

# United Press International

Washington, DC

23 November 2007

## **Bush wants no Castro-swap in Cuba**

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At a White House briefing Tuesday on a speech Bush was to deliver Wednesday to Cuban dissidents at the U.S. State Department, officials said Bush will call on Cubans to demand democracy instead of accepting the year-old health-related power transition to the same communist rule, the Times said.

Bush will introduce relatives of four Cuban dissidents in Cuban jails for alleged political crimes to "put a human face" on the political oppression under the Castro brothers, officials said.

Bush was expected to make offers of incentives such as allowing religious groups to send computers to Cuba and expanding cultural exchanges, White House officials said.

However, John Kavulich, senior policy adviser at the U.S.-Cuba Trade and Economic Council, told the Times that angle would fall on deaf ears, as those incentives are already being provided to Cuba by Venezuela and China.

# The Miami Herald

Miami, Florida

29 October 2007

## Candidate denies Cuban ties cited in union mailer

A union attack ad that hit Hispanic mailboxes last week accused Miami Beach City Commission candidate Luis Salom of having business ties to "Fidel Castro's Communist regime." He calls it "a complete lie." Opponent Jonah Wolfson calls it "factual and documented information."

The facts: Salom worked for Cargill Inc., an international provider of food and agricultural services, from 1985 to 2000. His last title was vice president of sales and marketing for Latin America.

Cargill had foreign subsidiaries exporting goods to Cuba before 1992, when the United States banned such business, said John Kavulich, a senior advisor with the U.S.-Cuba Trade and Economic Council. The company resumed trade with the island nation after 2000, he said.

Salom, whose parents are Cuban, said he had no knowledge of, or ties to, Cargill's subsidiaries, and had nothing to do with Cuban trade.

The Communication Workers of America Local 3178, which endorsed Wolfson, sent the mailer "as is their First Amendment right to do so," Wolfson said via e-mail. Salom said reaction to the flier forced him to hire security guards.

-- TANIA VALDEMORO

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# The New York Times

New York, New York

24 October 2007

## Resist the Castros, Bush to tell Cubans

Ginger Thompson in Washington

THE US President, George Bush, was expected to issue a stern warning overnight that the US will not accept a political transition in Cuba in which power moves from one Castro brother to another rather than to the Cuban people.



Cristobal Herrera/Associated Press

A transfer of power from Fidel Castro, left, to his brother Raúl, without democratic reforms, is unacceptable, Mr. Bush says.

In a background briefing to reporters, an official said Mr Bush's remarks would amount to the most detailed response to the changes that began in Cuba more than a year ago, when Fidel Castro fell ill and handed power to his brother Raul.

Mr Bush will direct part of his speech to the Cuban people, telling them they "have the power to shape their destiny and bring about change". The call for Cubans to continue to resist is a particularly strong line, coming from an American president.

The speech, to be given at the State Department before invited Cuban dissidents, will introduce the relatives of four Cuban political prisoners. A senior Administration official said the US President wanted to "put a human face" on Cuba's "assault on freedom". Mr Bush will argue that, while much of Latin America has moved from dictatorship to democracy, Cuba continues to use repression and terror to control its people.

The Administration official said Mr Bush was expected to tell Cuban viewers that "soon they will have to make a choice between freedom and the force used by a dying regime". Some of the sharpest parts of the speech will be aimed directly at Raul Castro. Mr Bush is expected to make it clear that the US will oppose an old system controlled by new faces. The senior Administration official said the US would uphold its tough economic policies against the island.

Mr Bush would hold out the possibility of incentives for change, if Cuba demonstrated an openness, the official said. However, he is expected to reiterate the Administration's long-standing demands for free and transparent elections, and the release of political prisoners.

John Kavulich, the senior policy adviser at the US-Cuba Trade and Economic Council, said those demands would likely be non-starters for Cuba. He said the technology and educational opportunities Mr Bush intended to offer were being provided to Cuba by Venezuela and China. He suggested the real constituency for Mr Bush's speech was the politically powerful exile community in Miami.

Phil Peters, an expert on Cuba at the non-partisan Lexington Institute, said he saw Mr Bush's speech as an attempt to reorient a policy that had fallen behind the times. American policy, he said, had been centred on the idea that the communist government would fall once Dr Castro, 81, left power and that he would be forced out only by death.

Raul Castro's rise had caught the Administration off guard. Raul has consolidated his control over Cuban institutions by establishing his own relationships with world leaders and opening unprecedented dialogue with Cubans about their visions for their own country.

Meanwhile the doomsday scenarios predicted for Cuba once Fidel left power - a violent uprising by dissidents and a huge exodus of refugees - never materialised.

"The Administration realised they had missed the boat," Mr Peters said. "Succession has already happened."

# Las Vegas Sun

## Las Vegas, Nevada

### 22 October 2007

*“Corporate America should provide a ‘united front’ to the U.S. government for the benefit of the (hospitality) industries as a whole, and one that cannot be ignored for the benefit of Southern Florida politics.”*

*‘Cuba at the Crossroads,’* an essay co-authored by Michael LaTour, chairman of the UNLV marketing department, with Sergei Khrushchev and Tony L. Henthorne.

## UNLV professor's ideas about Cuba a hard sell

By Timothy Pratt

Michael LaTour, chairman of the UNLV marketing department, squeezed out a nervous laugh when asked, "Any calls from Miami yet?"

The professor had teamed up with Sergei Khrushchev - yes, the son of that Khrushchev - and just released an academic paper about the future of tourism in Cuba, days before the 26th anniversary of the missile crisis on the Caribbean island.

A brilliant marketing strategy.

The only problem is that selling ideas about Cuba is not as easy as, say, selling ideas about burgers.

LaTour has done both, having analyzed the In-N-Out chain in a recent paper. Now he's an author of "Cuba at the Crossroads: The Role of the U.S. Hospitality Industry in Cuban Tourism Initiatives," soon to be published in Cornell University's Hotel and Restaurant Administration Quarterly.

The paper, which also has a third author, hits you squarely from the start with one of the most fractured pieces in the puzzle of U.S.-Cuban relations since 1959: the embargo.

"The U.S. embargo has clearly been costly to the Cuban people," the first sentence says. The paper then describes "a deep degree of distrust between our two peoples" that one of its authors discovered in recent visits to the island, plus a review of the past 50 years of tourism in Cuba, which it says is on the upswing, and a call for "in-depth, multifaceted basic and applied cross-cultural research" as a basis for future U.S. tourism ventures in Cuba.

LaTour said "the basic premise" of the paper - future business in the so-called hospitality industry would have to be based on research aimed at discovering ways to overcome that distrust - was that of Khrushchev, son of the Cold War Soviet premier. "There are not many people walking the earth with more experience with the Cuban people," he added.

But all that doesn't appear to interest Rep. Lincoln Diaz-Balart, R-Fla. The Cuban-American congressman drafted much of the 1996 legislation that strengthened the U.S. embargo against Cuba, making the lifting of sanctions contingent upon the liberation of all political prisoners and the scheduling of free elections.

A e-mail exchange with Diaz-Balart's staffers produced a position paper in which the congressman argues against lifting the embargo. In doing so, he draws a parallel between the Soviet Union's former billions of dollars in aid to the island nation and the money U.S. tourism could contribute to its economy. "I would ask them to remember Grenada, Nicaragua, Angola, Eritrea," he warns.

Tony Alamo Sr. arrived from Cuba 46 years ago and is the former senior vice president of the Mandalay Resort Group. So he knows Cuba and casinos. Alamo said it's unlikely U.S. resorts would be interested in Cuba for the foreseeable future. "Businesses will follow where there is a perception of profit," Alamo said. "As long as there is a system (in Cuba) such as there is now, forget about it."

Not everyone knowledgeable about Cuba has such a deep stake in the issue, starting with not being Cuban. But they still have strong opinions.

John Kavulich, senior policy adviser for the U.S.-Cuba Trade and Economic Council Inc., a nonpartisan, nonprofit organization he founded in 1994 to provide information to U.S. businesses about Cuba, attacked one of LaTour's central premises: that researchers have something to say to big business when it comes to Cuba.

LaTour said in an interview, "There will not be effective U.S. business practices unless there's a blueprint and that's what research will provide. If his vision becomes reality, he added, "it's going to be a brave new world down there - based on research."

Kavulich cautions against that theory.

"U.S. hospitality companies do not need the assistance of academics," he said. "They've been gathering their own information ... for the last 20 years."

Another principle LaTour and company's paper puts forth is that future U.S.-Cuba ventures in tourism, hotels and related concerns must take the lead from Cuba to avoid the heavy-handedness the researchers contend Cubans fear.

But Washington-based international law attorney Robert Muse, recently returned from an economic fact-finding trip to Cuba, said that taking the lead from Cuba could make you doubt whether the island has much interest in tourism.

La Tour's paper includes data showing increasing numbers of tourists arriving in Cuba in recent years. The chart tops off in 2005. But Muse said there's been a drop in the past two years, amid a decline in infrastructure and service. "If you read this article cold, you would think this is an upward trend," he said. "It's not."

Kavulich noted that Cuba now relies on Venezuela and China for economic support and appears to have little interest in expanding the hospitality industry.

But beyond the relative weight of an academic paper in the hands of businessmen and women, or the paper's analyses of tourism data, there's one thing that can't be avoided if you're writing about Cuba, which is politics.

LaTour appears to think that even politics can be swayed by papers such as his. Cuban exiles, he said, "are still going to have to rely on research" when it comes to future decisions. "It has to be based on science, not emotions," he added.

Muse cuts to the quick here.

"To realize the vision of these authors, it would require an act of Congress. That's a powerful enthusiasm-deflating force for businesses," he said. In the end, the authors appear well-meaning, the attorney said. "But (their paper) shows a lack of appreciation for and an underestimation of the brutal realities of the politics involved."

# Star Tribune

## Minneapolis, Minnesota

17 October 2007

### **State's Ag chief going to Cuba to scout possibilities for trade**

**Politics and high prices have hurt Minnesota farm exports, while leaders are wondering what business might look like after Castro.**

By Kevin Diaz

WASHINGTON - Strolling on the veranda of Havana's Hotel Nacional on a humid September day in 2002, Jesse Ventura puffed on genuine Cuban puros and talked up a future of tall orders for Minnesota farmers.

Five years later, farmers like Ralph Kaehler have done millions of dollars in business with the Cubans, sticking it out through the ups and downs of Fidel Castro's turbulent relations with his Yanqui neighbors to the north.

Next month, Minnesota Agriculture Commissioner Gene Hugoson will go to Havana to check on the state's declining business prospects, and, with the aging dictator ailing, to see firsthand what a post-Castro business environment might look like. "A lot of it is just showing interest," Hugoson said. "I believe there will be more openness down the road."

Hugoson, who was part of Ventura's trade mission in 2002, is no stranger to Cuba. But it is likely to be a very different Cuba he sees.

"The communications back from Havana have been quiet lately," said Kaehler, a St. Charles farmer and a pioneer in cattle sales to Cuba.

Kaehler and other frequent business visitors to Cuba report just as much hunger for food buys, but more weariness about depending on U.S. suppliers who face many bureaucratic obstacles at home. Visitors see Castro far less often.

"We're seeing a post-Castro era unfold before our very eyes," said Kirby Jones, founder and president of the U.S. Cuba Trade Association, a Washington group that promotes open trade with the Communist island nation.

Kaehler, who has been to Cuba a dozen times since his sons, Cliff and Seth, became special guests at Castro's 2002 trade show, says the Cubans are still buying. Just not as much.

Minnesota agricultural exports to Cuba, which had grown to \$22 million in 2005, dropped to \$18.3 million last year, according to the Minnesota Agriculture Department.

Total U.S. farm exports to Cuba dropped to \$321 million last year, down from \$346 million in 2005. The reason, according to Kaehler and others who do business with Cuba, is part price-squeeze and part politics.

Spiking worldwide prices in soybeans and corn have limited what the cash-strapped regime can buy. Soybeans and corn are Minnesota's leading farm exports to Cuba.

Another factor is crude-oil prices, which have hit record levels, taking shipping costs up with them.

That, along with Bush administration edicts requiring cash-up-front sales, has lessened the cachet of doing deals in Havana, where locals still carry food-rationing cards.

'Room for improvement'

"It's not easy," said Tim Courneya, vice president of the Frazee, Minn.-based Northarvest Bean Growers Association, which has seen U.S. sales of dried beans to Cuba level off to around 10 percent of the 80,000- to 100,000-ton market they once hoped it could be. Still, he says, there's hope for more.

In retrospect, it turns out Ventura's trip came at something of a high-water mark in trade relations between Cuba and the United States, which slapped an economic embargo on the Castro regime shortly after the 1959 revolution.

As Ventura announced his trip, Congress was considering easing travel restrictions to Cuba, and Minnesota food companies such as Hormel and Cargill were filling cash food orders that had been made legal under the 2000 Trade Sanctions Reform and Export Act.

Then came the 2002 trade expo, which was sanctioned by the U.S. government, even if top Bush administration officials remained critical of U.S. business ties to Cuba.

The following year, the regime imprisoned dozens of dissidents and journalists, and three men were executed after trying to hijack a ferry to leave Cuba. Support for loosening the trade embargo seemed to evaporate in Congress.

John Kavulich, a trade analyst who was involved in the 2002 expo with Ventura, said efforts to revive the show in 2003 were nixed by administration aides in the White House.

This year in Congress, the House voted 245-182 to reject an initiative easing restrictions on farm sales to Cuba, including a proposal to allow the Cuban government to pay for goods after they are shipped from a U.S. port, rather than before as now required.

Given the vagaries of U.S.-Cuban politics, most observers believe the Cubans have decided to diversify their line of suppliers, even if the United States still remains the Caribbean nation's top provider of food.

Where Cuba once favored U.S. food products in hopes of normalizing relations with the United States, it now looks elsewhere in hopes of pressuring the administration to ease trade restrictions, Kavulich said.

The Nov. 5-10 trade show Hugoson plans to attend is sponsored by the Cuban government. Nearly 2,000 companies from around the world are expected to attend.

In an invitation, Pedro Alvarez Borrego, chairman of Alimport, the regime's food-purchasing arm, calls it "a great opportunity to take the pulse of the Cuban market."

For Minnesota sellers like Kaehler, that means more competition for Cuba's limited food coffers. "All those other countries are sucking the money out," he said.

# The Wall Street Journal

New York, New York

30 July 2007

## House Vote Rejects Efforts To Ease Cuba Trade Restrictions

By DAVID ROGERS

Anti-Castro lawmakers in Congress are delighted by a House vote last week rejecting efforts to ease restrictions on financing for U.S. agricultural exports to Cuba.

The 245-182 vote quashes speculation that the new Democratic Congress will change U.S.-Cuban policy substantially. Rep. Debbie Wasserman Schultz (D., Fla.), a favorite of her party leaders, helped deliver 66 Democratic votes against an amendment sponsored by the House's chief tax writer, Ways and Means Committee Chairman Charles Rangel (D., N.Y.).

"The message is very clear," said Rep. Lincoln Diaz-Balart (R., Fla.). "There will be no possibility of a relaxation of sanctions until there is a democratic constitution in Cuba."

Most striking, the fight came on an issue touching on agriculture, always a weak point for proponents of the U.S. trade embargo, which was relaxed in the last years of the Clinton administration to allow U.S. exports of food and medicine.

The Bush administration has since imposed tough payment regulations that critics contend are overly burdensome, effectively requiring cash in advance of any shipment from American ports. Rep. Jo Ann Emerson (R., Mo.) has waged a running battle in the annual Treasury Department appropriations bill to try to get Congress to override these rules and allow cash on delivery. As recently as June 28, pro-embargo forces made a strategic decision not to force a House vote on Ms. Emerson's language.

But Mr. Rangel went further. His amendment -- offered to the farm bill last week -- would have allowed direct payments to U.S. banks and permitted visas for Cuban officials traveling to the U.S. to inspect agriculture export facilities. "It went too far. We could not let it go," said Ms. Wasserman Schultz.

The timing also left the chairman vulnerable. The farm bill happened to come to the floor after advocates of Cuban sanctions had mounted a lobbying campaign in Congress; the vote on the Rangel amendment was just a day after Raul Castro, Fidel's brother, had addressed his nation on Revolution Day; and Ms. Wasserman Schultz warned colleagues against adding a politically volatile issue to the farm bill.

Undaunted, Mr. Rangel described the amendment as a "real win for America and a win for American farmers." But even pro-trade allies were skeptical. "His timing was horrendous," said John Kavulich, a senior policy adviser to the U.S. Cuba Trade and Economic Council.

"It's the best we've ever done on any vote that has an ag aspect," said Mr. Diaz-Balart. Ms. Wasserman Schultz, who worked with another Democrat, Rep. Albio Sires of New Jersey, said the 66 Democratic votes represent a solid core now that won't be easy to shake.

"The message is: there has not been a lessening of support for the sanctions against Cuba," Rep. Wasserman Schultz said. "Among Democrats there is a solid base for pushing for reform on the island."

# USA TODAY

Arlington, Virginia

20 July 2007

## Alabama farmers want to export more to Cuba



By Gary E. Tramontina for USA TODAY

Poultry farmer Dorman Grace inspects feed in front of the chicken houses on his farm in Jasper, Ala., earlier this month.

By Marty Roney, USA TODAY

JASPER, Ala. — Dorman Grace looks over his north Alabama farm and wonders how chickens may play a role in ending the trade embargo between Cuba and the United States.

Grace, a third-generation poultry and cattle farmer, and others like him, are already able to do business with Cuba under a law passed by Congress in 2000 allowing the sale of humanitarian and agricultural products to the island nation, which slightly eased the trade embargo in place since 1962.

Since the law began to be implemented in 2001, Cuba has imported about \$1.55 billion in goods from the United States, according to the U.S.-Cuba Trade and Economic Council. The Cuban market is large: The nation imports half to two-thirds of its staples, according to a July U.S. International Trade Commission report.

Alabama has been aggressively taking advantage since 2003.

The U.S. Commerce Department estimates Cuba will import \$300 million to \$350 million in goods from the USA this year. Alabama will provide about a third of that, at \$100 million to \$120 million in goods, according to the state's Department of Agriculture and Industries.

That's consistent with recent history. Alabama businesses exported \$100 million or more of goods to Cuba in each of the past three years, according to state figures.

A 2005 Texas A&M study showed Arkansas leading the nation with exports to Cuba, with an estimated \$167 million in trade a year. Alabama was second at \$120 million, followed by California (\$98 million), Iowa (\$71 million) and Texas (\$54 million). Many Alabama farmers would like to see that business expand further.

"It's a global world we live in," says Grace, 51, whose farm produces about 110,000 chickens a year. "We need markets for what we produce. Unlike the American market, the Cuban market prefers dark meat, so that's beneficial. We trade with countries around the world. Why not Cuba?"

Last year, 66% of the wheat imported by Cuba came from the USA. Other staples imported included: corn, 71%; rice, 77%; poultry, 65%; pork, 42%; soybeans, 100%; and animal feed, 76%, according to a July U.S. International Trade Commission report.

The effort has even reached state-controlled media in Cuba. The Granma daily newspaper, which on its website proclaims it the "Official Organ of the Central Committee of the Communist Party of Cuba," is printed on newsprint made at three south Alabama paper mills, according to Ron Sparks, Alabama's commissioner of Agriculture and Industries.

Grace has worked with Sparks since he was elected commissioner in 2002 on increasing trade with Cuba.

"When I was elected to my first term, the poultry farmers in the state were in a bind. Agriculture as a whole was in a bind," Sparks says. "We needed to expand our markets. Cuba is a natural trading partner. Cuba only raises 30% of what they eat. There are 11 million people in Cuba who need to eat." Sparks says he knows many people disagree with his position.

"There's a lot of folks in South Florida who have a different opinion than I do," he says. "I hope they see we are trying to make it better for the Cuban people. We're not selling them bullets or tanks or aircraft. We are selling them peanut butter, syrup and shingles."

Sales have been somewhat limited by requirements that Cuba make the payments in full before shipments leave American ports.

Secretary of Commerce Carlos Gutierrez said earlier this year that it would be "naive" to think that easing trade restrictions would improve conditions in Cuba. He spoke about the embargo at a Council of the Americas meeting in Washington. "The question is not when will the U.S. change its policy. The question is when will the Cuban regime change its policy," he said. "Years of foreign investment have not improved the lives of average Cubans, only the lives of those in power."

Many Alabama farmers, however, see trade as a positive for both countries.

"I love my country, and I think capitalism holds the most promise for the world," says Sam Peak, who owns about 300 acres of timberland in central Alabama. He sells trees through a broker to Cahaba Pressure Treated Forest Products in Brierfield, Ala. The company sells poles and lumber products to Cuba.

"Who knows, maybe expanded trade with Cuba could lay the groundwork for real change in that country," Peak says. "Sooner or later, the markets in Cuba, all the markets, are going to open up."

#### **PERMITTED EXPORTS TO CUBA**

**Cuba is under a comprehensive embargo of trade with the U.S. However, there are several categories of items that the Commerce Department can approve for export to Cuba. These include:**

**Medicines and medical devices.**

**Low-level telecommunications equipment.**

**Items for news bureaus and groups that promote democracy.**

Sales and donations of agriculture commodities.

Source: Department of Commerce's Bureau of Industry and Security



# Voice of America

Washington, D.C.

20 July 2007

## US Report: Cuba Embargo Stifling Farm Trade

By Brian Wagner

Some U.S. senators have welcomed a new report that suggests easing U.S. trade restrictions with Cuba could boost American farm sales to the Communist-ruled island. In Miami, VOA's Brian Wagner reports that experts say Cuba's political and economic system, however, remain key obstacles to lifting U.S. trade restrictions.

The report by the U.S. International Trade Commission shows that the United States was the main supplier of agricultural products to Cuba last year, accounting for 30 percent of the island's imports. It says that number could increase to 50 percent if Washington ended some of its decades-long restrictions on trade between the two nations.

Since 2000, American farmers and other agricultural exporters have been allowed to sell goods to Cuba, on a cash-only basis. Some exporters complain that current rules place too many limits on financing and other transaction terms.

The Senate Finance Committee, chaired by Democrat Max Baucus, requested the report in an effort to draw support for a new proposal that would ease restrictions on trade and travel to the Caribbean nation. Lawmakers from the Republican and Democratic Parties have been pressing for changes to Cuba policy in recent months, which the Bush administration opposes.

John Kavulich is an adviser to the U.S.-Cuba Trade and Economic Council in New York, and he consulted with the International Trade Commission on its report. He says U.S. policies are only part of the problem.

"This is not and cannot be all about what the U.S. has to do to increase export opportunities," he said. "It is what Cuba needs to do to increase import opportunities."

Kavulich says one key obstacle for Cuban importers is the weak level of Cuba's foreign exchange, which it needs to finance foreign purchases. He says Cuba has few lucrative exports, and it remains heavily dependent on financial support from other leftist nations.

"The Cuban government today is as dependent as it was, or more so, on Venezuela and China," he added. "They have made no structural changes."

Kavulich says that economic conditions are unlikely to change for several years in Cuba, where leader Fidel Castro temporarily handed power to his brother, Raul, nearly a year ago.

President Bush has said he opposes easing restrictions on the Communist government, and several lawmakers who support the embargo say they will fight to preserve it.

# Chicago Sun-Times

## Chicago, Illinois

### 12 July 2007

## Learn Latin American

### CEPEDAPEDIA | An introduction to our southern neighbors

BY [ESTHER J. CEPEDA](#) Sun-Times Columnist

'L' is for left

This week, our esteemed Defense Secretary Robert M. Gates canceled his four-nation tour of Latin America to stay home and deal with the bleeding stuck pig that is the Iraq war.

You can't blame him there, but it's yet another rebuff to our southern friends to whom President Bush -- on a spring tour during which he played, and won, a spirited game of "You can't make me say 'Hugo Chavez' " -- gave assurances that the United States hasn't been ignoring them since 9/11.

So gather 'round kiddies, this edition of Cepedapedia is dedicated to Latin America.

#### Argentina

Argentina (arr-hen-TEE-nah) is in a Chicago way . . . they got their first snowfall since 1918 this week. And, in the spirit of Chicago-style nepotism, corruption-allegation-dogged President Nestor Kirchner has announced he will not seek re-election so his wife, Sen. Cristina Fernandez, can take his place.

#### Bolivia

Bolivia (bo-LEE-vee-ah), with the second-largest natural gas reserves in Latin America (behind Venezuela), has 60 percent of its people living in poverty. It's headed by Evo Morales, an Aymara Indian and former coca plant grower who in 2006 became the country's first indigenous president. He has two best friends: Hu Jintao of China, who is salivating over the gas and tripping over himself to bankroll infrastructure projects to secure a pipeline to China; and Venezuela's Hugo Chavez, who'll do anything to make President Bush mad. Chavez also has his checkbook out to help Bolivia come out from under the thumb of the millions of dollars in aid the United States sends to curb cocaine production. Not exactly a Democratic trio.

#### Brazil

Brazil (bra-SEEL) where Da Mayor is sunning himself as he attends the Pan American games, scoping out Rio "who dances on the sand," one of Chicago's rivals for the 2016 Olympic Games.

#### Colombia

Colombia (coe-LOME-bee-ah) is trying to get a free trade agreement with the United States that would remove all duties on U.S. farm exports and 80 percent of tariffs on other U.S. exports to Colombia. And what they lack in human rights respect they make up for in athleticism.

Juan Pablo Montoya, 31, made history by becoming the first Hispanic to win a NASCAR race. He'll be strutting his stuff on the track starting at 3 p.m. Friday at the Chicagoland Speedway during the qualifier for the 2007 USG NASCAR weekend.

Juan Carlos Osorio, 46, the Chicago Fire's new head coach, plays his first game tonight against the Houston Dynamo. He'll be both thrown in to and baptized by fire tonight -- it's only his fourth day on the job. He has to be the spark our 1-9-1 guys have been waiting for.

## Cuba

Cuba (COO-bah) has, since 2003, purchased more than \$1.5 billion dollars of chicken, corn, mayonnaise, hot sauce and candy bars from its archnemesis, the good old U-S-of-A, according to the U.S.-Cuba Trade and Economic Council of New York. On Monday, Raul Castro set October 21 for the vote that could clarify by early next year whether his brother, Fidel, will continue as the head of state.

## Ecuador

Ecuador (ECK-wha-dorrr) sits at the equator. The president, Rafael Correa, came in to power last fall. If you were around the University of Illinois at Champaign-Urbana in the late '90s you might have seen him chillin' at the Union while getting his Ph.D. in economics. His most recent claim to fame: he's accusing 18 lawmakers of demanding favors for votes after their congress -- which he's actively trying to dissolve -- overwhelmingly rejected changes proposed to increase the powers of a government-controlled banking regulatory board. He's also trying to re-write the constitution to wield more power, and he recently stopped talking to his own press.

## Guatemala

Guat-emala (wha-teh-MAH-lah) is the home of 1992 Nobel Peace Prize winner Rigoberta Manchu, one of many indigenous South American people rising up and seeking political clout (like Bolivia's Evo Morales). She just announced she'll be the first indigenous woman to run for president there.

## Peru

Peru (peh-ROO) is where scientists recently discovered seeds of domesticated squash almost 10,000 years old, proving that farming developed in South America nearly as early as in the Middle East, which is usually regarded as the birthplace of agriculture.

## Puerto Rico

Puerto Rico (pwer-toe REE-coe), is the birthplace of Hiram Grau, 59, head of the Chicago Police Department's Bureau of Investigative Services. He's one of three finalists -- a a Hispanic, a black and a white -- for the police superintendent post.

## Mexico

Mexico (MEH-hee-coe), or Mexico City, to be exact. Otherwise known as the El Distrito Federal, home of the world's richest man, Carlos Slim, who is \$8 billion richer than Microsoft mogul Bill Gates. It's also where, for ten nights starting today, I'll be rolling around lookin' for trouble armed with only a culinary itinerary from honorary Mexican/Chicago gustatory guru Rick Bayless and my camera.

## Venezuela

Venezuela (veh-neh-SWEH-lah) has come to the rescue of Mahmoud Ahmadinejad's Iran which, in preparation for U.N. sanctions for not halting uranium enrichment -- allegedly for nuclear arms -- started rationing gas to limit its dependence on foreign oil last week. Though a major oil exporter, Iran imports 40 percent of its gasoline. Venezuela's President Hugo Chavez was in Tehran a few days ago wrapping his arms around Ahmadinejad as they thumbed their noses at the United States and the world.

# The Miami Herald

Miami, Florida

29 June 2007

## U.S. House softens stance toward Cuban crop payments

BY PABLO BACHELET

In a solitary victory for opponents of U.S. policy toward Cuba, the House Thursday passed an amendment that seeks to knock down hurdles to Cuban payments for U.S. agricultural exports to the island.

The amendment reverses a 2-year-old Bush administration determination that Cuba has to pay for its U.S. agricultural goods before they are shipped to the island and not upon their arrival, as is customary in international trade transactions.

The initiative, which passed by a voice vote, must still clear the Senate, and President Bush reiterated he would veto any bill that eased sanctions on Cuba. But the amendment to a Treasury Department spending bill offers some hope to farm-state lawmakers eager to reverse a recent slide in Cuban purchases of U.S. agricultural products.

The victory, however, was tempered because opponents of Cuba policy could not present any amendments that would have challenged Cuba travel restrictions for most U.S. citizens, as they had done since 1999. Amendments are virtually the only vehicle for proponents of more engagement with Havana to change U.S. policies, as stand-alone bills rarely make it past the committee level.

Opponents of the Cuba policy say they were barred from presenting more amendments for procedural reasons, while Miami Republican Rep. Lincoln Diaz-Balart said foes of Cuba restrictions got cold feet. He said that "for the first time since 1999, sanctions opponents have not dared to even present any anti-embargo or travel ban amendments to the Treasury Appropriations bill. "The unimportant Moran amendment," Diaz-Balart added, "will once again be stripped from the bill as it has been each year since 2000." Last week, Diaz-Balart and his allies defeated an attempt to cut U.S. democracy aid programs for Cuba.

Cuba has complained that the payment rule, plus restrictions on U.S. bank transactions with Cuba, has made U.S. agricultural goods more expensive. Though Havana has said its purchases of U.S. products should increase this year, U.S. agricultural exports to Cuba have plunged in recent months. In the first quarter of this year, they totaled \$65 million, down nearly a third from a year ago, according to data compiled by the U.S.-Cuba Trade and Economic Council, an independent group that tracks bilateral trade.

Kansas Republican Rep. Jerry Moran, who introduced the amendment, blamed the rule change for declining purchases of U.S. rice, wheat and other products. But others doubt this. In its May newsletter, the U.S.-Cuba Trade and Economic Council blames several factors, including the emergence of other foreign suppliers, more economic support from Venezuela and the Cuban government's cutback in purchases as a way to pressure U.S. companies, lawmakers and officials to lobby harder to overturn the U.S. sanctions.

The approval of the agricultural amendment came after Reps. Moran, Diaz-Balart and Jose Serrano, a New York Democrat, debated Cuba's ability to pay its creditors and whether more U.S. trade with Cuba would usher democratic reforms to the island.

Moran called his amendment a "rather modest modification" in U.S. Cuba policy. Diaz-Balart said the new rule protected U.S. exporters from Cuba's "abysmal" record of defaulting on its payments.

Congressional aides said the travel and embargo amendments were barred because Democrats instituted a "pay-go" rule, meaning any amendment that affected federal funding would need a corresponding cut in expenditures.

Enforcing travel restrictions provides Treasury Department with some income from the collection of fines.

# Associated Press

New York, New York

29 May 2007

## U.S. lawmakers in Cuba for firsthand look at agricultural trade opportunities

HAVANA: Five U.S. lawmakers made an unannounced visit to Havana on Monday to explore agricultural trade opportunities at a gathering officials hope will lead to contracts to sell up to US\$150 million (€112 million) in American goods to Cuba.

The U.S. delegation, headed by Connecticut Democrat Rosa De Lauro, plans to meet with at least one top Cuban official before returning to the United States, said Sarah Stephens, director of the Washington-based Center for Democracy in the Americas, which opposes the U.S. embargo toward Cuba and helped organize the trip.

"We are a diverse group geographically and in our politics toward Cuba," DeLauro said. "But we view this as an opportunity to learn, to create dialogue about issues of mutual concern."

Also in Cuba were Democratic Reps. Marion Berry of Arkansas and Bob Etheridge of North Carolina, as well as Republican lawmakers Rodney Alexander of Louisiana and Jack Kingston of Georgia. All were making their first trips to the island, except Berry who was here in 2000.

DeLauro, Berry and Etheridge have all supported legislation to ease U.S. trade restrictions toward Cuba in the past, while Kingston has supported the embargo.

The lawmakers said agriculture trade opportunities were a key reason they came and their visit coincided with a trade fair on the communist-run island bringing together 114 food and agricultural companies from 22 U.S. states.

"This is really not a trade fair, this is a formal meeting to sign agreements with different companies that have been in progress for months," said John Kay, director of international trade for Alabama's Department of Agriculture. "It's an organized madhouse. You only have a certain time frame to get everything done."

Pedro Alvarez, chairman of Cuba's food import company Alimport, said talks should produce more than US\$150 million (€112 million) in deals, enough to ensure the island buys as much U.S. goods in 2007 as it did last year, when Cuba spent US\$570 million (€242 million) for American food and agricultural products, including shipping and banking costs.

Kirby Jones, founder of the U.S.-Cuba Trade Association in Washington, which has also pushed for an end to the embargo, said "it's important for the visiting members of Congress to hear about what's going on from those who are here doing it."

"There are very particular problems associated with doing business in Cuba because of U.S. policy," he said. "They need to know the kinds of challenges faced."

Alimport knows that bringing in companies from all over the U.S. helps Cuba drive a harder bargain.

Washington maintains a 45-year-old embargo, but U.S. food and agricultural products can be sold directly to Cuba under a law passed by the U.S. Congress in 2000. Since Havana first took advantage in 2001, it says it has spent more than US\$2.2 billion (€1.6 billion) on American farm products and logistical costs.

Cuba says that so far this year, it has spent US\$225 million (€167 million) to purchase and import American goods. Subtracting shipping and other costs, the U.S.-Cuba Trade and Economic Council, Inc. in New York puts the figure at more than US\$64.7 million (€48.1 million) through April.

The fair, which ends Wednesday, represented the largest gathering of U.S. farm producers on the island since Fidel Castro fell ill and stepped down in a favor of a temporary government headed by his brother Raul last summer.

But Jones said American businesses have barely noticed Castro's absence. "Nobody talks about it because in terms of business, it's been seamless," he said. "It's not even a blip that has affected things."

# Sun-Sentinel

## Fort Lauderdale, Florida

### 17 May 2007

## Research survey to outline consumer spending in Cuba

By Doreen Hemlock  
South Florida Sun-Sentinel

Preparing for a day when U.S. companies may trade freely with Cuba, a market research firm is planning to offer detailed data on island consumers to U.S. businesses.

Puerto Rico's Gaither International unveiled a deal for Horwath Consulting of the Dominican Republic to conduct consumer surveys in Cuba four times a year, starting next month. Gaither will offer the research to U.S. firms.

"With this study, many U.S. companies will be able for the first time to attain a basic understanding of the average Cuban family," Gaither executive Beatriz Castro said. Horwath will study a unique Caribbean neighbor that in the 1950s relied on the United States for most imports and served as a key test market for American products.

Today, residents in communist-led Cuba have limited product choices and scant buying power, even for domestic goods. Salaries average about \$15 a month. Families rely on ration books to buy basics such as rice and beans at heavily subsidized prices at state bodegas. Other government stores offer branded toothpaste, beer and other items at U.S.-type prices, high by Cuban standards. Many Cubans turn to the black market to make ends meet, sometimes bartering goods stolen from the state.

Gaither said the survey initially will focus on four areas: It will look at ownership of household items, such as refrigerators, cars and phones. It will study awareness and use of products in 50 categories such as shampoos, detergents and pasta. It will look at buying habits, such as frequency of shopping trips. And it will study brand awareness.

Many old-timers recall U.S. products popular before Cuba's 1959 revolution, such as Chevrolet cars and Uncle Ben's rice, known as Tio Ben. And youth recognize brands worn by tourists, featured in U.S. movies shown in Cuba or sent from relatives abroad: Sean John clothes, Nike shoes or Dove lotion.

"Cubans have always had a high awareness of U.S. brand names and generally a preference for U.S. brands," said John Kavulich, an adviser to the U.S.-Cuba Trade and Economic Council, a New York-based group that monitors business on the island.

The research comes as many U.S. companies await change in Cuba under a permanent government led by Raúl Castro, Fidel's younger brother. Fidel Castro, now 80, temporarily handed the reins to his brother and longtime defense minister last summer, after Fidel underwent intestinal surgery. Some analysts think Raúl Castro, when fully in charge, may open the island economy more to business, following the lead of communist-led China. In addition, more lawmakers in the new Democrat-controlled Congress seek to ease Washington's 45-year-old embargo against Cuba, potentially opening U.S. sales to the island's 12 million residents and 2 million-plus tourists a year.

"You always want to look at studies and see what the opportunities are," said Richard Waltzer, president of Fort Lauderdale-based Splash Tropical Drinks. He already sells to Cuba under an embargo exemption for U.S. food companies. But some Cuba watchers question the value of consumer studies today.

Even U.S. food companies licensed to sell to Cuba now lack direct access to island consumers. The firms sell to a Cuban government agency. The state generally sets prices in stores and hotels, Kavulich said.

Cuban residents also may hesitate to speak honestly about their buying habits, given the weight of the black market, others added.

Gaither said the study offers a starting point to understand a nearby market that could be worth billions of dollars a year for U.S. companies someday. "Once the economy opens," Gaither executive Castro said, "Cubans are going to buy."

# The Miami Herald

Miami, Florida

15 May 2007

## Despite hassles, trade with Cuba goes on

BY MARTHA BRANNIGAN

Fidel Castro used to fete visiting American business delegations with mojitos at receptions in Havana. His brother Raúl has shunned that role since assuming power from the ailing Cuban dictator last summer, instead letting officials such as National Assembly President Ricardo Alarcón do the mingling.

Initial exuberance that Raúl Castro's transition to power would spur warmer political and economic relations with the United States has waned as the Bush administration has held its hard line. But despite the headaches that come with exporting agricultural and food products to Cuba, a steady parade of hopeful U.S. salespeople keeps slogging away.

In March, a Nebraska entourage led by Gov. Dave Heineman went to tout corn and soybeans, and Delaware -- on its first trade visit -- offered up poultry and winter wheat. In April, Idaho's Gov. C.L. Butch Otter led a 35-member delegation there to hawk peas, lentils and pork.

Raúl Castro's ascent to power "hasn't changed things at all either way" with respect to U.S. trade, says Kirby Jones, president of the U.S.-Cuba Trade Association. "It's totally seamless."

Last year, U.S. exports to Cuba dipped to \$340.4 million from \$350.2 million in 2005. By most accounts, exports of agricultural goods to Cuba will remain a fraction of what they could be as long as U.S. restrictions remain and Cuba has friends such as China that can help fill in its most severe food gaps.

"As long as Venezuela and China prop up Cuba economically, the island will make few reforms to reach out to the U.S., because it doesn't have to," said John S. Kavulich II, senior policy advisor to the U.S.-Cuba Trade and Economic Council. "Cuba wants more than anything else to be relevant in U.S. political discourse. Everything about the relationship between the two countries is political."

### LEGAL REFORMS

The narrow trade now permitted stems from the U.S. Trade Sanctions Reform and Export Enhancement Act of 2000, which -- despite the U.S. trade embargo against Cuba -- allows sales of food and agricultural products to the island. A separate measure permits medical shipments.

But in February 2005 the Bush administration tightened its interpretation of the law, requiring that Cuba pay cash for purchases before they can leave U.S. ports -- an expensive hurdle. In addition, Cuba can't wire funds directly to U.S. banks; instead, it must get a letter of credit from -- or wire funds to -- a bank in a third country, typically France or elsewhere in Europe.

"Cuba would buy more if it didn't have to pay through a costly and time-consuming process," said Phil Peters, a vice president at the Lexington Institute, a policy research group in Arlington, Va. "It's kind of a crazy system. The trade is perfectly legal, but we treat the payments as if it's money laundering."

Another hurdle: U.S. businessmen must obtain a license to travel to Cuba to negotiate sales. The U.S. Treasury's Office of Foreign Assets Control sometimes denies licenses without explanation, says Jones. "No reasons are given, and it is common for letters and telephone calls to go unanswered -- sometimes for months."

Such barriers are drawing heightened scrutiny in Washington.

The International Trade Commission, at the behest of the Senate Finance Committee, is investigating the effects of U.S. trade and travel restrictions on U.S. exports of fish, forest and agriculture products to Cuba. The ITC will issue a report June 29.

The study comes as several bills are afoot in Congress to lift or ease the embargo, although the specter of President Bush's expected veto has stymied past legislative efforts.

"The current policies hinder further economic growth via trade with Cuba," Roger Johnson, North Dakota's agriculture commissioner, who has led five trade missions to Cuba since 2002, told an ITC hearing on May 1.

U.S. sales of soybean products to Cuba rose to \$91 million during fiscal 2006, from \$40 million in fiscal 2002. But the American Soybean Association says the United States is at risk of losing business.

"While countries like Venezuela, Brazil and Canada can trade freely with Cuba, the U.S. industry must work through third-party banks, apply for travel licenses and obtain cash in advance -- all of which are impediments to economic growth in Cuba and for the U.S. soybean producers," Richard Ostlie, president of the soybean trade group, said in a letter to the ITC.

## RICE POTENTIAL

U.S. rice exports to Cuba rose to 157,744 metric tons during 2006, up 2.5 percent from 153,855 metric tons a year earlier. But American rice producers say that's a fraction of the business they could do with Cuba if the restrictions were lifted.

Cuba, with 11.4 million people, is a natural market, a stone's throw away from the United States. The USA Rice Federation, a trade group based in Arlington, Va., said that proximity allows cheaper transportation and the nimbleness of shipping smaller quantities, cutting storage costs. And many Cubans prefer the quality of U.S. rice.

Still, Cuba buys rice from countries like Vietnam, in part because current restrictions make the United States an "unreliable" supplier, said David Coia, a spokesman for the rice group, "and we can't offer credit like China or Vietnam or almost any other country."

## FOOD CONTRACTS

Kavulich said Cuba uses food contracts to pressure U.S. firms to support an easing of trade sanctions. "It started in '03. Cubans started tying political activism with the amount of money companies may see from Cuba," he said.

"Cuba's purchases from the U.S. are driven at least as much by politics as economics," said William A. Messina, Jr. an agricultural economist at the University of Florida.

Currently Cuba seems to be making an effort to reach out to U.S. exporters: Alimport, its food import agency, will host a big trade expo with U.S. exporters in Havana May 28-31.

It will be the first big event targeting U.S. firms since the United States tightened restrictions two years ago. Some experts speculate Cuba may feel a bit encouraged by the Democratic Congress in the United States.

Neither Alimport's president Pedro Alvarez Borrego nor the Cuban Interests Section in Washington returned phone calls seeking comment.

But in an invitation letter to the American agricultural community, Alvarez Borrego said the agency expects to nail down "\$100 million to \$150 million" in contracts, including freight, to help meet demand for the second half of 2007. And the letter said: "The U.S. providers represented in person at the event with competitive bids will stand the highest chance to be awarded supply contracts."

# Associated Press

New York, New York

12 May 2007

## AP Centerpiece: U.S. brands get to Cuba

By WILL WEISSERT  
ASSOCIATED PRESS WRITER

HAVANA -- The golden arches are nowhere to be found. There's not a single Starbucks or Wal-Mart, and no way to buy a Budweiser, a Corvette or a Dell.

But even in Cuba, you can get a Coke.

Despite the U.S. Trading With the Enemy Act, which governs Washington's 45-year-old embargo, sales on Fidel Castro's island are lining the pockets of corporate America.

Nikes, Colgate and Marlboros, Gillette Series shaving cream and Jordache jeans - all are easy to find. Cubans who wear contact lenses can buy Bausch & Lomb. Parents can surprise the kids with a Mickey Mouse fire truck.

Dozens of American brands are on sale here - and not in some black-market back alley. They're in the lobbies of gleaming government-run hotels and in crowded supermarkets and pharmacies that answer to the communist government.

The companies say they have no direct knowledge of sales in Cuba, and that the amounts involved are small and would be impractical to stop. But it's hard to deny that a portion of the transactions wind up back in the United States.

"We try and do what we can to police ... but in a globalized economy, it's impossible to catch everything," said Vada Manager, director of global issues management for Nike Inc.

Trade sanctions bar American tourists from visiting Cuba and allow exports only of U.S. food and farm products, medical supplies and some telecommunications equipment. But wholesalers and distributors in Europe, Asia, Latin America and Canada routinely sell some of America's most recognizable brands to Cuban importers.

Cuba has for years sought out American goods as a way of thumbing its nose at the embargo. Officials at three foreign-owned import companies operating in Havana, who refused to have their names published for fear of economic repercussions, said the communist government itself still imports the vast majority of American goods.

Christopher Padilla, U.S. assistant secretary of commerce for export administration, said from Washington that Cuba even sends delegations on "buying missions," hunting for specific American products in third countries for resale back home. Cuban press authorities did not make relevant officials available to discuss the practice.

In a country where tourism is the leading revenue source, stocking American brands helps reassure visitors, according to Daniel Erikson, a Cuban economy expert at the Inter-American Dialogue in Washington. "People, average Cubans included, would rather have Coca-Cola than a no-name generic soda they're not familiar with. That means the government can charge more," Erikson said. "And obviously for the tourist industry it's important for the foreigners who visit Cuba to see products that they know and trust."

All American products are sold in Cuban convertible pesos, considered foreign currency and worth \$1.08 apiece - about 25 times the island's regular peso. Although government salaries have increased in recent years, the average monthly pay is still around \$15, meaning few Cubans can afford U.S. goods.

But last month, Economy Minister Jose Luis Rodriguez said 57 percent of the population has access to hard currency - dollars or convertible pesos - either through jobs in tourism or money from relatives abroad. A 2004 report by the U.S. Commission for Assistance to a Free Cuba estimated that remittances from the United States alone total \$1 billion a year.

The influx of American brands began in earnest in 1993, when Cuba scrapped laws that had made it illegal for its citizens to possess dollars. Cubans know the products, despite an almost complete lack of advertising on the island. Angel Hernandez, a 62-year-old retiree, didn't hesitate when presented with a pair of "Air Jordans."

"That swoosh. That's Nike," he said. Like most Cubans, he pronounces the company name with a silent "e" as in "Mike."

Made in China, brick-red Nike Air Max 90 sneakers sell for 129.40 convertible Cuban pesos - about \$140 - at a store off Havana's Central Park. High-priced fakes also abound. Several stores, including one inside the Havana Libre Hotel - the Havana Hilton before Castro's 1959 revolution - offer authentic-looking Max Air 80s, but Nike makes no such product.

At the Comodoro Hotel, a boutique wants \$40 for assorted small gym bags with pastel or silver swooshes. Their tags read "Made in Indonesia" in Spanish and "Nike de Mexico," providing a hint of their route to Cuba. Manager said all Nike products for sale in Cuba are probably knockoffs. He conceded, however, that legitimate distributors outside the U.S. could be selling products to Cuban importers - and that Nike could make money off such sales.

"But what you're talking about is such a small volume there," he said. "And if we are able to detect where ... the products came from, that distributor or retailer runs the risk of having their account discontinued with us."

John Kavulich, senior policy adviser for the U.S.-Cuba Trade and Economic Council Inc. in New York, said "in no way should it be said that this is an end run by U.S. business around U.S. restrictions, because it's not."

"It's almost impossible for American companies to stop," Kavulich said. "Of course, at some point in the transaction, at the very beginning when the legitimate distributor bought the product from Nike, or any company, money went to the U.S."

Kavulich estimated the value of U.S. brands sold in Cuba as "probably \$20 million or less on an annual basis," but noted that less than 5 percent of that amount likely represents combined profit for American companies, given all the layers of transactions the products go through to get to the island.

Decades-old Walt Disney cartoons air on state television every afternoon and stores have Mickey Mouse toys and wrapping paper and Snoopy products.

In Havana's Vedado district, fishing supply store DSY offers goods made by U.S. supplier Seachoice Products. A "Heavy Duty Waterproof Flashlight" from the company proudly proclaims "Made in USA."

Saleswoman Dayne Barrios said the products were shipped from Florida to a Mexico distributor, which sent them to Cuba through a government importer. Calls to Seachoice offices in Pompano Beach, Fla., were not returned.

At least two Havana clothing stores call themselves Jordache, one even using the company's horse head logo on its marquee. The shelves inside are crammed with jeans, shirts and blouses with Jordache labels.

Steven Nakash, director of licensing for Jordache Enterprises in New York, said the company heard about unauthorized use of its brand in Cuba several years ago but took no action because "an American company dealing with a foreign territory and battling it out on foreign soil is very, very hard."

Nakash, a member of Jordache's founding family, said the company has international distributors but also licenses its brand to manufacturers, including one in Mexico. He said he was unsure where the products in Cuba came from.

"Is any of the revenue from Cuba coming back to me? Certainly not," Nakash said.

Even after Castro took over, more than 100 U.S. corporations - including Ford Motor Co. - obtained licenses to operate here through foreign subsidiaries.

The U.S. Cuban Democracy Act of 1992 made such third-country transactions illegal, while also authorizing the export of U.S. medicines. Eight years later, the U.S. Congress allowed direct sales to Cuba of food and farm goods, everything from rice, ice cream and livestock to wood products, down feathers and cigarettes.

Since then, Heinz ketchup, Tabasco Sauce and Tyson's chicken have been sporadically available at Cuban government supermarkets, and the United States has become the island's leading supplier of food and farm products.

Prices can be about twice as much as in U.S. stores. Tubes of Colgate toothpaste start at \$4.85. You can also find products including shampoo, conditioner and anti-bacterial soap from New York-based Colgate-Palmolive Co. A shaving "mousse" from Gillette Series, distributed by Procter & Gamble Zurich, costs \$4.80 a bottle.

Could those items be considered medical supplies? Not likely, say U.S. officials.

But pinpointing whether any American product is in Cuba legally is difficult because the U.S. Treasury Department does not disclose who secures export licenses, citing trade secrets acts.

No American brand is more prevalent in Cuba than Coke, but the Atlanta, Georgia-based Coca-Cola Co. has not sought Cuban export licenses - even though its product would qualify as food. Bottled mostly in Mexico, Coke goes for \$1 at stores - about the same price as at a U.S. convenience store - and up to four times that at touristy restaurants.

Charles Sutlive, a Coca-Cola spokesman in Atlanta, said the company has not authorized any bottler to sell or distribute any of its finished products in Cuba. But he added that the company "does not have the authority to prevent these types of activities in countries where Cuban import-export companies are free to operate."

Indeed, distributors of American goods operating in other countries often insist they are doing nothing wrong - and can even be fined by their own governments for refusing to export to Cuba.

Mexico fined the Sheraton Maria Isabel Hotel in Mexico City in 2005 after it bowed to U.S. Treasury Department pressure and evicted Cuban officials staying there. In January, a Norwegian hotel owned by Hilton Hotel Corp. sparked an uproar when it refused to book rooms for a Cuban delegation, citing the American embargo.

The Commerce Department's Padilla said the U.S. sanctions have international reach, applying to American products anywhere in the world. "If companies knowingly sold to a Cuban importer, they can be prosecuted," he said. "Willful blindness is not an excuse to violate the law in these matters."

Despite potential legal hot water, Nakash confessed a certain pride that his brand has cracked Havana.

"I can very much appreciate seeing a Jordache shop there," he said. "I, as an American, can't go to a country like Cuba. But our brand can."

# Forbes Magazine

New York, New York

2 May 2007

## Trade

### Congress Looks At Cuba

Brian Wingfield  
WASHINGTON, D.C.

The frenzy over what U.S.-Cuba trade relations will look like once history claims Fidel Castro is festering once again.

The ailing dictator failed to show for the annual May Day parade in Havana Tuesday, fueling speculation that his days are numbered. But wind is already gathering in the sails of lawmakers here who are pushing for a return to normal relations with Cuba.

At the request of Sen. Finance Committee Chairman Max Baucus, D-Mont., the U.S. International Trade Commission (ITC) is currently investigating the effects on American producers of U.S. travel and agricultural export restrictions with Cuba. Several bills have already been introduced in the House to ease the U.S. embargo, which has been in place since 1962, and Ways and Means Committee Chairman Charles Rangel, D-N.Y., is pushing a measure that would lift the trade embargo altogether.

No one is expecting a normalization of relations, at least while President Bush is in the White House, but the stage appears to be getting set for his successor. Castro has already outlasted nine U.S. presidents. If he does make it through 2008, he will almost certainly not outlast a 10th.

Whatever the outcome, U.S. businesses are eager to invest in a new Cuba.

The ITC has not given any indication what it will say in its final report to the Senate Finance Committee later this summer (the commission does not comment on ongoing investigations), but a growing body of evidence suggests that keeping the current restrictions in place limits the profit potential of U.S. businesses.

Under U.S. law, trade relations with Havana are limited to certain food exports and medical supplies, and at least regarding agricultural products, all payments must be made in cash.

According to the ITC, the U.S. exported \$337 million in agricultural, fish and forest products to Cuba in 2006. Much of this is rice, wheat, chicken, corn and soybeans supplied by companies such as Archer Daniels Midland, Cargill and Tyson Foods.

But some experts say this figure could nearly double if the current restrictions were relaxed.

"Forty years ago, the U.S. provided 60% of Cuba's food imports," said North Dakota Agriculture Commissioner Roger Johnson in his testimony before the ITC. "Our goal should be to regain and exceed that market share."

North Dakota has already exported more than \$32 million in dry beans, peas, wheat and other products since 2002. Johnson, like many officials in agricultural states, has called for all sanctions against Cuba to be lifted.

Before the embargo was put in place, Cuba was the leading market for U.S. rice suppliers. It has since fallen to eighth place, according to the USA Rice Federation. The federation estimates that up to 600,000 metric tons of rice--about the same amount that Cuba imported from the U.S. between 2001 and 2005--would be imported annually if restrictions were removed.

And according to the American Society of Travel Agents, if the U.S. were to lift its travel restrictions to Cuba in 2008, nearly 1.8 million Americans would visit the country by 2010. This could impact U.S. gross domestic product by as much as \$1.6 billion, the society says.

But much of this potential will depend upon Cuba itself. For one thing, the nation only contains 11 million people, meaning that there is a ceiling on the amount of agricultural imports it can handle.

And according to John Kavulich, senior policy adviser to the U.S.-Cuba Trade and Economic Council, the data provided by the Cuban government regarding U.S. imports are unreliable and unverifiable because they are provided by a centrally planned government with a poor track record of transparency.

"The true impediments to the expansion of agricultural, fish and forestry products from the U.S. to Cuba are in Havana, not in Washington, D.C.," he says. He adds that it is also questionable just how much Cuba is would be able to handle an onslaught of American tourists. "They've let their tourism infrastructure crumble."

An additional unknown is what course of action the U.S. will take once Castro dies. Initially, it appeared that U.S. businesses were willing to leap into to Havana to bring capitalism back to the Caribbean island. But after Castro first became ill last summer, it became apparent that a new government under Fidel's brother, Raul, will probably continue the communist policies of the last four decades.

Nonetheless, it appears that U.S. policymakers are setting the stage for an easing of the economic sanctions. Bush will undoubtedly veto any free standing bill that might relax the embargo. But the pressure is building to open more U.S. markets to Cuba. And with Bush in retirement and Castro likely no longer around after 2008, the lid just might come off.

# Associated Press

New York, New York

27 April 2007

## Cuba Lifts Ban on U.S. Long-Grain Rice

By WILL WEISSERT Associated Press Writer

SHAVANA — Cuba has lifted a ban on imports of U.S. long-grain rice that it put in place last year because of fears about genetic contamination.

Raul Sanchez, director of the U.S. division of the island's food import company Alimport, said Friday the ban was lifted earlier this month. He said that in recent weeks Cuba has imported 30,000 tons of long-grain U.S. rice and expects to import 10,000 more soon.

A U.S. announcement in August that American long-grain rice samples had tested positive for trace amounts of a genetically modified strain not approved for consumption prompted Japan to suspend its U.S. rice imports. Cuba imposed a ban of its own after conducting independent testing, Sanchez said.

Sanchez, who spoke during a meeting with U.S. medical company representatives, did not provide details about exactly when or why the ban was lifted, suggesting only that U.S. long-grain rice no longer appeared to be a problem.

Washington's 45-year-old embargo against communist Cuba chokes off most trade between the two countries but U.S. companies can sell medicine and medical supplies directly to the country under the 1992 Cuban Democracy Act. A law approved in 2000 authorized cash-only payments for U.S. food and agricultural products.

Sanchez said that so far this year Cuba has spent \$196.8 million on American food and agricultural products after spending \$578.8 million for all of 2006. Cuba includes the amounts it pays for shipping and other logistical costs when divulging the total amount paid for U.S. goods.

Addressing representatives from Mercury Medical, a Florida medical supply company spending two days in Cuba to show off some of its equipment, Sanchez said that since 2001, Cuba has spent \$2.2 billion on American food and farm products, but nearly \$340 million of that went to shipping.

The New York-based U.S.-Cuba Trade and Economic Council attempts to estimate the amount Cuba spent on U.S. imports without taking into account logistical costs.

It reported that the island bought about \$340 million in American food and agricultural products last year \_ down about 3 percent from 2005. The council puts the total amount Cuba spent on U.S. food and agricultural products at \$1.5 billion since December 2001.

"Despite all the limitations that have been imposed on these (exports), Cuba and Alimport have been able to fulfill every one of their U.S. contracts. Not one single contract has been canceled," Sanchez said. "We have been able to convey to the agricultural community of the United States just how professional and serious this country's organizations are."

# Associated Press

New York, New York

1 April 2007

## Cuba bought \$108 million in U.S. goods

By WILL WEISSERT, Associated Press

HAVANA -- Cuba has spent \$108 million on American food and agricultural products so far this year but would have spent far more if not for Washington's 45-year-old embargo, a top official said.

Pedro Alvarez, director of the island's food import company, Alimport, made the comments as he signed agreements to purchase an additional \$15.75 million worth of wheat and pork from Nebraska producers.

He said Cuba spent \$560 million on U.S. food and agricultural products last year, and more than \$2.2 billion since December 2001. Alvarez's figures on Cuba-U.S. food and agricultural trade are substantially higher than other estimates, which disagree with Cuba's inclusion of shipping and other costs.

The embargo prohibits most American travel and trade to Cuba, but a law passed by Congress in 2000 permitted Fidel Castro's government to directly purchase U.S. farm goods on a cash-only basis. Havana at first rejected the measure but began taking advantage of it in late 2001.

Alvarez said that if the embargo were lifted, U.S.-Cuba trade in goods and services -- including tourism -- could swell to \$21 billion in the first five years. "Alimport keeps the door open to American exporters, but sadly their own laws prohibit doing business with Cuba," he said.

Even though America is the island's leading source of food and agricultural products, Alvarez said Cuba can never be sure Washington will allow its country's exporters to make good on contracts they sign with Havana. He said U.S. powdered milk and other perishables had spoiled on ships in Cuban ports because American authorities held up cash payments sent from the island.

"Even though American companies are efficient in providing their products, there continue to be too many uncertainties for us," he said. "We never know when a shipment is going to be held up and that can't be."

Nebraska Gov. Dave Heineman, in Havana to help negotiate the agreements, was making his third visit to Cuba since taking office a bit more than two years ago.

He said that "in spite of the challenges between our two countries, and how we export products down here, we intend to increase the number of Nebraska products sold."

John Kavulich, senior policy adviser at the U.S.-Cuba Trade and Economic Council of New York, said last month that the communist-run island bought \$340 million in American farm products last year -- down about 3 percent from 2005.

Excluding shipping and other logistical costs, Cuba has spent more than \$1.5 billion for food and agricultural products since December 2001, according to Kavulich.

# Business Week Magazine

New York, New York

28 March 2007

## Official: Cuba spent \$108M on U.S. food

By WILL WEISSERT  
HAVANA

Cuba has spent \$108 million on American food and agricultural products so far this year but would have spent far more if not for Washington's 45-year-old embargo, a top official said Tuesday.

Pedro Alvarez, director of the island's food import company, Alimport, made the comments as he signed agreements to purchase an additional \$15.75 million worth of wheat and pork from Nebraska producers.

He said Cuba spent \$560 million on U.S. food and agricultural products last year, and more than \$2.2 billion since December 2001.

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# The Boston Globe

Boston, Massachusetts

25 March 2007

## U.S. remains top food source for Cuba

By Will Weissert, Associated Press Writer | March 25, 2007

HAVANA --Since 2003, one country has been the main supplier of food to Fidel Castro's Cuba: the United States. Surprised? You have good company.

Many Americans think their government's 45-year-old embargo blocks all trade with the communist government, but the United States is the top supplier of food and agricultural products to Cuba. In fact, many Cubans depend on rations grown in Arkansas and North Dakota for their rice and beans.

Since December 1999, governors, senators and congressmen from at least 28 U.S. states have visited Cuba, most to talk trade. They keep coming: Nebraska Gov. Dave Heineman was flying in Sunday with a farm delegation. Gov. C.L. "Butch" Otter of Idaho plans a visit next month.

Maine Gov. John Baldacci traveled to Cuba in late 2005 to complete agreements to export \$10 million worth of Maine-produced seed potatoes, lumber and fish to the island nation. Maine's Legislature in 2002 passed a resolution, backed by farmers, to lift a trade embargo and normalize relations with Cuba.

Washington's sanctions choke off most trade with Cuba, but a law passed by Congress in 2000 authorized cash-only purchases of U.S. food and agricultural products and was cheered by major U.S. farm firms like Archer Daniels Midland Co. interested in the untapped Cuban market.

Cuba refused to import one grain of rice for more than a year because of a dispute over financing, but finally agreed to take advantage of the law after Hurricane Michelle in November 2001 cut into its food stocks.

Since then, Cuba has paid more than \$1.5 billion for American food and agricultural products, said John Kavulich, senior policy adviser at the U.S.-Cuba Trade and Economic Council of New York.

The \$340 million in exports in 2006 represented a drop of about 3 percent from 2005, which was down from nearly \$392 million in 2004. Kavulich said the decline was caused mostly by generous subsidies and credits from Venezuela and China.

But the U.S. remains on top. Its main exports to Cuba include chicken, wheat, corn, rice and soybeans -- much of it doled out to Cubans on the government ration. The United States also sends Cuba brand-name cola, mayonnaise, hot sauce and candy bars, as well as dairy cows.

Kirby Jones, founder of the U.S.-Cuba Trade Association in Washington, said Cuba's food import company Alimport has an entire department dedicated to American purchases.

Jones was in Cuba this month with Arkansas chicken exporters, Nebraska bean growers and officials from the Port of Corpus Christi, Texas.

"Hundreds and hundreds of American executives have come down here," he said. "(Cuban officials) know how to talk to us."

An assistant to Pedro Alvarez, Alimport's chairman, said the company could not comment without authorization from Cuban press officials.

But Cuban parliament speaker Ricardo Alarcon has said Havana does not expect the U.S. embargo to be eased under President Bush. The current administration tightened restrictions in 2004, further limiting U.S. travel and imposing stricter rules for Cuban payments on U.S. goods.

Don Mason of the Iowa Corn Growers Association agreed, saying he was "less than optimistic" Washington will make it easier to trade with Cuba any time soon. He said the association ships on the order of 450,000 metric tons of corn to the island each year.

Any significant change in U.S. policy would be difficult under the 1996 Helms-Burton law, which prohibits normalization of relations with Cuba as long as 80-year-old Fidel Castro or his brother Raul are in charge. Fidel temporarily ceded power to Raul after emergency intestinal surgery in July.

Despite repeated moves in Congress to ease or eliminate the sanctions, the embargo still has supporters from both parties in both houses.

U.S. Rep. Jerry Moran, a Kansas Republican, introduced a bill in February seeking to promote American agricultural sales to the island by letting Cuba directly wire payments to U.S. banks rather than route them through third countries. But a similar measure introduced in 2005 was not approved.

Some believe American interest in Cuba's new oil exploration efforts could change the political tide.

The island plans deep-water drilling, searching for deposits of crude oil less than 100 miles from Florida's coast. Energy companies from China, India, Spain and elsewhere are interested in investing, but American firms are shut out.

U.S. senators Larry Craig, an Idaho Republican, and Byron Dorgan, a North Dakota Democrat, introduced a measure this month that would open Cuban waters to U.S. oil and natural gas companies.

"If that passes, the embargo goes out the window," Jones said. "We're not talking about mayonnaise now. We're talking about million and millions of dollars."

# International Herald Tribune

Paris, France

25 March 2007

## U.S. remains top food source for Cuba, despite 45-year-old trade embargo

The Associated Press

HAVANA: Since 2003, one country has been the main supplier of food to Fidel Castro's Cuba: the United States. Surprised? You have good company.

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Since then, Cuba has paid more than US\$1.5 billion (€1.1 billion) for American food and agricultural products, said John Kavulich, senior policy adviser at the U.S.-Cuba Trade and Economic Council of New York.

The US\$340 million (€255 million) in exports in 2006 represented a drop of about 3 percent from 2005, which was down from nearly US\$392 million (€294 million) in 2004. Kavulich said the decline was caused mostly by generous subsidies and credits from Venezuela and China.

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Some believe American interest in Cuba's new oil exploration efforts could change the political tide. The island plans deep-water drilling, searching for deposits of crude oil less than 100 miles (160 kilometers) from Florida's coast. Energy companies from China, India, Spain and elsewhere are interested in investing, but American firms are shut out. U.S. senators Larry Craig, an Idaho Republican, and Byron Dorgan, a North Dakota Democrat, introduced a measure this month that would open Cuban waters to U.S. oil and natural gas companies.

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# Dallas Morning News

Dallas, Texas

11 March 2007

## **When Cuba opens up ... With Castro ailing, Texas sees chance for food exports**

By KATHERINE YUNG / The Dallas Morning News

An ailing Fidel Castro could usher in a new era of U.S.-Cuba trade relations, with Texas companies and farmers leading the way.

That's the rosy view among those eager for closer ties with the Caribbean nation, but much depends on political factors, from who wins the White House in 2008 to whether Venezuela can continue to prop up the Cuban economy.

U.S. trade with Cuba is extremely limited, thanks to a decades-old embargo. But last year's transfer of power from the country's president to his brother Raúl has American companies wondering whether frosty relations between the two countries may finally start to thaw, opening the way for increased business opportunities. Opinion falls into two camps. Some experts caution that Cuba's reliance on Venezuela and China means that it won't introduce any major pro-market alterations to its economy after Mr. Castro dies. In other words, expect business as usual.

"Cuba will make no changes unless it has to," said John Kavulich, a senior policy adviser at the U.S.-Cuba Trade and Economic Council Inc. in New York.

Others predict that American exports will increase after Mr. Castro's death. They see Cuba imitating China by adopting a more market-oriented economy. And they note that companies from other countries have a head start.

"Cuba has a growing economy regardless of the U.S. embargo," said Cynthia Thomas, head of the Texas-Cuba Trade Alliance and president of TriDimension Strategies LLC, which helps American companies sell to officials in Havana.

But with so much political uncertainty, most U.S. companies will wait to see what happens with U.S.-Cuba relations before making any moves, experts say.

"We're going to see more get involved as the potential for change becomes viable," said Kirby Jones, president of Alamar Associates, which advises U.S. companies interested in Cuba.

Limited exports to the island nation became possible when Congress passed the Trade Sanctions Reform and Export Enhancement Act in 2000.

It permitted shipments of food, agriculture and medical products for humanitarian reasons.

Since a ship laden with frozen chicken parts sailed for Havana in late 2001, U.S. companies have exported about \$1.6 billion worth of goods to America's longtime foe, primarily agricultural commodities such as wheat, chicken, corn and rice.

Ten companies, including agricultural giants Cargill Inc. and Archer Daniels Midland Co., dominate this trade, Mr. Kavulich said.

### Getting in

A few Texas companies are already in on the action, eager to tap into a market of 11 million people just 90 miles off the coast of Florida.

Pilgrim's Pride Corp., the largest U.S. chicken company, began exporting frozen leg quarters from the Port of Houston to Havana about six months ago.

"We anticipate consistent business with them," said Ray Atkinson, a spokesman for the Pittsburg, Texas-based poultry giant. "We hope it opens doors for our other processed products." Texas is a leader in producing chicken and rice, two of the top exports to Cuba.

Over each of the last three years, Texas companies have sold about \$25 million worth of commodities and other products to Cuba, Ms. Thomas said. Other popular items include powdered milk and cotton.

Yet making money from Cuba remains a touchy subject. Several companies that export goods to the island did not want to talk about it.

Annual U.S. exports to Cuba peaked at \$392 million in 2004. Since then, they have dropped to \$340 million as officials in Havana bought less from American firms in an attempt to get them to increase their pro-Cuba lobbying efforts in Washington.

### Easier exports

The strategy may be working. New legislation backed by the American Farm Bureau Federation aims to make it easier to export to Cuba.

If passed by Congress, it would allow Alimport, Cuba's state-owned agricultural import company, to wire money directly to U.S. banks to pay American companies.

That's currently prohibited, which forces American companies to use banks in third-party countries such as France to get money from Alimport.

The legislation would also eliminate the costly "letters of credit" payment method used to conduct transactions and special licenses that are needed to travel to Cuba. In addition, Cuban inspectors could get visas to visit U.S. food-processing facilities.

"We are trying to show we are reliable suppliers of food for Cuba," said Chris Garza, the Farm Bureau's director of congressional relations.

Companies are eager to win contracts with Alimport, which generally pays enough for them to turn a profit from the deals. The agency also pays its bills promptly.

If successful, the Farm Bureau effort could benefit Texas farmers like Curt Mowery. At his farm in Sandy Point, about 40 miles south of Houston, Mr. Mowery grows rice that's sold to Cuba through companies such as Cargill and Archer Daniels Midland.

### Boon for Texas?

Since entering the family business in the mid-1970s, Mr. Mowery has seen the number of acres devoted to rice in Texas shrink from 500,000 to less than 150,000. He blames the decline on urban sprawl, low rice prices, high farming costs and scarcer water supplies.

"Cuba could literally buy 100 percent of our rice crop and part of Louisiana's, too," he said. "You just can't lose a market, particularly nowadays."

Patrick Wallesen, managing partner of WestStar Food Co., a food distributor in Corpus Christi, also wants to boost sales to Havana.

His company exports pinto beans grown in North Dakota and Nebraska to Cuba. Shipments have grown since 2003 but are likely to decline this year because of tight supplies. "It's been very good business for us," Mr. Wallesen said. "I'd like to have more of it."

Farmers aren't the only ones angling for closer ties. U.S. energy companies, for example, are intrigued by Cuba's sizable offshore oil reserves.

Though doubts about the quality of the oil persist, energy companies from other countries are exploring the area, while American firms have been left on the sidelines because of the embargo.

The National Petrochemical and Refiners Association, which represents 450 U.S. refiners and petrochemical manufacturers, is supporting legislation that would allow American companies to bid on Cuba's offshore oil and gas projects.

"It's not as if 'If one of our domestic companies doesn't do it, it won't be done,' " said Charles Drevna, the group's executive vice president. "If it's going to happen, we should make sure it's done in the best way possible."

Not for everyone

Cuba's not suited for everyone. Much of the population in the Communist nation is mired in poverty. With a per capita gross domestic product of only \$3,900, most Cubans can't afford pricey foreign products.

"The potential for trade with the U.S. can't increase unless Cuba reforms its economy," said Carmelo Mesa-Lago, a longtime Cuban scholar and professor emeritus of economics at the University of Pittsburgh. "They need exports in order to pay for imports."

The situation diminishes Cuba's appeal for some companies. Roy Allen, vice president of international business development at Rudolph Foods Co., the world's largest pork rind supplier, visited Havana last fall and discovered that most Cubans can't afford a bag of pork rinds.

The company, which operates a plant in Dallas, may export products to Cuba in a year or two but doesn't view the country as a future source of high-volume sales growth. "They don't have the income that we have," Mr. Allen said.

Companies stand a better chance of success if they're selling necessities.

Just ask Ms. Thomas of TriDimension Strategies. In addition to her consulting work, she has also exported margarine to Cuba and is trying to sell cheese there. "The companies that are having the most success are the ones that are most price-competitive and have high quality," she said.

# The Tampa Tribune

Tampa, Florida

27 February 2007

## Renewed Ties With Cuba

By CHRIS ECHEGARAY

TAMPA - Two businessmen - descendants of well-known local families - are increasing Bay area trade with Cuba, continuing a historic relationship dating back to the days of Hernando de Soto.

Monthly shipments of cattle feed and supplements from the Port of Tampa and Port Manatee to Cuba will start in mid-March, pending negotiations and approval from both governments, said Arthur Savage, owner of Tampa shipping company A.R. Savage & Son.

Five ships delivered pinto beans and phosphates to the island last year. Each shipment this year will deliver an estimated 3,000 tons of animal feed supplement and grain, said John Parke Wright IV, director of J.P. Wright and Co., a cattle, feed and equipment exporter.



John Parke Wright IV, who raises cattle on Strickland Ranch in Manatee County, sent 250 head to Cuba in 2004, the first sale of Florida cattle to the island in more than 40 years.

CRYSTAL L. LAUDERDALE / Tribune

Wright and Savage, distant relatives by marriage, shipped cattle to Cuba in past years and could send more this year or next pending an agreement.

In the meantime, the cattle graze at Strickland Ranch in Manatee County, where Wright raises crossbred Brahman and Black Angus cattle, called Brangus. On Friday, a cowboy hat-wearing Wright visited the herd - dodging the attention of an ornery bull and discussing his visit for better relations between the United States and Cuba.

He's the great-great-grandson of H.T. Lykes, who married Capt. James McKay's daughter. McKay, Savage's great-great-grandfather, started shipping cattle to Havana in 1858, establishing trade with Cuba. McKay and his family continued building a shipping empire, and the Lykes family's shipping, cattle and financial interests grew.

Because of a 45-year embargo, many Americans think there's no trade with Cuba. But U.S. exports to Cuba have grown since 2001, after Congress allowed sales of agricultural products and medical supplies on a cash-only basis. No Cuban imports are sold here other than literature.

More than \$3 million in fertilizer, animal feed and phosphates departed from the Port of Tampa to the island last year, according to figures from the U.S. Census Bureau.

### Some Want Expanded Trade

U.S. Rep. Charles Rangel, Democratic chairman of the House Ways and Means Committee, and Rep. Jeff Flake, R-Arizona, have introduced legislation that would allow free travel by Americans to Cuba, and other lawmakers have touted the idea of more trade with the island nation.

Since 2000, the United States has made \$1.4 billion in agricultural sales, according to the Farm Bureau Federation. In 2006, sales to Cuba totaled \$350 million. The U.S. Department of Commerce regulates and authorizes trade to the island by issuing special licenses.



HERRERA

A Mexican freighter arrives in Havana in 2001 carrying 26,400 tons of U.S. corn.

Since 2001, Americans have been allowed to sell agricultural products and medical supplies to Cuba on a cash-only basis.

A majority of the food purchased in the United States goes to the ration program used to feed Cuba's 11.2 million people, said John Kavulich, senior policy analyst with the U.S.-Cuba Trade Economic Council in New York.

Attempts to open trade between the two countries - what businessmen such as Savage and Wright are calling for - may not work in the long run, Kavulich said.

Cuba also purchases goods and receives financial support from Venezuela, China and other countries, Kavulich said. Those countries are allies and share similar ideologies with the communist island nation.

"What that means is they provide long-term financing that Cuba may or may not repay," he said. "If the U.S. has a change from cash only, you are exposing businesses to almost certain default from Cuba."

Efforts to reach officials in the Cuban Interests Section in Washington and U.S.-based Cuban import agency officials were unsuccessful.

### Preserving Family Legacies

Trade with Cuba stopped with a U.S. embargo in 1962, a couple of years after Fidel Castro took power. But as soon as restrictions loosened, Savage and Wright re-established their families' business relationship with Cuba.

Savage said he wanted to preserve his family's legacy. His mother had vivid memories of Cuba. "She told me it was the prettiest island she had ever seen and the nicest people," Savage said, sitting in an office adorned with black-and-white photographs of ships launched from Tampa in

the Havana ports. Savage was selected by Alimport, Cuba's import agency, to be its shipping agent from the Port of Tampa and Port Manatee. Savage envisions a day when ferry boats go back and forth, when people can get in their cars and have the ferry shuttle them over to Cuba and Cubans can come to the Bay area as well.

Wright, of Naples, also said he wants to keep the family tradition alive. The Lykes and McKays were exporting 100,000 head of cattle to Cuba in 1879, he said. He sold 250 head to Cuba in 2004, soon after embargo restrictions began loosening - the first sale of Florida cattle to Cuba in more than 40 years. Wright said he plans to attend a cattlemen's fair in Cuba at the end of March to talk about possible shipments to the island.

## **History of Tampa-Cuba Trade**

1539 - Hernando de Soto, governor of Cuba and Adelantado of Florida, sends a letter from Tampa Bay to Havana, establishing the Tampa-to-Cuba trade economy.

1565-1763 - Cattle shipments to Cuba from Florida begin during the First Spanish Period.

1821 - After Florida becomes an American colony, trade with Cuba becomes economically important.

1831 - Tampa cattle king, William B. Hooker, registers one of the earliest American cattle brands and drives his cattle to Hooker's Point on Tampa Bay, where the cattle are delivered by boat to Cuba.

1858 - Capt. James McKay starts shipping cattle from Florida to Cuba.

1880's - 1961 - Tampa cigar factories rely on shipments of Cuban tobacco.

1962 - The U.S. establishes an embargo on trade and travel with Cuba which suspend trade relations between Tampa and Cuba.

July 2001 - The U.S. government permits the sale of agricultural products to Cuba on a cash-only basis.

Jan. 2003 - Trade between Cuba and Tampa Bay resumes with a shipment of animal feed out of Port Manatee.

Feb. 2003 - Tampa Port Authority members say they will begin aggressively marketing trade opportunities with Cuba.

Nov. 2003 - Almost 1.5 million pounds of chicken make up the first Cuba cargo transported from Tampa Port Authority-owned property.

Jan. 2004 - Alimport, Cuba's import agency, selects Tampa's A.R. Savage & Son in a formal agreement to be Cuba's ocean shipping agent for the Port of Tampa and Port Manatee.

**Washington, D.C.**  
**21 February 2007**

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## **US Official: No Plans to Scrap Cuba Embargo**

By Michael Bowman  
Washington

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<http://www.voanews.com/english/2007-02-21-voa76.cfm>

The Bush administration is defending the U.S. economic embargo of Cuba, despite the transfer of executive power on the island from ailing president Fidel Castro to his brother, Raul. VOA's Michael Bowman reports from Washington, where U.S. Commerce Secretary Carlos Gutierrez spoke at length about the embargo Wednesday.

For more than four decades, U.S. law has forbidden American companies from doing business in communist Cuba. In recent years, however, the U.S. government has permitted limited sales of food and medicine to the island that must be purchased with cash.

Speaking at an event organized by the Council of the Americas, Commerce Secretary Gutierrez rejected the Cuban government's oft-repeated contention that the U.S. embargo is responsible for the island's persistent economic woes.



Commerce Secretary Carlos Gutierrez speaks during an interview at the Department of Commerce in Washington

"We will not work with a regime that is a declared enemy of the U.S. Castro has repeatedly demonized the United States, blaming us for the failures of his policies," he said. "The embargo is not the problem. The problem is the repressive communist system, and the only solution is to change the system."

But some foresee change on the island in a post-Fidel Castro era. The Cuban leader had intestinal surgery last July and has not been seen in public since. Power has been handed over to Fidel's

brother, Raul Castro, who is viewed by many as more pragmatic and less wedded to strict communist orthodoxy than his elder sibling.

Brian Latell is a Latin America analyst who has worked at both the CIA and the U.S. National Intelligence Council.

"Some of the top generals around Raul I consider to be modernizers: men who, like Raul, I believe are attracted to the China model: no political opening, but opening of the economy," he explained.

Should the United States relax the embargo of Cuba to reach out to Raul Castro? Absolutely not, according to Commerce Secretary Gutierrez, who was born in Cuba and whose family came to the United States after the island's 1959 communist revolution.

"Cubans on the island are economic captives and they are political captives," he added. "They have become the workers of this hemisphere's last plantation. Forty-eight years of history have shown us that changes will not occur under Fidel Castro or under Raul Castro. And we believe it is naïve to think otherwise."

Nevertheless, some U.S. industries see a potentially lucrative market in Cuba, home to more than 11 million people hungry for basic staples as well as consumer goods.

It has been pointed out that the United States does business with other communist nations, such as China and Vietnam, and, in decades past, forged a limited commercial relationship with the former Soviet Union. But Secretary Gutierrez says he views Cuba more in line with North Korea, with whom the United States has no commercial or formal diplomatic relations, than with China, with whom the United States has robust economic ties.

Commercial dealings with communist nations have always required the United States to set aside ideological and political differences in order to allow beneficial trade, according to John Kavulich, a policy adviser to the U.S.-Cuba Trade and Economic Council, based in New York.

But while the council advocates expanding commercial ties between Washington and Havana, Kavulich acknowledges that bilateral trade is a weak tool for promoting change in Cuba.

"We have really become marginalized and pretty irrelevant, because no matter what we do someone has come to Cuba's rescue," he said. "And so they have no incentive to make any changes. That makes us somewhat impotent."

Kavulich notes that Cuba's economy was once propped up by the former Soviet Union. Today, Venezuela under President Hugo Chavez provides Cuba with more than \$2 billion in fuel and other assistance each year.

# El Nuevo Herald

Miami, Florida

16 February 2007

## EEUU vendió \$340.4 millones en alimentos a Cuba

WILFREDO CANCIO ISLA

El Nuevo Herald

Las ventas de productos agrícolas de Estados Unidos a Cuba superan los \$1,500 millones desde que fueron autorizadas hace seis años, aunque el flujo comercial mantuvo una ligera tendencia decreciente durante el 2006.

Según estadísticas divulgadas por el Consejo Económico y Comercial EE.UU.-Cuba (USTEC), las importaciones cubanas alcanzaron el pasado año \$340.4 millones, una cifra muy similar a los \$350.2 millones registrados en las operaciones bilaterales del 2005.

Desde que en el 2000 el Congreso dio luz verde a las compañías estadounidenses para vender alimentos a Cuba, el monto de las transacciones asciende a \$1,552.5 millones. La empresa estatal cubana Alimport registra más de \$1,700 millones en el mismo período, argumentando que la cifra incluye los cargos por traslado de mercancías.

El resumen anual de USTEC, organismo con sede en Nueva York, se sustenta en los informes oficiales de los departamentos de Agricultura y Comercio, así como en los registros de firmas exportadoras, pero no toma en cuenta los costos añadidos de transportación, recargos bancarios y otros gastos vinculados con el envío de cargamentos a la isla.

Sin embargo, Alimport no proporciona documentos verificables sobre sus estadísticas por concepto de transportación de mercancías.

El tenue decrecimiento de \$10 millones en las operaciones comerciales del 2006 en relación con el año anterior es considerado insignificante por los expertos. Los actuales volúmenes de adquisición de Cuba la sitúan en el lugar 34 entre los 227 países que compran alimentos a firmas estadounidenses.

"La caída de aproximadamente un 3 por ciento en las exportaciones de productos agrícolas de EEUU a Cuba era predecible, debido a los negocios crecientes de Cuba con países que le proporcionan respaldo político, económico y comercial, particularmente Venezuela, China y Viet Nam", comentó John S. Kavulich, el consejero principal de USTEC.

El ejecutivo desestimó los efectos de las restricciones impuestas por Washington en febrero del 2005 para obligar a que Cuba pague los cargamentos antes de abandonar los puertos estadounidenses.

Kavulich agregó que mientras Cuba continúe usando sus compras para el cabildeo político en Washington, profundice sus vínculos con Venezuela y no se ajuste al cumplimiento de sus compromisos financieros internacionales, se mantendrá el nivel de las ventas en virtud del interés de ciertas firmas estadounidenses en ampliar el comercio bilateral.

Para el economista Carmelo Mesa Lago, profesor emérito de la Universidad de Pittsburgh, lo revelador es que el gobierno cubano sigue comprando cantidades importantes de alimentos en EEUU.

"Obviamente, para Cuba es negocio comprar en el mercado estadounidense", afirmó Mesa Lago, quien cuestionó que el gobierno de La Habana pueda suplir la demanda de suministros alimentarios con los envíos prometidos de Venezuela.

EEUU se mantiene como el principal proveedor de productos alimenticios a la isla. El pasado año las compras fueron mayormente de trigo (15 por ciento), pollo (13 por ciento), maíz (12.5 por ciento) y arroz (11.6 por ciento).

El intercambio comercial entre Cuba y Venezuela, calculado en unos \$1,750 millones anuales, tiene como rubros básicos el petróleo y la contribución de servicios médicos y educacionales.

De los 15 acuerdos estratégicos firmados a comienzos de este año entre Caracas y La Habana, sólo uno se relaciona con alimentos: la creación de una empresa mixta para producir y exportar arroz.

# Reuters Americas

## London, United Kingdom

### 14 February 2007

## U.S. food sales to Cuba remain strong

By Marc Frank

HAVANA, Feb 14 (Reuters) - Communist Cuba remained one of the more important markets for American farmers in 2006 despite a decades-old trade embargo, a U.S.-based organization that tracks the sales said on Wednesday.

U.S. food exports to Cuba totaled \$340.4 million last year, placing Cuba 34th out of 227 agricultural product export markets, the U.S.-Cuba Trade and Economic Council reported, based on U.S. government export data.

That is a slight dip from \$350 million in 2005 and \$392 million in 2004, the council said, with total sales to Cuba exceeding \$1.5 billion since they began five years ago. The United States was the top exporter of food to Cuba in 2004 and 2005. The figures for 2006 are not yet available.

The council has monitored the cash-only sales since they were approved by the U.S. Congress in 2000 as an exception to the trade embargo imposed on Cuba after Fidel Castro's 1959 revolution.

Castro temporarily handed power to his brother and Defense Minister Raul Castro on July 31 after undergoing abdominal surgery, and he is still in recovery.

U.S. businessmen report it has been business as usual since July, perhaps with a little less political grandstanding. "At the trade fair this year we just quietly signed contracts without the usual hoopla and press conferences," a U.S. trader involved in the business for years said, asking not to be named.

With Democrats now in control of the U.S. Congress and the belief by some lawmakers that Castro's stepping aside provides an opportunity for improved relations, a number of bills have been introduced that would loosen trade and travel restrictions. The Bush administration opposes the measures.

"Despite all the tough talk between the two governments, Cuba has paid American farmers \$1.5 billion since George Bush went to the White House," said Julia Sweig, an expert on Cuba at the Council on Foreign Relations think tank in Washington. "This is a significant wedge in the door of the embargo, a door that may well swing wide open if the Congress gets rid of the travel ban and Americans start flocking to the island," she said.

Cuba has said the slight decline in purchases since 2004 was due to the Bush administration's steps to tighten restrictions on travel to Cuba and regulations covering payment for Cuban purchases.

The trade council's senior policy adviser, John Kavulich, said that was nonsense.

"The approximately 3 percent decrease in agricultural commodity and food product exports from the United States to Cuba in 2006 was expected due to Cuba's increasing reliance upon countries which provide commercial, economic, and political support to Cuba, specifically Venezuela, China, and Vietnam," he said.

Wheat, chicken, corn, rice and soy products accounted for more than 70 percent of U.S. sales to Cuba in 2006, following a similar pattern in previous years.

# The Courier Mail

Sydney, Australia

15 February 2007

## US food sales to Cuba remain strong

From correspondents in Havana

COMMUNIST Cuba remained one of the more important markets for US farmers in 2006 despite a decades-old trade embargo.

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# The Miami Herald

Miami, Florida

13 February 2007

## Business in Cuba

The Jan. 22 Business Monday story Preparing business for Cuba ignored William Delahunt's role in the anti-embargo movement. Delahunt and other anti-embargo congressmen went to Cuba in December looking to "improve" relations. Shunned by Raúl Castro, they returned empty-handed.

Ignored, too, is how the Castro brothers cynically manipulate existing humanitarian grain sales to undermine our sanctions and maintain their dictatorship. One of The Miami Herald's sources is Castro business booster John Kavulich, of the U.S.-Cuba Trade and Economic Council.

On Sept. 9, 2005 a Miami Herald article stated that in the 1990s "Kavulich was the virtual poster boy for those who argued that U.S. commerce with Cuba could pry open its communist system," adding "He had done just that in the former Soviet Union and figured he could do the same in Havana."

What nonsense. If that were even remotely true he would be in Russia now making millions, not trying to repeat with Castro's Cuba what he clearly failed to do with Soviet communists in the 1980s.

The Soviet empire imploded under the strain of its failed system, overextension and multiple pressures exerted by President Ronald Reagan's hard-line foreign policy. Despite liberal revisionism, selling the Russians Coca-Cola was not a major factor. Meanwhile, over a decade of European trade with Castro has only worsened the repression and decay in Cuba.

As the former executive director of the U.S.-Cuba Business Council, I understand that U.S. business should be prepared. But history has shown that doing business with dictators is bad for everyone.

PAUL CRESPO, Coral Gables

# The Los Angeles Times

Los Angeles, California

22 January 2007

## Dollars From Abroad Divide Cuba Into Classes

By CAROL J. WILLIAMS

Los Angeles Times

HAVANA - It didn't take long for much of the \$300 that the retired Culture Ministry worker's son wired him from Florida to make its way into the coffers of Cuba's communist regime.

Ten percent disappeared immediately when the state-owned bank took its commission on changing the money into convertible pesos, a fee that applies only to U.S.-dollar transactions. Another 11 percent was sucked away by the government's artificially low exchange rate.

Left with a little less than 240 pesos, or \$240, the 64-year-old artist headed to the hardware store to replace a water pump. It had broken months earlier, cutting his water supply to a trickle in the kitchen and forcing him to seal off his second bathroom.

That purchase set him back half of what he had left. The actual cost of the imported part was only 35 pesos before the 240 percent markup that is standard in the government's aptly named Shops for the Recovery of Foreign Currency, or TRDs for their Spanish initials.

By the time the artist paid a plumber to install it, fixed his sputtering motorbike and bought food for himself, there was just enough left to take care of his last love and source of solace: an 18-month-old boxer dog with too much enthusiasm for the tiny paved yard behind his home. "She eats like 10 men but she's all I have now," he said as he wrestled the leaping dog to a standstill just long enough to kiss her snout.

By some estimates, such remittances are more important to the Cuban economy than tourism or sugar. Hard-line opponents of Cuba's communist government contend that fees and markups make the money more helpful to Fidel Castro's regime than to its intended recipients, providing the government with a source of easy money and allowing it to avoid market reforms in the 15 lean years since the defeat of its Soviet benefactors.

But the truth might not be so simple. Experts say dollars sent from abroad also cleave this officially classless society of 11 million people into two parts, those who receive them and those who don't, undermining Castro's regime.

In the months since the ultimate leader absented himself from his duties because of illness, Castro's brother and political heir, Raul, has vowed to continue the socialist system. But Cubans on both sides of the economic divide are demanding less state control and more opportunity to work for themselves.

"The difference between those who get remittances and those without is, those of us with dollars can survive," said the retired artist, who suffers from asthma and a nagging sense that he should have fled Cuba when he had the chance years ago. "The rest must steal to make ends meet or concoct ways of making money 'zurdo'" - on the left.

Analysts agree that legalization of the dollar in 1994 opened the door to the current social divide, and that Castro's move a decade later to replace it with the convertible peso has done nothing to narrow it.

Dollarization "created a bifurcated economy that gives some people access to hard currency and others not. And until you get broad-based growth, that inequality won't be solved," said Phil Peters, Cuba analyst at the Lexington Institute, a think tank in Arlington, Va.

The government's commission on converted dollars amounts to a tax the regime can redistribute to people without dollar income. Replacing dollars with convertible pesos allowed the government to increase pensions and wages modestly but can't redress the disparity or the faulty economic logic shackling growth and production, Peters said.

### Pinning Down Remittances' Value

Reports by the U.S. and Cuban governments and calculations by scholars of the value of remittances differ widely. Some figures suggest dollar transfers peaked at about \$800 million in 2003 and fell to \$500 million in 2005, after Washington started limiting transfers to \$300 quarterly and restricting them to parents, siblings and children.

Paolo Spadoni, an expert on the Cuban economy and a political science professor at Rollins College in Winter Park, said U.S. visitors to the island routinely circumvent those restrictions, though. Many send cash via third-country agencies or through an underground network of "mules" - fee-charging couriers.

Judging by the booming TRD sales, remittances must have topped \$1 billion a year by 2000 and grown to at least \$1.3 billion in 2004, said Spadoni. Although it is difficult to determine whether there has been a significant decline since then, Spadoni said that dollar-store income rose almost 7 percent last year. "In net terms, remittances are the biggest source of foreign exchange for the country, more than tourism and sugar," he said.

The Cuban government has to invest about 80 cents for every dollar it earns from tourism, now a \$2 billion-a-year industry, whereas remittances arrive with minimal state outlays.

John Kavulich, senior policy adviser to the U.S.-Cuba Trade and Economic Council in New York, estimates that the value and influence of remittances to Cuba is far lower. A veteran analyst of centralized economies, Kavulich says Havana's economic data are inflated. He estimates the volume of remittances to be no more than \$450 million, and says their influence on the overall economy is minimal compared with billions in aid from China and Venezuela. But for average Cubans, remittances are far more tangible.

Workers who depend on their \$12 to \$15 a month earnings from state-run industries and offices frequently pilfer the output or skim from storerooms. Inequality also exposes the "haves" to robbery and extortion, so most of them try to keep quiet about the comforts they have acquired with dollars. Most of those interviewed for this story spoke on condition of anonymity in order to protect themselves.

### 'It Gets Nasty'

Sending money to Cuba is uncomfortable as well. The artist's son, a 41-year-old news producer with a wife and three children, works with fellow exiles on South Florida airwaves, railing against remittances and travel to Cuba, contending they keep a dictator in power. "I keep it to myself. If you get involved in discussions with [exiles], it gets nasty," he said. The artist's second cousin sends what money he can in cash with friends visiting the island.

"Sometimes you feel a little resentful, because it seems like the people there are so needy and they don't understand how hard you have to work here to make that money," said the 65-year-old retired businessman.

Then the guilt sets in, fueled by reflection on the miserable existence of people in Cuba who have no one to send them dollars. Food at Cuba's official dollar stores costs as much or more than in Los Angeles or Miami: \$5.50 for two pounds of imported chicken parts from Arkansas, \$2.25 for a 16-ounce bag of U.S.-grown rice. Consumer goods are often double or triple what they would sell for in any U.S. city and are generally of lesser quality.

Like increasing numbers of Cuban exiles in South Florida, the artist's son and cousin believe their money is helping to widen the social divide in Cuba. They hope that pressure hastens an end to the communist system, and they say Washington needs to lift its trade and travel bans to help Cubans get an understanding of their system's failures.

# **Sun-Sentinel**

**Fort Lauderdale, Florida**  
**22 January 2007**

## **Cuba expected to curtail food purchases from U.S.**

by Doreen Hemlock  
South Florida Sun-Sentinel

Look for U.S. food sales to Cuba to slow again this year.

Cuban officials told American suppliers that they plan to shift about \$300 million in food purchases away from the United States toward friendlier countries in the coming months, according to U.S. executives present at a recent meeting.

The reason: Cuba has been buying food from suppliers in some 30 states in an effort to get those suppliers and their states to lobby Washington to ease the U.S. embargo.

But after six years of buying, the strategy has failed to result in an easing of the embargo, Pedro Alvarez, chief of Cuba's Alimport import agency, told the group last month.

Cuba likely will buy more rice, soy and wheat from Vietnam, China, Argentina and Brazil this year instead of U.S. farmers, said Jay Brickman, vice president of government services for Crowley Maritime Corp., present at the meeting. Crowley ships haul U.S. food products to Cuba from Broward County's Port Everglades, with U.S. authorization.

The Cuban government began slowing purchases from the United States about two years ago, shifting business to such political allies as Venezuela, according to trade reports from Washington and Havana.

In 2005, the United States sold \$350.2 million in food to Cuba, down 11 percent from the previous year, according to U.S. government compiled by the U.S.-Cuba Trade and Economic Council of New York.

U.S. food sales to Cuba were roughly flat at \$317 million through November last year, compared with the 2005 period, the council said.

The slowdown in U.S. sales comes as Cuba boosts imports overall amid its best economic performance in years. Generous subsidies from oil supplier Venezuela and trade credits from China are fueling growth.

Cuba posted nearly \$7 billion in total imports in 2005 and expected to import nearly \$8 billion last year, Havana said.

# The Miami Herald

Miami, Florida

22 January 2007

## MEDIA

**Communications vacuum will take time, money to fill**  
**Cuba's radio and TV stations and newspapers are in need of a major overhaul if political change comes to the island.**

BY CHRISTINA HOAG

It's about more than the money.

Radio, television and newspapers represent one of the most politically strategic sectors for the Cuban government -- and one of the least likely to go on the auction block in the near term.

"The Cuban media will re-emerge in terms of content, but the government will want to retain control as long as it can," says John Kavulich, senior policy advisor to the U.S.-Cuba Trade and Economic Council.

But that doesn't stop entrepreneurs on this side of the Florida Strait from eyeing the island's media properties, which include several TV networks, 16 regional TV stations, more than 70 radio stations, three daily national newspapers, a weekly financial paper and two wire services.

Former radio and TV executive José Cancela has already formed a company, Sunrise Communications, which is backed by a pool of almost \$1 billion in pledges from investors interested in the media industry.

If media properties ever go up for sale, they're likely to fetch a lot of attention, especially from those already involved in Spanish-language media in the United States, Latin America and Spain.

Entering the business may not be straightforward, though.

Historical ownership could be an issue. Many media properties were confiscated by the government from private hands and buyers could find themselves in a legal battle over prior rights claims.

And investors would have to wait until a consumer-based economy emerges that would give rise to advertising revenue.

"It would take pretty deep pockets to last the growth curve," said Julio Rumbaut, a Hispanic media consultant in Miami. "But anyone in media would want to be in a new market."

# The Courier-Journal

Louisville, Kentucky

15 January 2007

## Group gives Cubans high marks for ability to improvise Weeklong trip an eye-opener

By Katya Cengel  
The Courier-Journal

Howard Owens returned from Cuba with an appreciation of how much can be done with so little, especially when it comes to houses.

The island, said the 58-year-old Louisvillian, does not have a lot of building materials. But the people make do, constructing homes from cinder blocks and building high rises without cranes. They also have "some mighty fine black beans and rice," he said.

Owens was one of five members of the Henry Wallace Brigade to discuss a recent trip to Cuba at The Alternative on Thursday. The brigade's weeklong trip earlier this month, involving 23 Louisville members, was intended to honor the late Wallace, a journalist and activist.

The trip was meant to be educational and to challenge the U.S. embargo on Cuba and the travel restrictions it imposes. Those who went to Cuba could face fines and penalties imposed by the federal government. But such punishment was far from their minds when they spoke to the 40 or 50 people who attended their first public discussion of the trip.

Social worker Beth Harrison Prado was impressed with Cuba's health-care system, which is free to everyone, she said. She also praised the Cuban commitment to diversity, including members of the gay, bisexual and transgender community.

The trip, which included tours of an organic farm and a site where women were being taught to make their own homes, was organized with the help of the Cuban Institute for Friendship Between People. Jake de Vries, 21, was taken by an agriculture system in which 80percent of the produce is locally grown and where people can pay for produce by helping out on a farm.

"What they saw was a Potemkin village," John Kavulich, a senior policy adviser with the nonprofit U.S.-Cuba Trade and Economic Council, said in an interview.

The brigade, he said, saw what the Cuban government wanted them to see, not what was really there, not unlike the fake settlements reportedly erected to fool Russian Empress Catherine the Great during her visit to Crimea in 1787.

While it is true there is universal health care, said Kavulich, the quality of care is suspect and most pharmaceuticals are only available to those with foreign currency. There also is a shortage of housing and poor-quality water, sewage and electricity in homes, he said.

David Lott, a 51-year-old social worker, attended Thursday's event because he wanted to learn firsthand what life is like in Cuba. "I also learned about the humanity of the Cuban people," he said.

Members of the group will be sharing photos, video and stories from their trip next Monday at the Braden Center, 3208 W. Broadway, from 6 to 8 p.m. and Jan. 28 at Central Presbyterian Church, 318 W. Kentucky St., from 5 to 7 p.m.