures.

"While the Bush administration is trying to intensify pressure on Cuba and sever business links with the Castro government, such an attempt is increasingly at odds with the position of the U.S. business community and its allies in Congress," said Paolo Spadoni, a Cuba analyst at the University of Florida.

Spadoni told the *South Florida Sun-Sentinel* that "with Cuba's food purchases from the U.S. up by more than 80% in 2003 after an impressive 2002, it is likely that anti-embargo forces will keep pushing for a lifting of trade and travel restrictions with the island."

— LARRY LUXNER

EXPORTS

Cuban cigar exports to recover in 2004 after difficult year

BY OUR HAVANA CORRESPONDENT

Cuban tobacco production has recovered from devastating damages left by two severe hurricanes in 2002, said Oscar Basulto, president of Tabacuba and co-chairman of Habanos S.A.

Losses due to the 2002 hurricanes affected mainly tobacco processing houses in the westernmost province of Pinar del Río. More than 54,000 of those houses had to be rebuilt.

This year's crop looks promising, said Basulto, speaking at the VI International Habano Festival held Feb. 23-28 in Havana.

According to Tabacuba figures, Cuba produced 303 million cigars in 2001, of which 153 million were exported or sold at dollar stores across Cuba. The remaining 150 million units were sold to Cuban nationals in pesos.

No production figures have been released since 2001, though the Cuban government reports that cigar and tobacco-related exports came to \$142 million in 2002, up from \$216 million in 2001 and \$166 million in 2000 (these figures do not include \$30 million in annual domestic sales).

Last year's tobacco crop totaled 38,000 metric tons — similar to previous years — and exports are presumed to have increased, though no dollar figure was given for 2003.

According to Tabacuba, the world market for premium cigars is 300-400 million units, of which Corporación Habanos S.A., a 50-50 venture between Madrid-based Altadis S.A. and government-run Empresa Cubana del Tabaco, has a 30% share.

CUBAN CIGAR SALES TUMBLE IN ASIA, CANADA

Because of the U.S. embargo, no Cuban cigars may be sold in the United States. Europe, on the other hand, last year snatched up 67% of Habanos' total exports, followed by Canada and Latin America (16%), the Middle East (13%) and the Asia-Pacific region (4%).

Spain is the single biggest customer for Cuban cigars, with more than 25 million units sold annually there.

According to a Reuters report, Asian cigar sales have been hammered by last year's SARS outbreak, while heightened U.S. security has cut into the Canadian cigar business.

"It is a bit difficult to smoke a cigar if you have a mask over your face," Hong Kong entrepreneur David Tang told Reuters, though he added that there's been a "surge of recovery" in Asia this year.

The news agency reported that SARS and U.S. terror alerts have discouraged Americans from traveling north of the border to buy the Cuban cigars that are prohibited at home.

One-third of the 1 million premium Cuban cigars sold in Canada were bought by Americans, said Habanos retailer Raymond Chu of Windsor, Ontario; in frontier towns, as much as 80% of Cuban cigars go to U.S. customers.

Habanos reports that it now has agree-

ments with 31 exclusive distributors of Cuban cigars worldwide, and 86 Casas de Habanos from Beijing to Beirut. Three new Casas de Habanos should boost sales to the Chinese market this year.

"From 2000, frankly, things have been going south, but that goes for most markets on a global basis," Simon Chase, director of Hunters & Frankau, sole distributor of Habanos in Britain, told Reuters. "In spite of wars, pestilence and all the rest, I saw the first sign of recovery in 2003."

NEW HUMIDOR

At present, Cuban cigars are available in 34 brands and 80 sizes. Montecristo is the most popular followed by Partagas, Romeo and Julieta, Hoyo de Monterrey and Cohiba.

Last month, Habanos put two new cigar products on the market: the Montecristo humidor and the Habanos Hoyo de Monterrey Colección cigar case.

According to company sources, the Montecristo humidor is "an authentic masterpiece made by Cuban artisans that bears the name of the most prestigious Cuban cigar, which is made from the excellent Vuelta Abajo leaves, the western region with the best tobacco plantations in Cuba."

The VI International Habano Festival closed in the early hours of Feb. 28, after an auction of five lots that netted \$450,000 for Cuba's national health system.

The gala dinner — served in the gardens of the exclusive El Laguito banquet hall — was

attended by 868 guests from 56 countries. Prizes were awarded to Cuban cigar producers as well as two retailers, Jesús Llanos of Spain and Mohammad Zeidan of Lebanon.

The auction led by Paul Simon of Sotheby's in London presented five lots, the first of which was bought for \$26,000, the second for



LARRY LUXNER

The Cohiba, considered Cuba's most prized cigar, is widely counterfeited.

\$54,000, the third for \$70,000 and the fourth for \$50,000. The last one was purchased by a French executive of Altadis for \$250,000, bringing the total to \$450,000.

The main exhibitors at the event were companies dealing in accessories for smokers: humidors, memorabilia, antiques, handicrafts and specialized magazines like Spain's *Epicur*, the French magazine *L'Amateur de Cigare* and New York-based *Cigar Aficionado*.

The trade fair also attracted producers of wine, rum and other spirits, while for the second year in a row, the festival included a fashion show. Also included in the program was the launching of two new Cuban gourmet coffee brands: mountain-grown Montecristo DeLegend and premium coffee brand Cohiba Atmosphere. □

Foreign trade rose 13.2% in 2003; exports up 18%

Cuba's foreign trade rose by 13.2% in 2003 after falling by more than \$900 million the year before, as the foreign-exchange crisis forced the Castro government to slash imports by \$694 million, while exports fell by \$226 million.

Official figures show that total trade came to \$6.335 billion in 2003, compared with \$5.596 billion in 2002, a 14% decline compared with \$6.5 billion in 2001. Of the 2003 figures, imports accounted for \$4.643 billion, up 11.6%, and exports \$1.694 billion, up 18%.

Cuba's trade deficit was \$2.949 billion, compared with \$2.724 billion in 2002 and \$3.176 billion in 2001. It was the first such trade deficit reported by Havana since 1994.

Europe accounted for 41% of Cuba's 2002 trade, North and South America 39% and Asia 18%. Havana's top trading partners, in descending order, were Venezuela, Spain, China, Canada, Netherlands, Italy, United States, Mexico, France and Russia.

Petroleum and its derivatives comprised 21% of imports (\$975 million); food (\$929 million) accounted for another 20%. Those percentages were unchanged from 2002.

Sugar exports, meanwhile, fell to less than \$300 million, while nickel exports topped \$600 million and tobacco held its own at around \$200 million. Other key exports include shellfish (\$70 million, down from \$100 million in 2002); pharmaceuticals (\$60 million); and citrus (no figure given).

POLITICAL BRIEFS

UN'S CHANET TO PROBE HUMAN RIGHTS IN CUBA

The United Nations High Commissioner for Human Rights has appointed French magistrate Christine Chanet its special representative to report on Cuba's human rights situation.

In a Jan. 27 statement, the UN said Chanet will announce her findings at the commission's annual session Mar. 17 in Geneva, Switzerland. The commission, created in 1946, is composed of the United States and 52 other members, and meets for six weeks each year in Geneva.

In her first report, Chanet said dozens of Cuban dissidents were being held in alarming conditions following their imprisonment early last year. She also said her appeals to Fidel Castro to pardon the dissidents had gone unanswered.

"The personal representative of the High Commissioner has received particularly alarming information about the conditions of detention of these people," she said, adding that prisoners are often transferred from one jail to another, often far from their families, making visits difficult.

Chanet's appointment follows a UN resolution that invited the Castro regime "to endeavor to realize progress in the field of human rights and civil and political rights."

Chanet, who headed a UN human rights committee in 1997 and 1998, has also served as a member of a UN committee against torture.

FLORIDA LAWMAKERS PROPOSE TRANSITION PLAN

Cuban-American congressional leaders in Florida have unveiled their own plan for a transition to democracy in a post-Castro Cuba, in what *The Miami Herald* calls "a clear indication of the vision some exile leaders have for the island that they fled years ago."

The plan, announced Feb. 20, calls for the privatization of joint ventures between the government and foreign investors, endorses the right of urban property dwellers in Cuba to remain in their homes as long as old private owners are properly compensated, and suggests that government-owned land be redistributed to small- and medium-sized private farmers to help foster a middle class.

"We will make sure that this plan becomes part of the Bush commission," Rep. Lincoln Díaz-Balart (R-FL) told the *Herald*. "The solution of Cuba is not in Washington, but to have freedom. We insist that Cuba has to have plurality."

The newspaper says the proposal is also a "clear rejection" of Oswaldo Payá's Proyecto Varela, a referendum signed by over 20,000 Cubans to create change on the island by working within the communist constitution.

"It's important for us to set the tone that there will be no fundamental change in Cuba's system if you go along with the constitution drafted by Fidel Castro," said Rep. Ileana Ros-Lehtinen (R-FL). "This sets up a new path."

On the other hand, many other well-known Cuban exiles have expressed support for the Varela Project, including Archbishop Agustín Roman; Joe Garcia, executive director of the Cuban American National Foundation; and Carlos Saladrigas, a prominent Cuban-American businessman.

“ In their own words ...

"Cuba is for the most part, not at all a salient issue outside of [Miami]. It doesn't register politically outside of this city."

— **Jorge Domínguez**, a *Harvard University professor of government and Cuba expert, speaking Feb. 19 at Florida International University.*

"Dominguez's remarks are a clearly calculated political maneuver to weaken the Cuban-American support for President Bush."

— **Rep. Lincoln Díaz-Balart**, (R-FL), *responding to the professor's FIU speech.*

"Cuba believes the international community cannot abandon Haiti. The situation is getting worse. Collaborating with Haiti has become a duty for all of us."

— **Felipe Pérez Roque**, *Cuba's foreign minister, speaking Feb. 19.*

"Bush couldn't debate a Cuban 9th-grader, who knows more than he does."

— **Fidel Castro**, *in a 4-1/2 hour speech to economists Feb. 15 in Havana.*

"The U.S. government reiterates once again that there is no reason for us to attack Cuba. The Cubans are fabricating the 'threat' of a U.S. military attack to engender fear in the population, to spend scarce resources to maintain large military, security and intelligence structures, and to justify extreme measures in a vain attempt to crush Cuba's nascent independent civil society."

— **James Cason**, *chief of the U.S. Interests Section in Havana, in a statement released to reporters Feb. 20.*

"It has meant very much to me that Cubans have understood what I'm doing. Sometimes in my own country, I am severely criticized by people who don't bother to read me at all."

— *Pulitzer Prize-winning author Alice Walker, speaking at the Havana International Book Fair, where her 1976 novel "Meridian" was released in Spanish.*

"The State Department told us they were getting slots ready for as many as 50,000 [refugees] at Guantánamo, and they would like humanitarian organizations to be involved in caring for these people."

— *An unidentified relief agency official, telling Reuters about Washington's plans to use the U.S. Naval Base at Guantánamo, Cuba, to house Haitian refugees.*

"These are not times for aggressions or threats, these are times of unity. We have to show the U.S. government and its lackeys our will to face these new threats and aggressions, and our determination to fight and win."

— *Declaration issued by the Confederation of Cuban Workers and reproduced Feb. 17 in the CTC's weekly newspaper, Trabajadores.*

"There is demonstrated bipartisan, bicameral interest in the Cuba travel legislation and we feel strongly that allowing floor consideration of the free-standing bill is the right thing to do."

— **Sens. Max Baucus (D-MT), Larry Craig (R-ID), Byron Dorgan (D-ND) and Mike Enzi (R-WY)**, *in a Feb. 12 letter to Senate majority and minority leaders.*

"We're cracking down. We mean business. We're cutting off American dollars headed to Fidel Castro, period."

— **Treasury Secretary John Snow**, *in a Feb. 9 speech to prominent Cuban-Americans at the Omni Colonnade Hotel in Coral Gables, Fla.*

"I think it's a good step in the direction of cutting of funds for the survival of a dictatorship."

— *Cuban exile activist Ninoska Pérez Castellón, commenting on Snow's remarks.*

"Our intention is to mobilize people using the [government] mechanisms that they have available to them."

— **Vladimiro Roca**, *spokesman for the United For All Movement dissident group, which on Feb. 10 unveiled a list of 36 specific proposals to achieve a peaceful transition to democracy in Cuba.*

OFAC—FROM PAGE 1

for goods and services related to Cuba.

Along with the online Cuban-based firms themselves, such online credit-card debtors also fall outside U.S. jurisdiction.

That leads some observers to speculate that OFAC would somehow have to pressure these firms into giving up information on their U.S. customers in order to make its "crackdown" effective, or at least discourage them from continuing to do business with Cuba-based entities.

However, Rick Nugent, chairman and CEO of InternetSecure, told us he felt "absolutely no pressure at all" from OFAC to disclose information on U.S. credit-card transactions his firm has processed for Cash2Cuba.com and similar entities.

Simon Fletcher, a spokesman with Worldpay.com, was far more blunt about how he would handle such a request from OFAC.

"We do not discuss the confidential details of specific customer accounts," Fletcher said. "We operate internationally, as do our customers. We are unaware of any concerns raised of this nature. However, if any government was to raise them with us, we would consider them and act appropriately and responsibly."



ICC's Enzo Ruberto

Henry Martínez, head of Duales.com, a Toronto company that does money transfers, said his U.S. and Canadian lawyers have advised him that "there are no valid grounds or merits to approach companies outside U.S. jurisdiction, unless there is a breach of Canadian law or a specified international treaty."

It's apparent that since OFAC won't be able to gather information on such transactions from these firms, the agency will have to find ways of getting that data from the U.S. credit-card holders themselves.

OFAC: WE'LL FIND YOU NO MATTER WHAT

Despite these obstacles, an OFAC official who asked not to be identified insisted that his agency will succeed in catching credit-card users who conduct future e-commerce transactions with Cuba.

"If we can assert jurisdiction [against these individuals], we will," he warned.

That same OFAC official wouldn't comment on what, if anything, the agency can do to discourage foreign firms like InternetSecure, Transcard Canada and WorldPay from facilitating Cuba-related online transactions for U.S. customers.

However, OFAC may have special leverage over WorldPay, since the British company happens to have a U.S. operation based in Sterling, Va., just outside Washington.

When it comes to ordinary U.S. customers, the OFAC official said his agency can count on information-gathering techniques from other government agencies to eventually impose civil and even criminal penalties against

online embargo breakers.

"We have full interaction with all other law-enforcement agencies, and we will use them at every opportunity, as part of the president's initiative," said the bureaucrat. "Any information that comes to our attention [from other agencies] will be submitted for enforcement action by OFAC."

Yet many question the wisdom of President Bush's "get tough" attitude toward remittances and other online transactions.

Damián Fernández, a Cuban affairs expert at Miami's Florida International University, says OFAC's new measure will go against what he calls the "politics of affection" that drive even the most rabidly anti-Castro Cuban-Americans to send money and merchandise to their relatives.

Ruberto says he's deeply dismayed by OFAC's enforcement action.

"The average transaction of all our sites is under \$180. Our No. 1 selling item is food, bought by hard-working people who are sending badly needed humanitarian aid to their mothers, fathers and family. We know both the sender and recipient, and they appreciate when they receive these goods from their family abroad."

He added: "We find it very hard to believe that President Bush, leader of the most powerful, richest and most liberated free country in the world, is thinking of taking extreme, unnecessary actions that will directly punish the people of Cuba by depriving them of assistance sent to them by their families." □

The 10 bad guys on OFAC's list:

1. CORPORACIÓN CIMEX S.A. — (a.k.a. Cimex Cuba, Comercio Interior, Mercado Exterior), Edif. Sierra Maestra, Ave. 1ra e/0 y 2, Miramar, Playa, Havana.
2. CUBANACÁN GROUP — (a.k.a. El Grupo Cubanacán), Calle 68 esq. 5ta-A, Apartado 16046, Miramar, Havana.
3. CUBANACÁN INTERNATIONAL B.V. — Visseringlaan 24, 2288 ER Rijswijk, Zevenhuizen, Netherlands.
4. CUBANACÁN U.K. LTD. — Unit 49, Skylines Village, Limeharbour, Docklands, London E14 9TS, United Kingdom.
5. HAVANATUR BAHAMAS LTD. — East Bay Street, Nassau, Bahamas.
6. HAVANATUR CANADA INC. — (a.k.a. Caribe Sol), 818 rue Sherbrooke E., Montreal, Québec, H2L 1K3, Canada.
7. HAVANATUR CHILE S.A. — (formerly known as Guamatur S.A.), Avenida 11 de Septiembre 2155, Edificio Panorámico, Torre C, Oficina #805, Providencia, Santiago, Chile.
8. HAVANATUR S.A. — offices in seven Cuban locations: Pinar del Río, Havana, Cienfuegos, Cayo Coco, Camagüey, Holguín and Santiago de Cuba.
9. HAVANATUR S.A. — Maipú 464, Piso 10, 1006 Buenos Aires, Argentina.
10. TIENDAS UNIVERSO S.A. (a.k.a. www.cuba-shop.net); no address given.

New OFAC rules choke off legal U.S. travel to Cuba

The Bush administration's crackdown on U.S. travel to Cuba has "reduced the number of non-Cuban-Americans visiting the island to a trickle," according to a Feb. 19 report by Reuters.

Since last October, when President Bush issued a directive to the Treasury and Homeland Security departments to step up enforcement of travel restrictions, OFAC has screened more than 44,000 Cuba-bound passengers on direct charter flights from Miami, New York and Los Angeles, and nearly 51,000 people returning from Cuba.

As a result, 275 passengers were denied boarding because they didn't qualify for travel licenses under OFAC's newly revised categories. Government agents also made 376 seizures involving the unlicensed importation of Cuban cigars and rum.

What's really dramatic, however, is the drop in legal travel by Americans on "people-to-people" exchanges and cultural trips.

Most of the organizations offering such trips — such as New York's Center for Cuban Studies and San Francisco-based Global Exchange — were booked in November and December with ordinary U.S. citizens rushing to get a glimpse of Cuba before the door slammed shut Dec. 31.

That's the day OFAC let those licenses

expire; now, the only U.S. citizens without family in Cuba who may visit the island legally are journalists, athletes, researchers, executives of U.S. food and agribusiness firms, and participants in a limited number of humanitarian and religious delegations.

Michael Zuccato, president of Los Angeles-based Cuba Travel Services, told Reuters that OFAC's new crackdown "had a tremendous impact on the flow of people. Business is down by 30%."

In 2003, some 160,000 U.S. citizens made authorized visits to Cuba; 85% of those people were Americans of Cuban descent, who may visit relatives in Cuba once a year. The rest traveled on special permits for business, cultural, academic and religious trips.

In addition, an estimated 22,000 to 25,000 Americans defied the travel ban and visited Cuba via third countries such as Mexico, the Bahamas or Jamaica.

OFAC's increased vigilance and willingness to impose hefty fines on tourists who defy the travel ban "increases the hassle factor," said John Kavulich, president of the U.S.-Cuba Trade and Economic Council.

"If someone thought twice about traveling to Cuba before Snow's speech," Kavulich told Reuters, "they should now think six times before traveling without a license."

DEMOGRAPHICS

Little to show 18 months after hyped-up population census

BY ARMANDO H. PORTELA

The findings of the “most important social research” in decades — as Cuba’s official media dubbed the latest census — have vanished.

Eighteen months after completing the well-publicized Census of Population and Housing in September 2002, authorities remain silent about results that should have been disclosed by last July at the latest.

A handful of figures gathered during the survey ended up in the Statistical Yearbook 2003, whose publication was delayed until the third quarter by the National Bureau of Statistics (ONE in Spanish).

These figures only include the total population, some indicators of the overall education level, the percentage of dwellings built after 1959, percentage of *bohíos* (rural straw huts) percentage of dwellings with electricity and the unemployment rate.

Meanwhile in Havana, officials answer that the official census figures are in the hands of the “highest authorities.” But the real reasons for the silence remain elusive and rumors abound — ranging from the poor quality of the information gathered to any sort of embarrassing revelations that the survey could have turned up.

Curiously, the recorded total population at census time (11,177,743 inhabitants) falls short of all previous official estimates. The Statistical Yearbook projects an estimated population of 11,250,979 by Jun. 30, 2002 — or 73,236 fewer than the real number.

In 1987, officials were projecting a population of 11,844,200 by 2000, a prediction that turned out to be off by 760,000 inhabitants, or 6.8% of the total population.

The government nominally controls all population movements, either through the mandatory Residence Register or the Food

Distribution Office. But those requirements, not to mention special rules for living in Havana or Varadero, are ignored by some people hoping to cheat the system by not reporting the departure of relatives in order to keep their food quota for as long as possible.

According to the Statistical Yearbook 2003, Cuba’s most populous (and most densely populated) province as of Dec. 31, 2002, was the



City of Havana, with 2,175,900 inhabitants, followed by Santiago de Cuba (1,043,100); Holguín (1,037,700); Granma (837,200); Villa Clara (836,200) and Camagüey (792,000).

The least-populated were Ciego de Avila (414,500); Cienfuegos (399,000) and the special municipality of Isla de la Juventud (80,700).

Population growth from 1997 to 2002 was fastest in the province of La Habana (0.67%) and in Isla de la Juventud (0.63%), and slowest in Villa Clara (0.15%); during that time, the population actually dropped by 2% in the City of Havana.

It seems apparent that specialists have miscalculated the stagnation of Cuba’s population which was triggered by the economic crisis during the 1990s.

Authorities tend to disregard the impact of shrinking living standards on population growth, attributing it mainly to the behavior of a well-educated population, as is the case in Western Europe.

But statistics show an alarming collapse triggered by the onset of the economic slump.

In fact, Cuba’s average annual population growth rate dropped to only 0.23% in the period from 2000 to 2002, compared to 1.1% in the years before the crisis. And the slowdown was hardly gradual.

It showed an abrupt plunge from 1.2% in 1992 to 0.35% in 1994 and 0.16% in 1995. That corresponds to the sudden loss in Soviet subsidies to the Cuban economy, and the dramatic drop in per-capita GDP. Since then, the pace of growth has averaged only 0.3% a year.

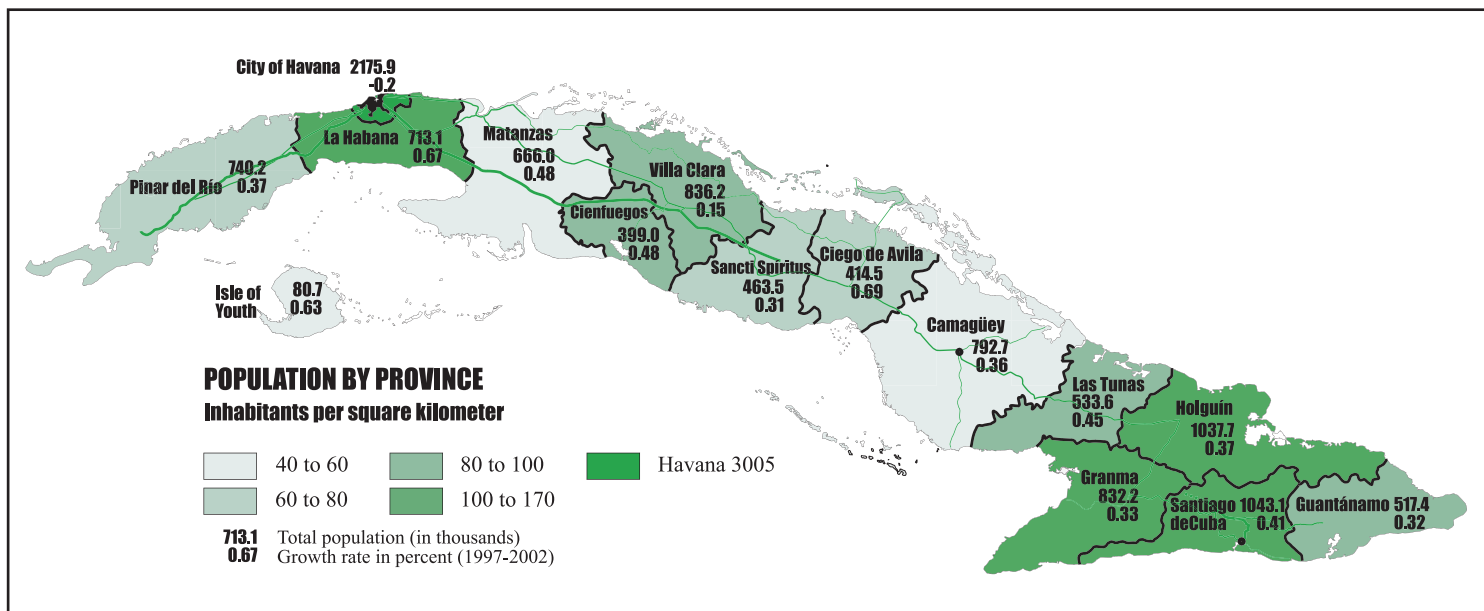
The reason: Cuba’s birth rate dropped from a stable 0.8% a year in the late 1980s to 1.3% in the late ‘90s. More importantly, emigration from Cuba jumped from near-zero in the late 1980s to 0.3% in 2001.

Emigration alone represented a net loss of 247,000 inhabitants — or 2.2% of the population — over the nine-year period ending in 2001. During the same period, Cuba’s net population gain was 303,644, according to statistics released by ONE.

While a solution to these patterns remains elusive, they have an immediate effect on the aging of the population and the burden that future generations will have to support.

“Cuba is a country suffering an acute aging process,” said Juan Carlos Alfonso Fraga, director of the census, in a 2002 interview carried by the official Cuban media. He said that over 14% of Cubans are 60 or older, and that Cuban women aren’t having enough baby girls to guarantee future population growth.

The average age of Cuba’s working population will be 42 years in a decade, when the revolution’s first baby boomers will be reaching retirement, since in Cuba, women retire at 55 and men at 60. By 2025, every working-age Cuban will be maintaining two fellow citizens either too young or too old to be productive. That compares to a 1:1 ratio now. □



NEWSMAKERS

Internet guru Steve Marshall seeks new Cuba ventures

BY LARRY LUXNER

Stephen A. Marshall's business card is certainly eye-catching. "Four companies, same vision," boasts the bilingual *tarjeta*, which lists the names, e-mail addresses, websites and logos of four entities offering free-zone services, Internet access, wireless solutions and online travel bookings.

Yet Marshall's interests extend far beyond that.

From telecom to tropical fish, the British entrepreneur seems to have his finger in just about everything Cuban — especially things that happen to end in dot.com.

"I work in import and export, representing food manufacturers, and I do as much consulting as I can, because I enjoy it," he told *CubaNews*. "But I'm always reverting back to my passion, which is the Internet."

Marshall, the owner of over 120 Cuba-related websites, spoke to us recently from his office at the Marina Hemingway outside Havana. From his spacious window, one can gaze out at boats in the nearby channel and the blue Atlantic Ocean beyond.

Originally from Yorkshire, England, the 35-year-old businessman settled here eight years ago after living in Spain, France and Russia.

"I came to Cuba because one of my partners in Russia had a draft of the Cuban foreign investment law, and I was the only person there who spoke Spanish. So they asked me to read through it, and give him my opinion," he explained. "I found it was quite interesting. I had traveled quite extensively before that and said to myself, 'why not take a look and see what Cuba was about?'"

In February 1995, Marshall caught a flight from Moscow directly to Havana with the intention of spending a short time in Cuba. After three weeks, he returned to Moscow, sold all his shares in the company and moved permanently to the Caribbean island a year later. Before long, he married a local woman, with whom he has two daughters.

"Cuba is very similar to everywhere else I've worked," he said. "I don't have foreign partners. I work alone. That makes it sort of a one-man band, even though we have 20 to 60 employees at any one time."

INVESTING IN CUBA-RELATED DOMAIN NAMES

What seems to take up most of Marshall's time and energy are the dozens of websites he has registered, all of them related to Cuba in some way (see chart, page 9).

Among the most popular of these websites: www.vamosacuba.com, www.gocubaplus.com, www.cubavip.com and www.cubasports.com.

"Most of these websites were built years ago, and only provide factual information on Cuba. I personally like providing information to third parties," he said. "They are starting to produce revenue because people are looking for information."

Between 1997 and 1999, Marshall bought over 200 domain names relating to Cuba, spending \$28,000 to register the domains and another \$200,000 in "finding specific information to coincide with each domain, translating the information into two further languages and creating various designs to suit the different sites series I have."

Marshall estimates that his business activities will ring up \$3 million in revenues this year. He plans to use the profits to build even more websites.

"My dream for 2004 is to activate all my geographical sites in three languages, which would take us up to 200 sites," he told *CubaNews*.

According to Marshall, his sites generate a combined 60 to 70 million hits per month, with unique visitors accounting for 10% of the total.

He says the advantage of owning so many 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 number of people who visit his sites in search of Cuba-related information.

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

For example, www.bonjourcuba.com will be listed on the French search engine Voila.

Some of these URLs are rather unusual. One of the newest, www.5taavenida.com, will be a "surreal" virtual website showing mansions, embassies and hotels along Quinta Avenida in Havana's upscale Miramar district. Another, www.cubaphotobank.com, will allow users to browse through thousands of stock photographs of Cuba.

Late last year, Marshall took his Internet ventures to a new level by launching a digital advertising firm, Digital Panorama S.A.

The new site, at www.digitalpanorama.net, is dedicated to the design and implementation of advertising banners on Marshall's other sites. These ads will be aimed at clients interested in reaching out to travelers bound for Cuba. Potential advertisers include Spain's Air Europa, Iberia Airlines and Ciego Montero, a joint-venture mineral water bottler.

Marshall predicts that latest venture will make \$50,000 a month. He's counting on dig-

ital advertising to attract both Cuban and foreign firms, since under the Castro regime, TV and regular outdoor billboard advertising for commercial products is forbidden.

"We now have over 100 websites with content in three languages, English, Spanish and French. We've also begun translating the sites into Italian and German.

"It's not an easy thing to accomplish," he said, adding that "in many ways, I'm a perfectionist."

To some people, however, Marshall is far



Steve Marshall at his office in Havana's Marina Hemingway tourist complex.

from perfect.

In 1997, he paid \$75,000 for a RE/MAX franchise from the company's Puerto Rico subsidiary in order to sell real estate out of his Havana office. Two years later, the Denver-based parent company, RE/MAX International Inc., sued Marshall, denouncing the use of its name in Cuba as illegal.

Even after a federal judge in Colorado ordered him to stop using the RE/MAX name and logo, Marshall persisted, which resulted in Marshall being cited for contempt of court, making him subject to arrest if he set foot on U.S. soil.

Marshall was eventually dropped from the lawsuit, which also named the RE/MAX official who sold him the franchise in violation of the U.S. embargo against Cuba.

"All we do right now is promote long-term real-estate rentals," he said. "We're no longer involved in sales because there's no more sales going on."

Nevertheless, Marshall has sold around 60 condos, ranging from \$90,000 studios to \$400,000 penthouse apartments, and continues to operate his www.realestatecuba.com site unhindered.

Robert Sajo, a Canadian businessman who built Cuba's Internet infrastructure from scratch, has known Marshall since 1995, when Sajo's company, ICC Corp., installed his first server in Havana.

"Steve Marshall is a very hard-driving businessman," said Sajo, speaking by phone from the Dominican Republic, where he now lives.

"I couldn't get along with the Cubans and they were restricting me too much, so I said the hell with it. On the other hand, Steve is totally different. He had the possibility to make himself an independent businessman in Cuba, which they don't allow anymore. He was recognized by the Cuban Chamber of Commerce, and that gives him a lot more leverage than I had."

"These businesses interest me because they're extremely complicated. They require a lot of logistical knowledge that is overlooked."

— STEVE MARSHALL

FROM TOURISM TO TELECOMMUNICATIONS

Marshall says the real "bread-and-butter" revenues come from his import-export and consulting ventures.

"These businesses interest me because they're extremely complicated. They require a lot of logistical knowledge that tends to be overlooked," he said.

At the moment, Marshall told *CubaNews* that he's acting as a consultant for Velocicom, a wireless entity registered in the British Virgin Islands and funded by Russian investors.

The venture is worth \$2.4 million, accord-

ing to Marshall, who explained how it'll work.

"Let's say a local company has seven offices around Havana. Those offices need to be attached by some form of communications method. What's available? You can dial up between each other, or use a regular phone network. Both of those are expensive and would require the use of landlines, limiting the phone calls they receive. Our system connects the offices wirelessly, and provides them with a virtual private network with encrypted channels."

Marshall said "we've got all the approvals now and we're rolling it out soon."

Tourism comprises a big part of Marshall's interests, and these include not only hotel projects in Varadero and apartment rentals in Miramar, but also offbeat ideas like the classic car rally he's trying to organize from Havana to Varadero to Trinidad. He's currently looking for German and other European auto manufacturers to sponsor the event.

This goes hand-in-hand with a new venture to offer tourists the chance to rent chauffeur-driven 1950s American gas-guzzlers in Cuba.

"We have the only travel website that offers classic cars," he said. "I don't mean a classic shell built with an engine from another car. We're talking about cars built to their original specifications."

FISHY BUSINESS

The entrepreneur also sees dollar signs in the export of tropical fish.

"Cuba has unique salt-water species," he explains. "Some of them, such as the tiger angelfish which are endemic to Cuba's Nicaro Bay area, are very much sought after because of their patterns and markings. A six-inch-long fish could be worth \$4,000 to \$5,000.

"You've got to be a collector of tropical fish to understand the potential value, and the fact is that the more exclusive the species, the more valuable it is. It's the same with birds."

What would really boost Marshall's businesses is an end to the embargo.

Americans would then be able not only to visit Cuba but also invest in condos and timeshares there. The value of Marshall's domain names, real-estate ventures and just about everything else would skyrocket.

"I think it's a shame that so many Americans are being deprived of the possibility of visiting such a beautiful place as Cuba," he said. "My country, the U.K., was founded on the same morals as the U.S., but we would not allow a ban such as that to exist. I think it's a constitutional right that people should be able to travel unless there's a military threat, and Castro represents no military threat."

Adds Sajo: "There's a tremendous amount of opportunity in Cuba, but it all depends on the old man and what he permits." □

SOME OF STEVE MARSHALL'S MANY WEBSITES

GEOGRAPHIC URLS:

Cuba-lahabana.com
Cuba-pinardelrio.com
Cuba-havanacity.com
Cuba-matanzas.com
Cuba-villaclara.com
Cuba-ciegodeavila.com
Cuba-cienfuegos.com
Cuba-camaguey.com
Cuba-sanctispiritus.com
Cuba-holguin.com
Cuba-santiagodecuba.com
Cuba-granma.com
Cuba-isladelajuventud.com
Cuba-guantanamo.com
Cuba-lastunas.com
Cuba-trinidad.com
Cuba-soroa.com
Cuba-varadero-beach.com
Cuba-cayolargo.com
Cuba-cayococo.com
Cuba-cayolevisa.com
Cuba-cayoguillermo.com
Cuba-cayosabinal.com
Cuba-giron.com
Cuba-guama.com
Cuba-guardalavaca.com
Cuba-baracoa.com

Cuba-perladelasur.com

Cuba-lasterrazas.com
Cuba-escambray.com
Cuba-topesdecollantes.com
Cuba-bayamo.com
Cuba-cayosantamaria.com
Cuba-santalucia.com
Cuba-cemeteries.com
Cuba-easternbeaches.com

CLASSIC URLS:

Cubavip.com
Cubanculture.com
Cubafirst.com
Cubasports.com
Cubaone.com
Cubaadvice.com

E-COMMERCE URLS:

Gocubaplus.com
Bonjourcuba.com
Cubanbaseballtravel.com
Vamosacuba.com
Uscubatravel.com
Cuba-ecotourism.com
Ciaocuba.com
Realestatecuba.com
Digitalpanorama.net

AVAILABLE URLS:

Cuba-coins.com
Cuba-literature.com
Cuba-seafishing.com
Cuba-hunting.com
Cuba-coffee.com
Cuba-sugar.com
Cuba-allrum.com
Cuba-songs.com
Cuba-musical.com
Cuba-dance.com
Cuba-cine.com
Cuba-marinas.com
Cuba-airport.com
Cuba-beaches.com
Cuba-restaurants.com
Cuba-museums.com
Cuba-yachts.com
Cuba-nightclubs.com
Cuba-golfclubs.com
Cuba-transport.com
Cuba-famous.com
Cuba-insurance.com
Cuba-medical.com
Cuba-sport.com
Cubatradeairs.com
Cuba-events.com
Cuba-shopping.com

Cuba-weather.com

Cuba-greetings.com
Cuba-photos.com
Cuba-cruises.com
Cuba-familytravel.com
Cuba-air.com
Cuba-specials.com
Cuba-economy.com
Cuba-cultural-tours.com
Cuba-education.com
Cuba-ecotourism.com
Cuba-health-tourism.com
Cuba-josemarti.com
Cuba-che.com
Cuba-hemingway.com
Cuba-religion.com
Cuba-commerce.com
Cuba-heroes.com
Cuba-lodgings.com
Cuba-spa.com
Cuba-disco.com
Cuba-zoo.com
Cuba-botanicalgardens.com
Cuba-nationalparks.com
Cuba-incentivetourism.com
Cuba-bedandbreakfast.com
Cuba-biz.com

MARKETING

Despite difficulties, foreign agencies hire Cuban models

BY VITO ECHEVARRÍA

During Cuba's economic opening in the early 1990s, a multitude of European publications fawned over the island's beautiful young women. Magazines began providing extensive coverage of the unspoiled beauties living not only in Havana, but in slower-paced provincial towns as well.

The ensuing tourism boom, with amateur fashion shows put together on short notice at various hotels and popular nightclubs like "1830" along Havana's Malecón, simply reinforced the potential appeal that Cuban models would have overseas.

Sooner or later, someone was going to set up an agency specializing in such models.

Canadian businessman Dean Bornstein, who has extensive TV and film production experience, runs The Havana Company, a multimedia production outlet with offices in Toronto and Havana.

Bornstein's agency represents 75 Cuban models, some of whom have been able to get work overseas. His large crop of local beauties — ranging from blonde hair and blue-eyed types to dark and lovely Afro-Cubanas — are often willing to work for far less than their counterparts in New York, Paris and Milan. As he told *Cigar Aficionado* magazine last May, "the talent is all here, it's just a question of packaging and marketing it."

In the United States, the full-figured "Latin look" is now in vogue, thanks in part to Hispanic celebrity Jennifer López. However, the embargo against Cuba precludes any possibility of Cuban beauties getting work with U.S. modeling agencies. That lack of competition from New York and Miami explains the success of Bornstein's Canadian outfit.

Bornstein himself was unavailable for comment, though according to his company website, the firm conducts casting services for various Cuba-related projects including feature films, commercials, music videos, magazines, print advertising and fashion catalogs, as well as other film and print media.

The site also asserts that The Havana Company is in the process of setting up a database of Cuban actors and models, as well as musicians, athletes and extras for future projects that require them. As Bornstein told *Cigar Aficionado*, models lucky enough to land these assignments typically make around US\$1,250 per day for a commercial fashion shoot, with an undisclosed amount going to the Cuban government.

Even for not-so-glamorous models, things aren't so bad.

"You have very decent, very normal models in Cuba. You can pay them just \$250 a day, said Christian Bengsch, owner of the German production company Take Me to Cuba. "Their 'connection' gets a small cut of that money — the model keeps the rest."

That 'connection' Bengsch refers to is an informal group of well-connected locals who

use restaurants like La Maison in Havana's Miramar district as a meeting point for models seeking work. Bengsch's main Cuban modeling shoots were done for British and German catalogs.

"Last season, we did a big job with Mercedes-Benz," he told *CubaNews*. "We had security. We had five or six models, top-notch. The [Mercedes] car for the assignment was flown to Cuba. A famous actor from Cuba was even involved."

NO ATTITUDE PROBLEM HERE

Although the fees paid by these agencies pale in comparison to the \$10,000-plus per day fees common in New York or Paris, the money these models take home is still a fortune by Cuban standards — not to mention the international exposure and potential for more lucrative jobs, should they get visas to emigrate from Cuba.

As Bornstein said, the appreciation these models have for gaining such prestigious work influences the conspicuous absence of "prima donna" attitudes prevalent among U.S. and European models — a welcome change for talent scouts in search of new faces.

Bornstein's website notes an interesting summary of modeling assignments and TV ads previously done in Cuba with Cuban fashion models. These include Omo detergent (for Danish TV), Nescafé (for Australian TV) and Axe body spray (for French TV).

Print ads shot in Cuba have appeared in *Vogue*, *Elle*, *Marie Claire*, *Petra* and *Allegra* magazines, and Spain's *Vanguardia* newspaper, as well as catalogs for the Madrid department store chain El Corte Inglés.

Besides The Havana Company, a modeling agency called Habanatopia is now being formed. Founder Romulo Sans, a Spaniard,

told *CubaNews* in a recent e-mail that he does not want to provide details for the time being.

As dynamic and catchy as it may sound for such modeling outfits to go to Havana and scout out attractive new faces on the cheap, there are some big negatives. These include bureaucratic red tape, a lack of infrastructure (which complicates production crews' ability to process film and equipment) and the ever-present "police-state" environment.

These and other problems cut into tight deadlines, which are often not respected in Havana.

One prominent Italian photographer, Fabio Fasolini of Milan's Studio FP, has worked with 20 to 30 Cuban models over the years.

Fasolini told *CubaNews* he's found himself having to work around the island's stifling police presence. "When I had problems with the Cuban government, I solved these situations alone," said the photographer, who's done shoots in Cuba for cosmetics maker Lancome and various European magazines.

Indeed, the local police usually suspects prostitution or other illicit activities when beautiful Cuban women are seen publicly with foreign men.

While photographers like Fasolini and modeling agencies have to grapple with local conditions in Cuba, the best hope for up-and-coming Cuban models is to travel to Europe to pursue their dreams.

Jean-Luc Brunel, owner of Paris-based Karin Models, did some photo shoots of Cuban models in the 1990s. He said that Europe is now the only alternative for these girls, due to restrictions stemming from the U.S. embargo against Cuba.

"They cannot come to the U.S. on a work permit," he said. "America is 50% of Karin's business. "Even for those who can go to America, the whole process is very long." □

Cuban exiles will soon be able to visit without visas

Effective Jun. 1, nearly all Cuban natives living outside Cuba will be able to visit the island of their birth without a visa, as long as they have a valid Cuban passport.

The decision "constitutes a new signal of goodwill by the revolutionary government, which is directed to keep facilitating ... contacts between Cubans who live abroad with their relatives living in Cuba," according to a statement issued by the Foreign Ministry.

The new policy could affect nearly a million Cuban-born people living in the United States, Latin America, Europe and elsewhere. It was confirmed in an e-mail to AP by Lazaro Hernández, a spokesman at the Cuban Interests Section in Washington.

The regime considers all people born on the island Cuban citizens, even if they've adopted citizenship of another country. But

until recently, most of them had to obtain a separate Cuban visa in order to travel there.

The new policy was announced in September by Foreign Minister Felipe Pérez Roque, whose office said the decision to drop the visa requirement was made despite "the renewed hostilities, the campaigns of lies, the blockade, the aggressive statements and terrorist action plans by the extreme right of Miami against Cuba."

It added that some Cubans could be excluded from the new relaxed policy "in cases of exceptional, repugnant or damaging activity against the country's interests."

The measure is timed to take effect just a few days after the conclusion of a long-delayed May 27-29 immigration conference expected to attract hundreds of overseas Cubans to Havana.

TOURISM

Army colonel is new tourism minister

The Castro regime has dismissed career bureaucrat Ibrahim Ferradaz as Cuba's tourism minister and replaced him with a younger military officer, in what appears to be an effort to put the country's most lucrative industry under the control of Cuba's Revolutionary Armed Forces (FAR).

Manuel Marrero Cruz, a 40-year-old colonel, was named to head the Ministry of Tourism in mid-February.

Marrero had formerly served as president of Grupo de Turismo Gaviota, a corporation owned by Cuba's Revolutionary Armed Forces. Gaviota controls about 8,500 of the island's 41,000 hotel rooms as well as a subsidiary that operates domestic tourist flights.

"This is another indication of the senior ranks of the FAR taking control of the economy's principal hard currency-earning sector, which is tourism," said Brian Latell, a scholar at the Center for International and Strategic Studies, in a phone interview with *CubaNews*.

"It reflects one of the Faustian bargains Castro has made for his regime to survive: to permit a corrupting force within the FAR."

No official explanation was given for Marrero's appointment, which merited a few terse lines in the Communist daily newspaper *Granma*. It came only a few weeks after another Gaviota executive, Manuel Vila, was made president of Cubanacán S.A., Cuba's largest tourism group.

Last November, Vila's predecessor at

Cubanacán, Juan José Vega, was fired, sparking rumors that millions of dollars had disappeared from the company, which employs 30,000 people and owns 51 hotels containing 13,000 rooms.

Industry officials said Vega and three other top executives at Cubanacán were fired for financial mismanagement and poor labor policies, though the Tourism Ministry denied that anyone had been fired for corruption or embezzlement.

Ferradaz, 54, had served briefly as minister of investments and cooperation before his appointment as tourism minister in 1999 to replace Osmany Cienfuegos, whose dismissal also followed the firing of several lower-level tourism officials.

According to a report issued last year by the University of Miami's Institute for Cuban and Cuban-American studies, "the Cuban military's diverse business ventures bring in an estimated \$1 billion a year. The military is not only a largely self-financing institution but a major player in the overall Cuban economy."

In 2003, Latell wrote that "most of the officers involved in enterprise management since the 1990s are cronies of Raúl Castro. They now control the lion's share of the economy, including Gaviota and the entire sugar sector. [Raúl] knew this would make them prone to corruption, but it was a risk he had to take, to assure the loyalty of the armed forces." □

TOURISM BRIEFS

CANADA STILL TOP SOURCE OF VISITORS TO CUBA

Cuba is now the 8th most popular tourist destination in the Americas, up from 23rd a decade ago, according to Radio Havana Cuba.

Canada sent the most visitors to Cuba during 2003 — some 450,000 people — which represents a 30% jump over 2002 figures.

Other important sources of tourism to Cuba were, in descending order, Italy, Germany, France, Spain, Great Britain and Mexico.

Total arrivals climbed 13% last year to 1,905,682, with officials expecting at least two million visitors this year. Tourism revenues, meanwhile, grew by 18.9% in 2003. That's 8% higher than the Caribbean area in general, say industry sources.

One out of nine tourists visiting the Caribbean last year came to Cuba, even with the exclusion of U.S. tourists, which represent almost 50% of all tourists visiting the Caribbean.

Cuba began the year 2004 with 40,963 hotel rooms (up from 39,553 at the beginning of 2003) distributed in 271 hotels, in which 70% are either four- or five-star hotels.

Out of the nearly 41,000 rooms, 19,960 rooms (48% of the total) operate under joint ventures with hotel chains led by Sol Meli, Superclubs, Accor, Blau, Red Deer, Sandals, Iberostar, Occidental Hoteles, LTI, Piñero, Hoteles C, Barceló, Venta Club and Riu.

HIGHER EURO PUTS PRESSURE ON INDUSTRY

Despite the impressive numbers, Cuba's tourism sector is under mounting pressure to lower its prices in Europe — the consequence of a weak dollar and an unusually strong euro.

Cuba is the only Caribbean country that sells its tourism product for euros in countries that use the currency.

That was an advantage when the euro was introduced in 2002, but these days — with the euro trading at 1.28 to the dollar — it makes Cuba's luxury hotels at least 30% more expensive for Europeans than similar resorts in Mexico or the Dominican Republic.

Foreign hotel managers and travel agents in Cuba worry that business will now go to cheaper destinations. Some of them have already dropped summer prices for selected European markets and are seeking to have price cuts for the winter in place before the Berlin tourism fair later this month.

LEISURE CANADA NAMES NEW PRESIDENT

Leisure Canada Inc., which is planning four major hotel resorts in Cuba, has named Guy Chartier president and chief operating officer.

Chartier, with over 20 years of experience in the travel industry, most recently served as president of Amero Capital, a Montreal-based corporate firm specializing in the financing, restructuring and strategic planning of hospitality, leisure and IT projects.

He's also worked for Wardair Canada, Senneville Hotels and Contiki Holidays Canada.

Details: J.J. Jennex, Investor Relations, LCI, Vancouver. Tel: (604) 990-9599. Fax: (604) 990-9584. URL: www.leisurecanada.com.

Cuba's latest lure: Cienaga de Zapata

Cuban state-tourism chain Horizontes Hoteles plans to boost adventure and risk attractions this year, with special emphasis on Cienaga de Zapata in southern Matanzas province.

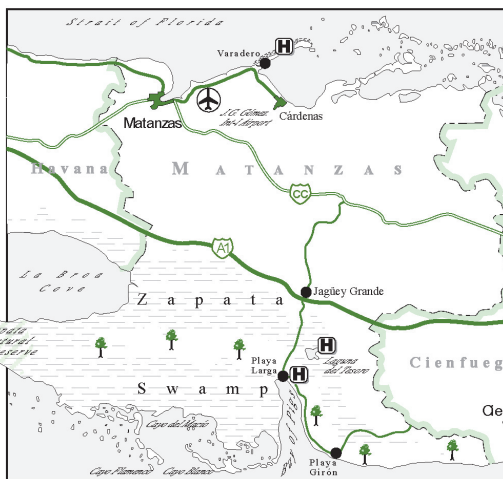
Cienaga de Zapata, one of the Western Hemisphere's most important swamps, covers 1,520 sq kilometers and is 175 kilometers long. The region, which extends from Punta Gorda to Jagua Bay along Cuba's south coast, offers excellent sites for nature tourism and scuba diving.

Cienaga de Zapata was declared a Biosphere Reserve by UNESCO in 2000, and is included in the list of Wetlands of International Importance by the Ramsar Convention, signed in Ramsar, Iran, in 1971.

The region is inhabited by hundreds of bird species, including hawks, hummingbirds and parrots, so it's an excellent spot for birding. Three diving centers, Playa Larga, Playa Girón and Caleta Buena, are staffed by internationally certified diving instructors.

Two hotels already serve tourists visiting the swamp: the 68-room Hotel Playa Larga and the 280-room Hotel Playa Girón.

More hotels are coming. Ceiba Finance Ltd., a British growth fund registered in the Channel Islands, says it's negotiating to re-



model an existing hotel or build a new one at the bone-fishing resort of Las Salinas. The project, to be marketed under the Grand Slam name, is part of an agreement signed Jan. 6 with state-run Rumbos S.A. to create a chain of small hotels across Cuba aimed at upscale visitors. □



BUSINESS BRIEFS

REPSOL YPF TO BEGIN DRILLING FOR GULF OIL

Spanish oil major Repsol YPF will start exploring for oil off Cuba by April at the latest, Reuters reported Feb. 24. The Castro government has granted Repsol the right to explore five blocks in the Gulf of Mexico off the west coast of Cuba.

"We have done the seismic studies ... and we are going to start the first survey at the end of March or at the start of April," said Repsol Chairman Alfonso Cortina. "These are high-risk areas, but we are optimistic."

In December, Cuba estimated its 2003 oil production at 260.4 million barrels, a 2.5% increase over 2002.

According to Reuters, foreign companies led by Canada's Sherritt International Corp. and Pebercan Inc. have joint ventures and production deals with state oil entity Cubapetroleo, and account for 60% of the island's oil and gas output. A 112,000-sq-km area in Cuba's Gulf waters was opened to foreign exploration in 1999.

Besides Repsol and Sherritt, which have signed exploration contracts, Brazil's Petrobras is doing a feasibility study in the area.

Details: Repsol YPF, Ave. 3ra y 78, Havana. Tel: +53 7 204-4789. Fax: +53 7 204-6597.

FORBES SAYS CASTRO IS WORTH \$150 MILLION

Fidel Castro has a personal fortune of \$150 million, says *Forbes* magazine, up from \$100 million in 1998.

Although Castro wasn't among the 587 on the *Forbes* billionaire list, he did make it into a special list for kings and heads of state.

"The fatigued Cuban leader has lorded over an impoverished nation of 11 million people for the last 45 years," according to the magazine's website. "El Líder is believed to have several lavish homes throughout Cuba. He travels exclusively in a convoy of black Mercedes-Benzes."

Six years ago, when *Forbes* ranked Castro one place below Queen Elizabeth II and three behind Saddam Hussein, he reacted angrily.

"They have accused me of all sorts of things, but never this. What right do they have to write such lies?" Castro fumed at the time. "All the judges of the world together cannot show that in nearly 40 years of revolution, any minister, high-level official or leader of this country has ever appropriated even one dollar from the state."

LA. PORT SEEKS EXPANDED TRADE WITH CUBA

Louisiana's Port of Lake Charles has decided to explore business opportunities with Cuba and lobby Congress to end trade restrictions against the Castro government.

On Feb. 23, the Lake Charles Port Board approved a letter of intent with Cuban food purchasing agency Alimport. Port Director Adam McBride told *CubaNews* that under the agreement, the port will "work together to provide competitive shipping arrangements and identify suppliers of agricultural products for Cuba."

McBride said that the port, with annual revenues of \$20 million, is the nation's largest export facility for agricultural bagged commodities. It is also a key importer of petroleum and energy products.

Last year, Port Charles handled 1 million tons of cargo, 40% of which was rice.

"Prior to the embargo, we were one of the largest export points for rice into Cuba," he said. "In recent years, since farm trade with Cuba has opened up, we have been shipping small amounts of rice to Cuba."

McBride told *CubaNews* he has not received any letters, phone calls or e-mails from angry Cuban-American exiles.

In December, Florida's Manatee County Port Authority approved a similar memo of understanding with Alimport — but only after port officials agreed to remove a 44-word sentence that encouraged the port to actively oppose the U.S. embargo against Cuba (see *CubaNews*, January 2004, page 12).

Details: Adam McBride, Director, Port of Lake Charles, PO Box 3753, Lake Charles, LA 70602. Tel: (337) 439-3661. Fax: (337) 493-3523. E-mail: amcbride@portlc.com.

FOREIGN TRADE CHIEF PUSHES CENTRALIZATION

Raúl de la Nuez, Cuba's foreign trade minister is defending the "recentralization" of trade, which involves — among other things — systematically reviewing the imports of all state-run companies and in some cases stripping them of import rights.

Sources say the Foreign Trade Ministry recently canceled the authority of 54 out of 69 companies to import PCs and computer parts.

"We are working with other state entities on a national wholesale distribution system for the most widely used products," the trade minister told the Cuban magazine *Opciones*.

De la Nuez insisted that centralization of imports like computers, tires, metals, wood and spare parts would increase efficiency.

Indeed, centralizing imports would increase bargaining power and lower prices, but it could also take companies longer to obtain products and possibly result in production disruptions and shortages.

CIENFUEGOS AIRPORT GETS \$750,000 FACELIFT

A \$750,000 expansion of Jaime González International Airport in Cienfuegos has given the facility two new terminals, a VIP lounge, a clinic, a cafeteria and a modern waiting hall.

Rogelio Acevedo, president of the Cuban Civil Aeronautics Institute, praised the workers who completed the expansion in 85 days and said the newly remodeled facility will attract more foreign tourists to Cienfuegos and Cuba's south-central coastal area.

RUSSIANS OFFER CUBA CHANCE TO SETTLE DEBT

The Putin government has presented Cuba with proposals to settle Cuba's debt with the former Soviet Union and its outstanding debt to Russia.

According to Russia's Finance Ministry, Havana's debt to the USSR is denominated in transferable rubles, Soviet rubles and dollars, and hovers around \$25.2 billion. Cuba also owes part of a \$350 million credit issued by Russia in the early 1990s.

Other major debtors, according to the

Havana Club rum ranks No. 50 on top 100 spirits list

Havana Club rum now ranks 50th on the *Impact Databank* list of the world's top 100 premium distilled spirit brands, up from 53rd last year.

The index, published in *Impact's* Feb. 1 issue, shows that Havana Club sold 1.9 million nine-liter cases in 2003, up 10.7% from the 1.7 million cases sold in 2002. That follows impressive growth of 12.0% and 12.8% in the two previous years.

Even so, Havana Club's total worldwide sales are less than a tenth of that of its chief rival, Bacardi. As in previous years, Bacardi is still the world's most popular spirits brand, with 19.7 million cases of rum sold in 2003, a 1.5% gain over the 2002 figure of 19.4 million cases.

But Smirnoff, produced by Diageo PLC, is now running a close second, at 18.7 million cases, and is likely to overtake Bacardi next year if the famous vodka can sustain the 10% growth it enjoyed in 2003.

Havana Club rum is produced at distilleries in Santa Cruz del Norte and elsewhere in Cuba by Havana Club Holdings (HCH), a joint venture between France's Pernod Ricard and the Cuban government.

On Mar. 8, HCH will kick off a week-long celebration marking the 10th anniversary of

the venture, which is believed to generate annual sales of \$170 million and profits of around \$40 million. According to *Forbes* magazine, the Cuban government earns \$23 million a year in hard currency from HCH, since the state pays no taxes and can pocket more of the profits than Pernod Ricard.

On Jan. 29, a division of the U.S. Patent and Trademark Office rejected motions to cancel the U.S. registration of the Havana Club trademark by HCH. That was a major defeat for Bacardi, which argued that the trademark had been registered at the PTO under allegedly fraudulent circumstances.

As always, Bacardi officials made themselves unavailable for comment.

Other rum brands listed in *Impact's* top 100 index include Diageo's Captain Morgan (No. 11, with 5.6 million cases); Brugal of the Dominican Republic (No. 17, with 4.0 million cases); Pernod Ricard's Montilla (No. 46, with 2.0 million cases); Bacardi's Castillo (No. 57, with 1.6 million cases); Diageo's Cacique, bottled in Venezuela (No. 64, with 1.5 million cases); Santa Teresa, also from Venezuela (No. 70, with 1.4 million cases) and Jamaica's Appleton Estate (No. 90, with 1.1 million cases).

University of Miami's Cuba Transition Project, are Japan (\$2.33b); Argentina (\$1.97b); Spain (\$1.82b); France (\$1.69b); Venezuela (\$821m); China (\$682m); Italy (\$486m); Mexico (\$400m) and the United Kingdom (\$389m).

Cuba also owes the Netherlands (\$326m); Germany (\$290m); Czech Republic (\$227m); Belgium (\$218m); Canada (\$145m); Panama (\$100m); Switzerland (\$69m); Austria (\$63m); Brazil (\$40m); Trinidad & Tobago (\$30m); Uruguay (\$30m) and Sweden (\$22m).

Details: Cuba Transition Project, PO Box 248174, Coral Gables, FL 33124-3010. Tel: (305) 284-2822. Fax: (305) 284-4875.

CUBA, ARGENTINA NEGOTIATE DEBT RELIEF

Cuba is seeking agreements that would boost its trade with Argentina by 50%.

During the last eight years, bilateral commerce reached \$891.2 million, with a favorable balance of \$752.4 million for Argentina.

Foreign Minister Felipe Pérez Roque is attempting to negotiate the island's \$1.97 billion debt with Argentina (*see previous news item*) as well as cement the rapidly improving ties between Buenos Aires and Havana.

Nestor Kirchner, who became Argentina's president in May 2003, last year changed its 10-year-old policy of condemning Cuba's human rights violations at the UN and voted for the first time to abstain. That drew the wrath of the Bush administration but elicited praise from Fidel Castro, who's invited Kirchner for an official visit to Cuba next month.

KORDA DAUGHTER SUES RSF OVER IMAGE OF CHE

The daughter of famous Cuban photographer Alberto Korda is suing the French human rights group Reporters sans Frontières (RSF) for 1.14 million euros.

Diana Díaz López, who lives in Cuba, contests RSF's unauthorized use of Korda's famous 1960 portrait of Che Guevara in his trademark beret, in a campaign against the Castro government's repression of press freedom.

In June 2003, Díaz López took RSF to court in Paris, demanding that the group stop using the Korda photo altogether. The organization did so, but continued to store the offending

signs and posters in its Paris office (*see CubaNews, September 2003, page 9*).

"It's a question of principles and of law. We are going after everyone who betrays the moral rights of my client," said Díaz López's lawyer, Randy Yaloz. "Is RSF above the law?"

RSF's president, Robert Ménard, responds that the cause of press freedom in Cuba is more important than protecting the rights of the deceased photographer's daughter. "The Castro regime wants to destroy that cause, and this photo is a good pretext," he said.

Details: Lucy Morillon, RSF, 5 rue Geoffroy-Marie, 75009 Paris, France. Tel: +33 1 4483-8484. Fax: +33 1 4523-1151. E-mail: communication2@rsf.org. URL: www.rsf.org.

OFAC: EDITING CUBAN MANUSCRIPTS IS ILLEGAL

The Treasury Department's Office of Foreign Assets Control (OFAC) is warning publishers they could "face grave legal consequences for editing manuscripts" from any of the countries under U.S. sanctions, the *New York Times* reported Feb. 28.

"Anyone who publishes material from a country under a trade embargo is forbidden to reorder paragraphs or sentences, correct syntax or grammar, or replace 'inappropriate words,' according to several advisory letters from the Treasury Department in recent months," said the *Times*.

"Adding illustrations is prohibited, too," it said. "To the baffled dismay of publishers, editors and translators who have been briefed about the policy, only publication of 'camera-ready copies of manuscripts' is allowed."

The OFAC letters concerned Iran, but experts quoted by the *Times* say that logic "would seem to extend to Cuba ... and other nations with which most trade is banned without a government license."

Details: www.treasury.gov/offices/eotffc/ofac/sanctions/t11cuba.pdf.

OFFICIAL JOBLESS RATE DROPS TO 2.3%

Cuba's unemployment rate came to 2.3% in 2003, according to Alfredo Morales, the minister of labor and social security.

Morales told Spanish news agency EFE that Cuba has over 4.6 million job positions, of which 128,122 were created last year — 48% of them in Cuba's eastern provinces.

He added that Cuba's unemployment rate is one of the lowest in the world and equivalent to what the European Union has targeted for its member nations by 2010.

Of course, the unofficial figure is significantly higher, and tens of thousands of Cubans are clearly underemployed, though no one knows exactly how many.

ORBIS BRINGS 'FLYING EYE HOSPITAL' TO CUBA

ORBIS International, a nonprofit organization dedicated to eliminating avoidable blindness worldwide, on Feb. 23 began a hands-on medical skills exchange program in Cuba that will run until Mar. 19.

The program will be conducted onboard ORBIS's "flying eye hospital," a state-of-the-art training and surgical facility within a converted DC-10 aircraft.

During this four-week program, 42 medical professionals from 15 nations will travel to Manzanillo and Havana to deliver training and resources directly to Cubans in need of specialized eye care treatment. This visit will mark the seventh time ORBIS has traveled to Cuba since its first visit in 1991.

The ORBIS team will place special emphasis on the areas of cornea, cataract, oculoplastics, glaucoma and pediatric ophthalmology, which are often under-diagnosed or under-treated in developing countries.

"ORBIS's DC-10 program serves as an international ophthalmic symposium for Cuba, and is often a catalyst to new initiatives," said the group's president and executive director, Kathy Spahn.

The world's only flying eye hospital features a complete on-board operating room, laser exam room, sterile room, recovery room, technical training center, and a 48-seat classroom.

While surgery is taking place in the operating room, doctors and nurses sitting in the classroom will be able to watch procedures live via 16-cameras and 54-monitors and ask questions via a 2-way audio system. Eye surgeries will also be beamed live to hundreds of trainees in a nearby auditorium.

Details: Tamara Hood, Media Relations Dir., ORBIS Int'l, 520 8th Avenue, 11th Floor, New York, NY 10018. Tel: (646) 674-5570. E-mail: thood@ny.orbis.org. URL: www.orbis.org.

Prensa Latina LAUNCHES WEBSITE IN ENGLISH

Prensa Latina, a news agency owned by the Cuban government, has inaugurated an English-language website designed to make available up-to-the-minute news to a potential market of over 3 billion people worldwide."

Leonel Nodal, editor-in-chief of Prensa Latina's foreign language services, said Feb. 17 that the new service would "prioritize news from Cuba, Latin America and the Caribbean, while at the same time covering important events in other regions of the world."

Besides its usual fare of political news, the new service features special sections on economics, the arts, entertainment, science and technology, sports and tourism. Elsy Fors, a veteran Cuban journalist, will manage the new website on a day-to-day basis.

Details: Prensa Latina, Havana. Tel: +53 7 832-1957. Fax: +53 7 33-6968. URL: www.plenglish.com.

CUBA PROMOTES 'ULTRA-FROZEN' LOBSTER

Cuba has begun production of "ultra-frozen" lobster, according to the country's Ministerio de la Industria Pesquera. It's part of an effort to boost seafood exports, reports the newspaper *Trabajadores*.

Ultra-frozen means maintaining the lobster at very low temperatures with nitrogen, which preserves aroma, flavor and texture. The industry is also seeking ways of adding value, such as selling lobster in halves and looking for more attractive presentations.

Cuba is also making gains with cultivated shrimp by introducing a species known as vanamei, which commands higher prices on the international seafood market.

BUSINESS GUIDE TO CUBA

The *Business Guide to Cuba* is the most comprehensive research report on Cuban business and politics available today.

With more than 300 pages of exclusive information, data, charts and maps on all productive sectors of the economy — as well as a list of official contacts, business practices and even Cuban street slang — the *Business Guide to Cuba* is your No. 1 resource on potential investment opportunities and pitfalls in this emerging market.

Copies of the guide are available for only \$99 each, shipping and handling included.

To order your copy, call us toll-free today at (800) 365-1997, fax us at (301) 365-1829 or send an e-mail to larry@luxner.com. Visa, MasterCard and Amex accepted.

SMALL BUSINESS

Havana's El Aljibe, established in 1947, still draws crowds

BY TRACEY EATON

Sergio Garcia Macias runs one of Cuba's most popular eateries, featuring a 56-year-old secret recipe for roast chicken that has drawn the likes of Hollywood star Jack Nicholson and former President Jimmy Carter.

In the capitalist world, Garcia would probably be a millionaire, some kind of poultry king, maybe even the chicken czar of the Caribbean. But he shrugs at the thought and says he isn't bitter, at least not now, four decades after Cuba's socialist government nationalized his family business.

"My biggest satisfaction isn't money. It's seeing that a customer is satisfied," Garcia said from his restaurant, El Aljibe. "This restaurant is my life."

El Aljibe is among the many Cuban institutions that faded away soon after the revolution, only to be rescued years later to help prop up the ailing economy. Others include two of Ernest Hemingway's old haunts, La Bodeguita del Medio and El Floridita in Old Havana, and the majestic Hotel Nacional, a favorite of 1950s Hollywood that has been renovated for today's visitors.

These vintage attractions draw tens of thousands of tourists a month, pumping millions of dollars into the economy. And like El Aljibe, they're among the crown jewels of Cuba's \$2-billion-per-year tourism industry.

A big chunk of the profits, no doubt, would be going to Garcia and other innovators if not for the socialist revolution. But he points with pride to other gains, saying, for instance, that a share of El Aljibe's revenues goes toward his country's universal health care system.

Garcia pulls a sheet of paper from his jacket pocket and reads the latest numbers: Over the last decade, \$777,444.31 in El Aljibe profits have gone toward health care. This year alone, he said, the figure will exceed \$70,000.

EL ALJIBE'S HUMBLE BEGINNINGS

Garcia, 73, said he never dreamed his roast chicken would become such a smash.

He and his older brother, Pepe, 82, opened their first restaurant, El Aljibe's predecessor, in 1947. Located in the countryside west of Havana, it was called Rancho Luna.

Their late mother, Tona Macias, came up with the chicken recipe. Garcia won't reveal any family secrets but says the recipe includes garlic and bitter orange, a key ingredient that softens the meat.

Whatever it was, customers liked it, he said. "We started with nothing and did no advertising. I was just 17. We were very poor. But clients came, and the business grew and grew."

Back then, Rancho Luna was a rustic place, topped with a thatched roof. And the brothers did things the old-fashioned way. They used coal, the same kind used to power locomo-



Sergio Garcia in his kitchen at El Aljibe, Havana.

tives, to heat their ovens.

Customers soon included Hollywood stars Errol Flynn and Ava Gardner, undefeated boxer Rocky Marciano, baseball great Stan Musial and many more.

"Cuba had a class society then. There were rich and poor. But Rancho Luna brought together everyone, Cuban millionaires, sports stars, working-class electricians. Once you got to Rancho Luna, the class differences disappeared. Everyone was the same," said Garcia's son, Sergio, who helps operate El Aljibe.

The Garcia brothers soon expanded, opening a second Rancho Luna in Havana's Vedado neighborhood.

Times were good, though it wasn't always easy. Garcia recalled going out at 2 a.m. to buy rice, chicken and produce for the restaurants. The streets weren't safe — the police had a reputation for being brutal and corrupt — and Garcia said he regularly had to bribe government inspectors to stay in business.

But he learned and adapted. The money started rolling in, and his \$2.50-a-plate chicken wasn't the only reason.

Garcia invented a dice game called The Liar and it became a sensation at his restaurants. Casinos were legal then, and Charles "Lucky" Luciano, Meyer Lansky and other American mob leaders held sway.

BACK TO THE KITCHEN

After the 1959 revolution, the state began nationalizing private businesses — or stealing them, depending on your point of view.

The idea was to put land and businesses in the hands of a benevolent state that would not exploit the people, Castro loyalists say. The regime also seized American-owned property, then worth \$1.8 billion.

The confiscations went on until 1968 when

about 50,000 remaining enterprises, nearly all owned by Cuban families, were seized, according to Carlos Alberto Montaner, a prominent Castro critic and author.

"To own property was a path to power, and Fidel Castro was determined that nobody on the island would have power except himself," Montaner wrote in the book, "Journey To the Heart of Cuba."

The original Rancho Luna closed in 1961. The second restaurant in Vedado shut down two years later. Garcia went from job to job in the government, handling administrative duties for state-run restaurants. But these were desk jobs far from the place he loves — the kitchen.

That changed in 1993. Cubanacán, the island's No. 1 chain of state-run restaurants, hotels and shops, asked if Garcia would help revive Rancho Luna. He agreed and it opened under a new name, El Aljibe.

FAMOUS PATRONS

Word of his famed roast chicken again spread, and soon El Aljibe resembled his restaurant of old, drawing everyone from director Steven Spielberg and actor Danny Glover to Roman Catholic cardinals from the Vatican and members of the Kennedy family.

"I have a deep sentimental attachment to El Aljibe and not just because of the superb chicken," said Wayne Smith, the top U.S. diplomat in Havana during the Carter administration.

"When I was in Cuba the first time in, as third secretary of the old American Embassy from 1958 to 1961, my wife and I ate frequently at Rancho Luna. In fact, it was one of our favorite places. You would see everyone from movie stars and prominent people to common folks, all having a good time."

Supermodel Naomi Campbell is another fan. During one visit to the island, she ordered take-out from El Aljibe for 25 people.

A chicken meal now fetches \$12 — the monthly wage for the average Cuban — and includes rice, beans, fried potatoes and salad. Customers can eat all they want, and many do. Fidel Castro hasn't eaten at the 260-seat restaurant, workers say, but he did stop by to pick up Spielberg one day and they drove off in a Mercedes for a long conversation.

The restaurant, located in Havana's Miramar district, operated all this year, despite major renovations. Workers erected a tent next to the restaurant while the floor and roof were replaced and customers, including visiting U.S. lawmakers, continued to pour in. It also stayed open when hurricanes Isidore and Lily swept across the island in 2002.

"We didn't stop service for a minute. Everyone else closed," said Garcia. "We got a lot of business because we were the only ones open." □

This story originally appeared in The Dallas Morning News and is reprinted with permission.

BOOKSHELF

The Cuban family; Lonely Planet's Cuba

Rosemarie Skaine's new book, "The Cuban Family: Custom and Change in an Era of Hardship," explores how relationships of blood, marriage, sex, and residence work in each type of Cuban family, particularly as it is affected by Cuba's struggle to transform its economy.

It also examines historical perspectives on the contemporary Cuban family, ethnicity and race, marriage, the extended family, the emigrating family, U.S. citizenship issues, religion, and the Cuban-American family.

The 232-page book (ISBN #0-7864-1677-7) costs \$38.50 and is the latest work by Skaine, an Iowa sociologist who has also written "Paternity and American Law" (2003), "The Women of Afghanistan Under the Taliban" (2002), "Women College Basketball Coaches" (2001), "Women at War" (1999) and "Power and Gender" (1996).

Tables list such details as population numbers, age, life expectancy, growth, birth, and death rates, immigration and mortality rates, HIV rates, and literacy.

Skaine says her new book also includes narratives of childhood memories from pre-revolutionary Cuba to the late 20th century, providing fresh insights into the cultural value attached to the family.

Details: McFarland & Company Inc. Publishers, PO Box 611, Jefferson, NC 28640. Tel: (336) 246-4460. Fax: (336) 246-5018. URL: www.mcfarlandpub.com.

Bro-Tech fined \$250,000 for Cuba deal

Nearly two years after they were convicted and then granted a new trial, a Pennsylvania company and two of its officials pleaded guilty yesterday to violating the U.S. embargo on trade with Cuba.

Bro-Tech Corp. and its vice-president, Donald E. Brodie, pleaded guilty to one count of violating the Trading with the Enemy Act, reported the *Philadelphia Inquirer*. U.S. District Judge Mary A. McLaughlin immediately imposed a stipulated sentence: a \$250,000 fine for the company and one year's probation and a \$10,000 fine for Brodie.

James E. Sabzali, Bro-Tech's marketing director, pleaded guilty to one count of smuggling. He was sentenced to a year's probation and fined \$10,000.

Lawyers for the company and Brodie declined to tell the *Inquirer* why they pleaded guilty. The unusual plea agreement and stipulated sentence appeared to have been an effort by defendants and prosecutors to cut their losses and avoid a protracted retrial and further appeals.

Had Brodie and Sabzali been reconvicted, they would have faced no-parole prison terms of three to four years and fines of up to \$250,000.

Lonely Planet has published the third edition of its popular Cuba guidebook, and the *Sunday Times* of London says the new version by Conner Gorry (ISBN #1-7405-9120-8) — and sold in the U.S. for \$21.99 and in the United Kingdom for £12.99 — is the best one yet.

"So, what has changed?" writes *Times* critic Anthony Sattin. "Well, at first sight it looks very much like the old guide, but there are some significant improvements between the covers: a totally revamped introduction, a rewritten history section and a new chapter on food and drink. And the mapping has improved, though for Cuba I still find it too dark on the page [the 468-page guidebook contains 28 pages of color photos and 77 maps]."

"Perhaps the greatest change is the move from its backpacker origins to the centre stage. Here is a book designed to suit most, if not all, of us," writes Sattin.

"Take the coverage of Varadero, for instance. The Caribbean's largest resort is just the sort of place old-style Lonely Planet authors might have damned, but Gorry is extremely polite, pointing out that it 'lacks a certain intimacy,' unsurprising for a resort of some 15,000 rooms.

"The emphasis on recommended hotels and restaurants has also shifted away from budget places and now has plenty of top-end, mid-priced and family suggestions. All this makes for an impressive book."

URL: http://shop.lonelyplanet.com/product_detail.cfm?productID=2260&affil=lpdp.

"After almost four years of litigation, Mr. Brodie and his family are gratified to be able to get this behind them and move along with their lives," Brodie attorney Steven Kimelman told the *Inquirer*.

Assistant U.S. Attorney Joseph G. Poluka conceded that difficulties of a retrial were part of the government's decision, but he added that Bro-Tech and the two executives pleaded guilty to felonies and paid fines in full.

The indictment alleged violations of the U.S. ban on trade with Cuba involving sales from 1992 to 2000 of about \$2 million worth of ion-exchange resins used in water purification. Bro-Tech sold the chemicals through foreign firms in Canada, Mexico, Italy, Spain and the United Kingdom that have offices in Cuba.

The Brodies testified in their defense, saying they never intended to violate the Cuban embargo but also acknowledging they did not challenge Bro-Tech employees when they heard the resins might be sold to Cuba.

The trial drew intense interest in Canada, which does not honor the Cuban embargo and whose law prohibits Canadian firms from complying with the trade ban. Prosecutors argued that foreign nationals in the United States are bound by U.S. laws. □

AGRIBUSINESS BRIEFS

OFFICIALS SAY URBAN AGRICULTURE A SUCCESS

Urban agriculture, a Cuban initiative begun in 1987, accounted for production last year of 3.7 million tons of fruits and vegetables.

Officials of Cuba's Agriculture Ministry say they expect to see a 300,000-ton increase in the 2004 figures, reaching 4.0 million tons this year for the first time.

Growth will be based on both an increase in the area devoted to urban agriculture, totaling 45,000 hectares, and a rise in yield due to better use of organic fertilizers, irrigation and local seed production.

Besides increasing food availability, urban agriculture has also created 320,000 jobs throughout Cuba, said the officials.

RAPCO WINS EXPORT CONTRACT FOR FIELD PEAS

An Illinois-based agribusiness consulting firm and an international trader have agreed to export 15,000 tons of dry field peas to Cuba later this year.

Risk Assurance Programs Co. (RAPCO) is now looking for Illinois farmers who want to participate in the program by planting crops of dry field peas.

"The yields are similar, if not better than, current soybean crops," said RAPCO's chief executive officer, Ron Hagemann.

Details: RAPCO, 1201 S. 7th Street, Rochelle, IL 61068. Tel: (815) 561-8664. Fax: (815) 562-5185. E-mail: rhagemann@rapco.us.

HOLGUÍN TO GET MODERNIZED CORN MILL

The eastern province of Holguín will soon have a state-of-the-art corn mill, after a nearly one-year upgrading process. The plant, which was used to process flour for over 20 years, was totally remodeled using technology supplied by the Italian firm Milservis.

According to Cuban media, the factory, which in 2004 will produce 120 tons of corn meal, including flavored meal, will have a packing line to sell its products in the domestic hard-currency market. Part of the \$2 million investment was used to install a line of electrofilters to prevent pollution.

In addition, a group of silos was built to store up to 1,300 tons of cereal, enough to guarantee a 15-day supply of the raw material.

CIEGO DE AVILA TO SHIP PINEAPPLES TO AFRICA

Experts from the Bioplants Center in central Ciego de Avila province are carrying out a broad research project, with an eye to exporting nearly one million in-vitro pineapple plants to Africa.

The center sent 195,000 pineapple plants to Ghana last year. Two European firms closed a deal with the center, due to the high quality of pineapple clones, which are highly demanded in other countries, because they meet international standards for weight and size, explained Ramón Santos Bermúdez, the center's director-general.

Cuba leads the Third World in obtaining in-vitro plants, especially fruit, ornamental plants, vegetables, timber and sugarcane.

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.

Mar. 4-13: "El Caballero de París," a poetic multimedia stage performance by Alonso Menendez about Spanish-born emigré and Cuban folk legend José María López Lledin. Cost: \$20. *Details: Here and Now 2004, Miami Light Project, 3000 Biscayne Blvd., Miami, FL 33137. Tel: (305) 576-4350. Fax: (305) 576-6480. URL: www.miamilightproject.com.*

Mar. 11: Andrew S. Natsios, administrator of the U.S. Agency for International Development (which funds the Institute for Cuban and Cuban-American Studies), to speak about Cuba at a Miami luncheon sponsored by ICCAS. Cost: \$30. *Details: ICCAS, PO Box 248174, Coral Gables, FL 33124-3010. Tel: (305) 284-2822. URL: www.miami.edu/iccas.*

Mar. 11-15: X Feria Internacional de la Información, Automatización y Comunicaciones Informatica 2004, Pabexpo, Havana. *Details: Melchor Gil Morell, Palacio de Convenciones, Havana. Tel: +53 7 57-4075. Fax: +53 7 57-4582. E-mail: melchor@mic.cu.*

Mar. 18-20: Literary Feasts 2004, Fort Lauderdale, Fla. Ann Louise Bardach to promote the revised edition of her book "Cuba Confidential: Love and Vengeance in Miami and Havana." *Details: Broward Public Library Foundation, 100 S. Andrews Ave., Fort Lauderdale, FL 33301. Tel: (954) 357-7381. URL: www.broward.org/library/literaryfeast/htm.*

Apr. 6-10: VII Feria Internacional de la Construcción/FECONS 2004. *Details: Ricardo Pérez, Palco, Havana. Tel: +53 7 881-8385. E-mail: ricardo@micons.netcons.com.cu.*

Apr. 27-30: 6th Annual Conference on Sustainable Tourism Development. Sponsored by Caribbean Tourism Organization and Association of Caribbean States. *Details: Ricardo Pérez, Palco, Havana. Tel: +53 7 881-8385. E-mail: ricardo@micons.netcons.com.cu.*

May 4-8: Expoagua 2004, Pabexpo, Havana. *Details: Minerva Ugalde Teyra, Palacio de Convenciones, Havana. Tel/Fax: +53 7 879-6786. E-mail: minerva@hidro.cu.*

May 21-28: St. Augustine-Baracoa Friendship Association humanitarian mission to Cuba. Cost: \$1,100 including airfare. *Details: Sali McIntire, PO Box 861086, St. Augustine, FL 32086. Tel: (904) 461-3175. E-mail: sole@aug.com. URL: www.staugustine-baracoa.org.*

Jun. 6-9: International Rum Festival 2004, Havana. Event, to coincide with 485th anniversary of Havana's founding, will feature nine rum brands: Havana Club, Legendario, Arecha, Santiago de Cuba, Mulata, Cubay, Bucanero, Varadero and Caney. *Details: Belkys Acosta, Dirección de Exportaciones y Ventas al Mercado Interior, Ministerio de la Industria Alimenticia, Ave. 41, #4455, Havana. Tel: +53 7 203-3518 x52. E-mail: belkys@minal.cu.*

IMAGES OF LATIN AMERICA

If your business needs high-quality photographs of Cuba — or anywhere else in the Americas — to illustrate annual reports, articles, brochures or presentations, you've come to the right place. Luxner News Inc. has nearly 15,000 color transparencies on file from South America, Central America, Mexico and the Caribbean, depicting a variety of topics from aerospace to zoology. We also have a growing selection of images from Europe, Africa and the Middle East. For more details, call **Luxner News Inc.** toll-free at (800) 365-1997 or search our website at:

www.luxner.com



CARIBBEAN UPDATE

You already know what's going in Cuba, thanks to *CubaNews*. Now find out what's happening in the rest of this diverse and fast-growing region.

Subscribe to **Caribbean UPDATE**, a monthly newsletter founded in 1985. Corporate and government executives, as well as scholars and journalists, depend on this publication for its insightful, timely coverage of the 30-plus nations and territories of the Caribbean and Central America.

When you receive your first issue, you have two options: (a) pay the accompanying invoice and your subscription will be processed; (b) if you're not satisfied, just write "cancel" on the invoice and return it. There is no further obligation on your part.

The cost of a subscription to **Caribbean UPDATE** is \$267 per year. A special rate of \$134 is available to academics, non-profit organizations and additional subscriptions mailed to the same address.

To order, contact **Caribbean UPDATE** at 116 Myrtle Ave., Millburn, NJ 07041, call us at (973) 376-2314, visit our new website at www.caribbeanupdate.org or send an e-mail to mexcarib@cs.com. We accept Visa, MasterCard and American Express.

CUBANEWS

Editor & Publisher
 ■ LARRY LUXNER ■

Washington correspondent
 ■ ANA RADELAT ■

Political analyst
 ■ DOMINGO AMUCHASTEGUI ■

Feature writers
 ■ VITO ECHEVARRIA ■
 ■ DOUGLASS G. NORVELL ■

Cartographer
 ■ ARMANDO H. PORTELA ■

Graphic designer
 ■ JESSICA MUDJITABA ■

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 to learn more about the newsletter.

From the U.S. mainland, Canada and Puerto Rico, call our toll-free customer service hotline at (800) 365-1997 to order a subscription.

From all other locations, call **CUBANEWS** collect at +1 301 365-1745, fax us at +1 301 365-1829 or send an e-mail to larry@luxner.com.

Contents may not be distributed by any means without prior written permission of the publisher.

Luxner News Inc. grants authorization to photocopy items for internal or personal use, provided the appropriate fee is paid directly to Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923. For details, call CCC at (978) 750-8400.