

# **U.S.-Cuba Trade and Economic Council, Inc.**

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## **Articles 1995 to 2001**

Most articles referencing the U.S.-Cuba Trade and Economic Council which were published from 1995 through 2001 have not been transferred from their original prints into a digital format. They are available for reference.

### **La Jornada 15 Novembre 2001**

**Acuerdo entre ambos países para que La Habana enfrente la crisis que provocó *Michelle***

**Cuba podrá comprar alimentos, medicinas y productos agrícolas a Estados Unidos**

Negociaciones para las condiciones de transportación de los bienes humanitarios

**JIM CASON Y DAVID BROOKS CORRESPONSALES**

**Washington y Nueva York, 14 de noviembre.**

Los gobiernos de Cuba y Estados Unidos llegaron este miércoles a un acuerdo que permitirá a la isla comprar alimentos, productos agrícolas y medicinas de Estados Unidos para enfrentar la crisis humanitaria provocada por el huracán *Michelle*, confirmaron líderes empresariales y diplomáticos.

La semana pasada, al responder a un ofrecimiento de Washington de asistencia humanitaria condicionada, el gobierno cubano presentó una contrapropuesta que preveía que Estados Unidos suspendiera temporalmente el embargo y las restricciones a la compra de bienes humanitarios para permitir la adquisición directa de los productos necesarios. El gobierno estadounidense dio a entender que bajo la actual ley ya se permitía la compra de alimentos y medicinas.

Sin embargo, los detalles de cómo realizar esas compras, su transporte y las condiciones de estas transacciones han sido tema de negociación.

Dada la sensibilidad de estas negociaciones, ninguno de los dos gobiernos ha anunciado públicamente el acuerdo, pero John S. Kavulich, presidente del Consejo Comercial y Económico Estados Unidos-Cuba, informó esta noche a *La Jornada* que después de cinco días de intensas negociaciones diplomáticas, los dos gobiernos por fin habían resuelto sus diferencias.

El adelanto clave ocurrió cuando el gobierno cubano presentó al de George W. Bush una lista de los productos que deseaba comprar a empresas estadounidenses, y cuando La Habana acordó utilizar barcos de transporte no cubanos para transportar los bienes, explicó Kavulich.

Un funcionario estadounidense confirmó poco después a este diario que la lista de productos fue recibida y que sí hubo un acuerdo sobre el transporte, además de que habían informado a las autoridades cubanas que según las

leyes existentes el gobierno cubano podía comprar los bienes para uso humanitario.

La lista inicial presentada por los cubanos incluye aproximadamente 3 millones de dólares en compras de trigo, maíz, arroz, soya y productos de madera, pero aún se espera una lista de medicinas, informó Kavulich a *La Jornada*.

Kavulich, quien encabeza una organización dedicada a difundir información precisa sobre comercio e inversión en Cuba, dijo que el gobierno cubano, por ejemplo, ya había solicitado información específica sobre productos y precios que podría adquirir de la empresa agroindustrial Archer Daniels Midland.

"Estados Unidos le dijo al gobierno cubano: haremos todo para asegurar que las regulaciones sean aplicadas de la manera más eficiente posible", refirió Kavulich. "Al mismo tiempo explicaron que sería del interés de Cuba utilizar otras embarcaciones, porque de otra manera podría haber problemas que el gobierno estadounidense no podría resolver".

Entre los inconvenientes, explicó Kavulich, está el que si embarcaciones cubanas llegan a Estados Unidos podrían ser confiscadas por tribunales locales, que han emitido fallos pendientes contra el gobierno cubano por fondos relacionados con demandas legales presentadas en Estados Unidos.

Estas compras, subrayó Kavulich, son sólo para bienes requeridos para enfrentar la crisis humanitaria provocada por el huracán. Cuba, insistió, sigue oponiéndose a las medidas de la ley estadounidense que limitan e imponen condiciones a la compra de alimentos, medicinas y bienes agrícolas en tiempos normales.

## **La Jornada 11 Noviembre 2001**

*La Habana tiene que precisar lo que requiere para facilitar envíos, señala experto*

Empresarios estadounidenses se muestran ansiosos de vender bienes humanitarios a Cuba

*Si omite esos detalles, sus declaraciones se percibirán como "maniobra política", señala*

### **JIM CASON Y DAVID BROOKS CORRESPONSALES**

**Washington, 10 de noviembre.** Hay un sector sustancial de legisladores y líderes empresariales en este país dispuestos a presionar al gobierno estadounidense a acelerar el envío de alimentos y fármacos a Cuba, en respuesta a la crisis causada por el huracán *Michelle*, pero el gobierno cubano tendría primero que presentar una lista de los productos que desea, afirmó hoy un experto en relaciones empresariales entre Estados Unidos y Cuba.

John S. Kavulich II, presidente del Consejo Comercial y Económico Estados Unidos-Cuba, explicó hoy en entrevista con *La Jornada* que los líderes empresariales de este país están listos a responder a la solicitud del gobierno cubano para la compra de alimentos y medicinas ante la crisis humanitaria por el huracán *Michelle*, considerado el peor desastre natural desde la revolución de 1959.

Informó que en las últimas 48 horas líderes empresariales estadounidenses han solicitado al gobierno cubano detalles específicos sobre los montos físicos y el valor en dólares de los bienes que Cuba desea adquirir en Estados Unidos.

El consejo, que mantiene una posición neutral sobre el embargo contra Cuba, es una organización de empresas interesadas en obtener información precisa sobre inversión y comercio con la isla. En la entrevista Kavulich dijo que cree que hay varios pasos concretos que el gobierno de George W. Bush puede dar para agilizar la exportación de alimentos, productos agrícolas y medicinas a Cuba. "Históricamente, cuando ha existido un elemento humanitario, el gobierno estadounidense siempre ha acelerado las licencias (de exportación a Cuba)", dijo Kavulich. Afirmó que en crisis humanitarias en el pasado en Cuba, el gobierno estadounidense ha aprobado licencias para exportaciones en menos de ocho horas. Aunque el bloqueo prohíbe casi

toda actividad commercial entre ambos países, conforme a la ley actual las exportaciones de alimentos, bienes agrícolas y medicinas están permitidas, señaló.

Kavulich, quien ha estudiado las relaciones comerciales entre Cuba y Estados Unidos durante gran parte de la última década, dijo que el gobierno de Bush también tiene la opción de suspender los requisitos para licencias sobre ciertos envíos de bienes humanitarios a Cuba. "Podría decir que esta lista particular de bienes humanitarios no requiere de licencia", explicó. Al mismo tiempo, el líder empresarial advirtió que él no cree que el gobierno de Bush utilizará estas opciones si Cuba no ofrece más detalles sobre los productos y el valor en dólares de lo que busca comprar. "Entre más pronto lo hagan, más difícil será para Bush no agilizar los procedimientos de licencias", señaló. "Si el gobierno cubano lo especifica rápidamente -agregó- habrá un apoyo sustancial, una base vocal sustancial conformada por legisladores que representan a los estados agrarios; líderes empresariales del sector agrario y organizaciones empresariales expresarán su deseo al gobierno estadounidense de realizar este trato rápidamente."

Se informó aquí que el gobierno cubano desea comprar productos de madera, alimentos infantiles, leche en polvo, carne de pollo, aceite comestible, frijol y trigo para responder a la emergencia causada por el huracán. Pero Kavulich advirtió también que hasta la tarde del sábado no sabía qué bienes en particular, cuántos y a qué precio podrían ser solicitados por las autoridades cubanas.

El presidente de este consejo empresarial dijo que es técnicamente posible para el gobierno de Bush permitir el ingreso de naves cubanas a puertos estadounidenses para transportar los bienes de emergencia, y reconoció que tal acuerdo probablemente sería más económico que otras opciones de envío para el gobierno cubano. Pero señaló que estos buques tendrían que recibir algún tipo de inmunidad diplomática, o alguna calidad de vehículos diplomáticos, para evitar que al llegar aquí sean confiscados con base en fallos de tribunales estadounidenses relativos a reparación de daños a particulares, como las familias de los pilotos cuyas avionetas fueron derribadas por el gobierno cubano hace cinco años. "Creo que sería innecesariamente desagradable (utilizar los barcos cubanos)", opinó Kavulich, señalando que existen empresas estadounidenses dispuestas a hacer los envíos a costo en el contexto del desastre.

Un paso concreto que podría dar el gobierno de Bush, dijo, sería autorizar las transacciones financieras de correspondencia entre bancos cubanos y estadounidenses. Por ahora, todo pago para compras cubanas aquí tendría que efectuarse mediante bancos en países terceros, y éstos son más caros por las cuotas que cobran para los traslados de fondos. Ya que los cubanos han dicho que están dispuestos a pagar por los productos que necesitan de Estados Unidos, Kavulich dijo que una manera de reducir los costos entre 10 y 12 por ciento sería permitir el traslado directo de fondos entre ambos países.

Las acciones de política bilateral con Estados Unidos del gobierno cubano en esta crisis, dijo, podrían ser una movida política astuta o un error, opinó Kavulich. "Sería astuta si el gobierno presenta lo que hasta el momento no ha hecho, una lista específica de los productos que desea", dijo. "Pero Cuba necesita responder a la pregunta de qué quiere y cuánto... Si La Habana no ofrece estos detalles, muy pronto sus declaraciones serán percibidas como sólo una maniobra política."

## **Mobile Register**

**Mobile, Alabama**

**Sunday, 28 October 2001**

Section F, Page 01

### **City, state officials planning December trip to Cuba**

By  
Business

ANGIE

DROBNIC  
Reporter

No one in the United States can do business with Cuba, right?

Actually, that's wrong. Legally, some trade between the two countries can take place, thanks to legislation passed by Congress last fall. Problem is, trade remains nonexistent because of financing complications and continuing antagonism between the Cuban and U.S. governments. The terrorist attacks are unlikely to change any of that anytime soon, as the United States has its attention elsewhere, experts say. Nevertheless, Mobile officials and business people are still visiting Cuba -a trip is planned for December - hoping that one day the visits will pay off with increased trade opportunities. However, critics and even some sympathizers of Cuban trade say those payoffs will be a long time coming - if the efforts ever pay off at all.

Historical ties with Havana

Mobile's connections to the island country go back more than 100 years. Newspaper reports from the early 1900s tell of steamer ships transporting loads of cattle, railroad crossties and other cargo between Mobile and Havana. But in 1959, Fidel Castro led an army that established a communist government on the island, and the United States quickly responded with an embargo that has been in place since 1961. Almost 30 years later, the Cold War ended with the breakup of the former Soviet Union, now Russia and a commonwealth of independent states, and Mobilians grew interested in renewing the old ties with Cuba. In 1992, a Mobile group called Mobile-La Habana Society formed to promote cultural and humanitarian exchanges with Cuba. Two years later, Mobile Mayor Mike Dow planned his first official trip to Cuba despite warnings from the federal government that business-oriented trips to Cuba were not allowed. Calling for a "new paradigm" for Cuba policy, Dow went anyway, then went back again a little over a year ago.

*"I personally believe that lifting the embargo is the right, modern thing to do,"* Dow said at the time. *"I think if we can deal with nations like China, then we can learn to deal with Cuba as well."* Yet another trip scheduled for last month was postponed, this time not because of federal concerns, but because of bad weather caused by Hurricane Iris. Dow intends to make the trip in December with a host of officials from state and local government, including leaders from the Alabama State Docks, the Mobile Area Chamber of Commerce, the Alabama International Trade Center, the University of Alabama, the state Department of Agriculture, the Mobile Tricentennial, the U.S. Chamber of Commerce, the Mobile Airport Authority, and the trade division of the Alabama Development Office.

### ***Fact-finding mission***

*"It's first and foremost humanitarian,"* said Tony van Aken, the Mobile Area Chamber of Commerce's director of trade. *"Every person who is going will be bringing a suitcase or the equivalent thereof of humanitarian aid."* But officials also plan to meet with Cuba's minister of the exterior, leaders of the Cuban Chamber of Commerce, and members of various medical societies. Van Aken said Alabama has a stake in learning about the export of lumber, poultry and other agricultural products to Cuba. *"We don't expect to come back with any orders. We know it's going to take some time, and there are still some bridges to cross,"* van Aken said.

Limited trade between the United States and Cuba is technically legal, thanks to the federal legislation passed late last year. Medical goods, agricultural commodities and some forest products may be sold to Cuba, but there is a serious catch: Cuba's purchases may not be financed by any U.S. bank or foreign branch of a U.S. bank. Cuba refuses to trade with the U.S. under those provisions, said Jill Shinault, secretary of the Mobile-La Habana Society, who traveled to Cuba earlier this month with a group of medical and other professionals. Cuban officials like to say they will buy *"not even a single aspirin,"* until trade laws are made more equitable, Shinault said. Her sense of the matter was that the officials found the financing limitations to be insulting.

*"They also told me that at this point, they're not importing much wood at all, because they can't afford it. It's a luxury,"* Shinault said. Nevertheless, some businesses still see hope that trade between the two countries will happen in the not-so-distant future.

Alabama State Docks Director James Lyons plans to visit Cuba in December and attend a conference in Mexico this spring to learn how financing arrangements could work with Cuba using foreign banks. Foreign subsidiaries of U.S. banks may also provide financing under the rules. On the December trip, Lyons wants to examine Cuba's railroad infrastructure. Perhaps a rail ferry between Mobile and Cuba, similar to the one that now operates between Mobile and Mexico, could link the two countries one day, he said. But Lyons said actual trade between the U.S. and Cuba won't happen soon. *"The changes that are going to have to happen to have any meaningful trade ... it's sometime off. The factors that are going to control that are between our government and the Cuban government, and we can't control those things,"* he said. Lyons also warned business people not to be overly optimistic about the results of trade: *"It's not going to be a great panacea and makes us hundreds of millions of dollars."*

Still, some business people have high hopes for the day when, as they see it, the embargo is inevitably lifted. *"I'm looking for any opportunity to make this company better,"* said Stephen Hanes IV, president of the lumber exporter American Pitch Pine Co. He traveled to Cuba last month with Shinault's Mobile-La Habana Society. He said he believes the embargo will be lifted soon. *"Cuba is a gold mine waiting to happen,"* Hanes said.

Entangled in politics

Anti-Castro groups have long vehemently opposed trips like the one Mobile officials are planning. *"They go and they give credibility to a system that is basically rotten to the core,"* said Dennis Hays, executive vice president of the Cuban American National Foundation. Even if Cuba's political systems were not anathema to democracy, Hays questioned whether Cuba has the resources to buy exports. *"No trade takes place because the Cubans aren't interested in paying for products. They're interested in getting credit that will never be paid back,"* he said. The embargo has kept American companies from losing money in Cuba, Hays said. And President Bush seems to support the embargo strongly, which should temper Mobile's optimism for imminent trade, he said. Some say Bush supports the embargo for political reasons, to win the support of anti-Castro Cubans in Miami. But Hays said his group is happy to have Bush's support for the embargo, period. *"He's spoken directly on this subject on a number of occasions. We consider ourselves lucky to have a very good friend in the White House,"* Hays said. Despite the president's position, Mobile is one of many port cities that have sent delegations to Cuba during the past several years, claiming they need to get a leg up on competitors who are doing the same thing. *"Cuba is sort of forbidden fruit,"* Hays said. *"Everybody loves to (go there). Our position is, travel to Cuba if you're going to do something to help the Cuban people. And we draw a very sharp line between the Cuban regime and the Cuban people."*

Another group that monitors trade policy between the United States and Cuba is the U.S.-Cuba Trade and Economic Council Inc. The council takes a determinedly nonpartisan position on Cuba, stating that its main purpose is to provide accurate information to the business community about commercial, economic and political relations between the two countries. But council president John Kavulich II also believes trade with Cuba to be a long time coming, mostly because the Cuban government won't buy goods under the current rules. *"Quite frankly, the longer the Cuban government goes without making purchases, the less interested U.S. companies become in focusing energies toward Cuba,"* Kavulich said. And any legislation on Cuba seems unlikely to move while Congress grapples with terrorism and the Middle East, he said. And Cuba is still on a 1993 State Department list of states that sponsor terrorism that includes Iran, Iraq, Libya, North Korea, Sudan and Syria. Afghanistan, of course, has recently been added to that list.

Of Mobile's trip, Kavulich said business people should carefully follow the restrictions placed upon humanitarian trips. Cultural and educational exchange is fine, but specific business dealings are prohibited, he said. Using a humanitarian trip as a ruse to conduct business deals can do more harm to the business community than good if the federal government is called upon to investigate such trips, he said. *"It places the U.S. government in a position of having to be more restrictive, when they may not want to, in order to be seen as taking some action,"* he said.

Finally, he said, trade officials should carefully evaluate trips to Cuba, knowing that trade between the two countries still may be only a far-off possibility. *"Any state or local government official planning to visit Cuba should clearly evaluate the cost-benefit in terms of expenditure of public funds, and how and when that expenditure will provide value for their constituents. Sometimes, there has been far too great a distance between the cost and the benefit."*

## **El Nuevo Herald (The Miami Herald)**

*Publicado el viernes, 28 de septiembre de 2001*

### ***Fuerte baja en el número de viajeros a la isla***

**By WILFREDO CANCIO ISLA**

La reducción de viajeros de Estados Unidos a Cuba como resultado de los recientes ataques terroristas impactará el negocio de los vuelos fletados, y podría dejar pérdidas superiores a los \$22 millones anuales en la economía de la isla.

De acuerdo con estimados del Consejo Económico y Comercial Cuba-EU, entidad consultora independiente con sede en Nueva York, el número de pasajeros hacia la isla en el 2001 podría disminuir en un 15 por ciento con relación al año anterior.

“El número de viajeros que suele disparar las estadísticas a fines de año puede verse considerablemente afectado”, dijo ayer John S. Kavulich, presidente del Consejo.

Kavulich advirtió que “va a ser una etapa tremendamente difícil para el turismo en el área del Caribe”, y señaló que Cuba no será inmune a los efectos que se deriven del ámbito estadounidense.

El funcionario pronosticó que el flujo de los viajes a Cuba en los próximos meses dependerá de dos factores decisivos:

las nuevas reglas para la aviación civil, y el panorama de la economía norteamericana, amenazada por una recesión.

Según las estadísticas, el pasado año viajaron a la isla unas 173,000 personas que residen en Estados Unidos, 22,000 de ellas de manera ilegal a través de terceros países como México, Canadá y Bahamas. El pronóstico significaría unos 26,000 viajeros menos.

Las compañías de vuelos fletados a Cuba reconocen la complejidad de la situación, que ha provocado una caída del 25 por ciento de los pasajeros por debajo de los promedios tradicionales de la llamada "temporada baja" (meses de septiembre y octubre).

Sin embargo, representantes de compañías dijeron ayer que, hasta el momento, han logrado mantener las frecuencias de viajes semanales. Marazul Tours no respondió varias llamadas de El Nuevo Herald, y el presidente de Wilson International se hallaba de viaje fuera de la ciudad.

"Creo que la disminución de viajeros a Cuba ha sido proporcional al comportamiento de las cifras de viajeros al extranjero", comentó María Aral, vicepresidenta de ABC Charters, una de las siete firmas autorizadas para operar vuelos fletados hacia la isla.

ABC Charters trasladó en el verano unos 1,100 pasajeros semanales a La Habana, Santiago de Cuba y Holguín. Las cifras semanales de viajeros apenas superan ahora la mitad.

"Es realmente preocupante", apuntó Silvio Gómez, representante de Gulfstream International, que está viajando con unos 300 pasajeros menos de los que trasladaba por esta fecha en el 2000.

Gulfstream International ha iniciado ya una agresiva estrategia de mercado para estimular el trabajo de las agencias de pasajes. Por cada cinco pasajeros que muevan a Cuba, la agencia recibirá un boleto gratuito para cualquier destino en la Florida.

"Lo peor sería que la situación se mantuviera estable para diciembre", indicó Gómez. "Pero de todas maneras, no creo que las cifras del 2000 puedan ser superadas".

Aral cree que la publicidad debe concentrarse en la seguridad de los vuelos a la isla. "Las medidas de control que ahora se han puesto en práctica en los aeropuertos, estaban ya hace rato implementadas para los viajes a Cuba", enfatizó.

No obstante, el profesor Jorge Salazar, director del Instituto de Estudios Económicos de la Universidad de la Florida (FIU), opinó que el impacto de la actual crisis internacional será "devastador para el negocio de los viajes".

# Los Angeles Times

Los Angeles, California

9 September 2001

## Cuba Barrels Ahead Toward Energy Self-Sufficiency

By Tony Smith

**HAVANA (Associated Press)** -- He's clearing his desk, packing up boxes and preparing to head home to his family in Brazil, but Demarco Epifania has a feeling he could soon be back in Cuba doing what he likes doing best--drilling for oil. General Manager for Brasoil, Epifania is closing down operations at the Cuban arm of Petrobras of Brazil, after failing to hit oil off the island's northern coast. "We had a 13% chance of finding oil but we didn't, so we're leaving for now," he said. "But we could be back at any moment." What might tempt Petrobras to return is talk of a massive deep-sea field of crude in Cuba's section of the Gulf of Mexico. Cuba's state oil company, Cupet, is teaming with Spain's Repsol to start seismic studies, and drilling could start as early as next year.

"They're talking of 59 deep water blocks," said Epifania. "That will spark interest at a lot of oil

*companies, ours included.*" By opening up its oil sector to joint ventures with foreign companies, Cuba has quadrupled its oil production over the last decade. Last year it produced almost 60,000 barrels a day, about a third of its needs. It imports another third under a barter deal with Venezuela and buys the other third on international markets.

More importantly, the production boost at mainly onshore wells in northern Matanzas province means Cuba now produces about 70% of its own electricity. Marcos Portal, basic industry minister, predicts 90% self-sufficiency in energy by year's end. That is a remarkable turnaround for a country that, just a decade ago, was completely dependent on oil-for-sugar swaps with its former ally, the Soviet Union. After the collapse of the Soviet bloc, supplies to Cuba's 14 Soviet and Czech power plants dried up, forcing the government to introduce crippling, 12-hour daily blackouts. *"At times I forgot what a [cold] beer tasted like,"* said Rodrigo Sanpietro, a hotel worker in old Havana. *"The refrigerator never had time to get cold."* Today, Havana is still plagued by power cuts, but they are much shorter and less frequent.

*"Looking at the last decade, the single most impressive commercial success story has to be the changes made in energy exploration, production and distribution,"* said John Kavulich, president of the U.S.-Cuba Trade and Economic Council, a New York-based, nonprofit organization that studies the island's economy. But according to Kavulich, energy is still *"the Achilles' heel"* of Cuba's economic transition toward more free-market practices. *"With oil prices as volatile as they are, they eat up so much of Cuba's [hard currency] resources,"* he said. Fuel oil and diesel make up more than 80% of imports.

In addition to finding more oil, Cuba is spending an estimated \$100 million to modernize the Soviet and Czech power stations and adapt them to run more efficiently on Cuba's heavy, sulphurous crude.

The United Nations Development Program is also helping to fund a pioneering biomass generating plant that modernizes traditional Cuban methods of making power from the leftovers of the sugar crop. So far, the system has only been used on-site at sugar mills, but Jafet Enriquez, UNDP project officer in Havana, estimates that as much as 30% of Cuba's energy needs could be produced by burning biomass--a renewable and environmentally friendly source--in new, high-tech plants. In a good year, Cuba's harvest can produce more than 20 million tons of bagasse and sugar cane leaves. *"Cuba is interested in becoming self-sufficient in energy, and it could be, no problem,"* said Enriquez. For now the government is focusing more on oil.

So far, Repsol has signed on for six of the 1,250-square-mile deep sea blocks. With each one costing as much as \$50 million to prospect--three times as much as a coastal, shallow-water well, according to Epifania--Repsol will probably be looking for partners. According to Manuel Marrero, petroleum advisor to Portal, four to six major oil companies have been negotiating leases on the deep-water blocks, and several others--including U.S.-based companies--have shown interest.

*"It's unlikely that the deep-water prospecting is going to produce meaningful results in the near future, mainly because of the costs of exploration,"* said Kavulich.

Those costs are higher because of the 42-year U.S. trade embargo against Cuba, Epifania said. To drill one well even in coastal waters, Brasoil had to sign more than 70 contracts and bring in machinery from Venezuela, Trinidad and Tobago, Canada and Europe. *"What would normally take three years, you can calculate five here,"* said Epifania. *"We are only 90 miles from the United States, but it's as if that country doesn't exist."*

# Baltimore, Maryland

## 14 July 2001

### Sanction decision near, Bush appeases anti-Castro Cubans President pledges support for dissidents, curb on illegal travel

By Jay Hancock  
Sun National Staff

**WASHINGTON** - A few days before he was expected to extend a Clinton-era suspension of key sanctions against Cuba, President Bush tried yesterday to appease anti-Castro hard-liners by boosting support for Cuban dissidents and promising a crackdown on illegal travel by Americans to the island nation.

The president also pledged new efforts to counteract the jamming of U.S. television and radio broadcasts into Cuba. "*The sanctions the United States enforces against the Castro regime are not just a policy tool, but a moral statement,*" Bush said in a written statement. "*It is wrong to prop up a regime that routinely stifles all the freedoms that make us human.*"

The announcement came four days before Bush must decide whether to implement a provision of the 1996 Helms-Burton Act allowing Americans to seek compensation for property nationalized by Castro after his 1959 revolution. The measure would let former Cuban nationals sue foreign companies making use of the assets once owned by the immigrants.

President Bill Clinton suspended implementation of the measure, as allowed by the law. But the suspension comes up for review every six months, and Bush must make a decision by Tuesday.

Even strident Castro critics expect Bush to continue to bar the lawsuits, which analysts said would generate fierce protest from Washington's European allies if they were allowed to go forward.

"*Obviously, we think the Helms-Burton legislation stands on its own merit,*" despite Bush's apparent intention to extend the lawsuit ban, said Joe Garcia, executive director of the Cuban American National Foundation, an anti-Castro group. "*Nonetheless, we feel that this administration is moving forward to bring about democracy in Cuba.*"

Bush hasn't formally decided whether to implement the Helms-Burton provision, said Condoleezza Rice, the president's national security adviser.

Continued suspension of the measure could cost Bush political support in Florida, where a narrow Republican victory last year propelled him into the White House. The president's brother, Florida Gov. Jeb Bush, is running for re-election next year and also needs the crucial Cuban-emigre vote.

As a gesture to Castro's critics, Bush said he would assign new resources to the Treasury Department office that enforces Washington's tight limits on American travel to and business with Cuba.

Thousands of Americans have traveled to Cuba in recent years, many of them illegally, taking advantage of what some have described as lax sanctions enforcement by U.S. authorities.

Bush also promised to expand support for human rights activities in Cuba and nonmilitary assistance for Castro's democratic opponents. And he said new efforts would be made to overcome jamming of the anti-Castro Radio and TV Marti, broadcast by the U.S. government. The announcement came on the seventh anniversary of a boat sinking in which 41 people fleeing Cuba were killed by an attacking Cuban gunboat.

Last year Clinton signed a measure to ease U.S. sanctions against Cuba by allowing the shipment of U.S. food and medicine to the Caribbean nation. This week the Bush administration issued regulations implementing the measure that are more lenient than some had expected.

Although food and medicine sales will probably be limited by the fact that U.S. companies are still barred from extending credit to Cuba, "*most companies and agricultural organizations are expecting that the Cuban government will buy a symbolic quantity of various commodities ... as a way to show appreciation for the efforts of*



*the business community,"* said John Kavulich, president of the U.S.-Cuba Trade and Economic Council.

## **The Atlanta Journal-Constitution**

### **Georgia ag chief says Cuba top market**

**State bonanza: Irvin sees boost from lifting of trade restrictions against Communist nation.**

Matthew C. Quinn - Staff

Saturday, October 14, 2000

Georgia Agriculture Commissioner Tommy Irvin, just back from a five-day Cuban trade mission, said Friday that Georgia can snag a lion's share of an estimated \$30 million in new U.S. agriculture exports to that nation of 11.2 million people.

Irvin led a high-powered Georgia agribusiness delegation to Cuba just as Congress completes work on legislation to lift restrictions on U.S. food exports to the Communist nation for the first time in four decades.

Irvin's delegation did not meet with Fidel Castro but did hold talks with Jose Ramon Fernandez, vice president of the Council of Ministers, who Irvin said was extremely congenial. Fernandez knows Atlanta from the 1996 Summer Olympics, which he attended as president of the Cuban Olympic Committee, Irvin said.

Legislation approved by the House on Wednesday continues tight restrictions on financing and travel. But Irvin said Georgia agricultural businesses can do well by targeting Cuba's tourist industry. "They do business in dollars," he said.

Cuba's agricultural import agency purchased \$750 million in food products last year from companies in such countries as Canada, Brazil, New Zealand, Argentina, Mexico and China.

Irvin estimated that U.S. agricultural exports can quickly reach \$30 million a year, once the trade legislation on food exports is passed by the Senate and signed by President Clinton, and rise to \$100 million within five years.

Because of Georgia's proximity to Cuba and products such as poultry, eggs, peanuts, cotton and turf grass in demand there, Georgia is in a position to grab "a lion's share," he said.

Once restrictions are lifted, many members of the Georgia delegation "think they can write orders right away," said Irvin. "We'll benefit as much as any state."

John Kavulich, president of the U.S.-Cuba Trade and Economic Council, a New York-based nonprofit group, said the Cubans will reward those who took the time to visit.

"By this time next year, there will be poultry from Georgia, soy from Illinois, corn from Iowa, wheat from Nebraska and rice from Texas and Arkansas," he said.

Kavulich said he believes Irvin is the first agriculture commissioner from the United States to visit Cuba since the 1959 Communist Revolution. The visit was significant because of the size of the delegation and the timing, just as Congress acted to lift trade restrictions.

Irvin's delegation included a representative of ConAgra Inc., the \$28 billion-a-year Nebraska-based poultry company with major Georgia operations.

But while Irvin was bullish on prospects for industries such as poultry, one member of his delegation sees no immediate prospects for businesses further up the food chain.

"They don't have the structure to work with us," said Bachir Mihoubi, director of international development for AFC Enterprises, the Atlanta-based franchiser for Church's Chicken, Popeyes Chicken & Biscuits and Cinnabon.

"The only way we could do business there is do a joint venture with the government," he said. "We don't typically do that."

Mihoubi also said the Cubans lack purchasing power for fast-food restaurants though he could envision Cinnabon eventually doing well there. He said it would take five years for AFC to be able to do business in Cuba.

# Herald & Review

Decatur, Illinois

24 September 2000

## **Cuba Calling: Ag officials sow seeds of future trade (Front Page)**

**By RON INGRAM, H&R Staff Writer**

DECATUR, Ill. (September 14) -- The United States should lift its 40-year-old "blockade" of trade with Cuba, which is only hurting American farmers, processors and shippers, a Cuban government official told about 70 area agribusiness people Wednesday at the Decatur Club.

Speaking through an interpreter, Pedro Alvarez Borrego told the quarterly Macon County Ag Cafe meeting that he and four associates traveled to the United States to talk about future business possibilities.

The Cuban officials are spending three days in Illinois as the guests of Archer Daniels Midland Co. After lunch, the visitors toured Millikin University and viewed the corn harvest on the Blue Mound farm of state Sen. N. Duane Noland. They will tour ADM processing facilities in Decatur today.

The ag cafe audience received hope that limited trade may be allowed soon from the head of a private nonprofit corporation that provides commercial information about Cuba.

Remaining U.S. restrictions on the sale of food and health care products to Cuba are on the verge of being removed, said John S. Kavulich II, president of the U.S. Cuba Trade and Economic Council Inc. His remarks preceded those of Alvarez, who is president of Alimport, an agency under the Cuban Ministry of Foreign Trade responsible for importing food products into Cuba.

In 1999, Alimport purchased about \$750 million in food products from companies in Canada, France, New Zealand, Argentina, Mexico, Vietnam and the People's Republic of China, among other nations. U.S. food processors -- such as ADM -- and farmers want a share of that trade as a new market for either their processed products or the nation's surplus grain.

Dain Friend, Macon County Farm Bureau president, said after the speeches that people in the Midwest, especially those involved in agriculture and food production, agree the U.S. sanctions on food exports to Cuba should be lifted.

"This past March, a Macon County Farm Bureau delegation went to Washington, D.C., to the Cuban Interests Section, which was formerly the Cuban Embassy," Friend said. "We had a presentation and they served us a meal. It's obvious they want more agricultural trade in the worst way.

"They could buy twice as much food from us for half the cost because of the cost of transportation. It's a lot cheaper for them to buy Arkansas rice than rice from Thailand. If we can get over the politics in Washington and the Cuban community in Miami, we can move forward."

Alvarez said U.S. policy has forced Cuba to resort to other markets and pay high differential costs for the products it wants. He said he has heard from many U.S. food processors and producers who want increased trade.

"We have lived through 40 years of this blockade," Alvarez said. "We are doing our best to have it ended tomorrow."

Kavulich said he had not originally intended to visit the Macon County Ag Cafe at the same time as the Cuban delegation. He said a two-month delay in the federal government granting the Cubans visas made the joint appearance possible.

The past couple of years have been an extraordinary time, Kavulich said. The Cuban trade debate has moved from talking about hypothetical situations to talking about real possibilities, he said.

Reasons for the change are efforts by the American agribusiness community to foster trade, removal of barriers to trade with the Republic of China, the Elian Gonzales controversy and the U.S. business community not being afraid to criticize Cuba, thus increasing its credibility, and embracing the idea of trade with Cuba, Kavulich said.

Farmers, who tend to vote Republican, pressed their local, state and national farm organizations to support trade with Cuba, and those groups, in turn, pressed the Republican-controlled Congress, Kavulich said. Republicans, who traditionally had opposed efforts by liberal Democrats to re-establish trade with Cuba, found themselves divided between those favoring trade and those continuing to oppose it, he said.

Foreign subsidiaries of U.S. companies could trade with Cuba between 1980 and 1992 before President Bush cut off that avenue, Kavulich said. During those years, licensed trade by U.S. subsidiaries totaled \$4.5 billion.

President Clinton acted in 1999 to open the trade door a crack by allowing sales of U.S. food and medical supplies to nongovernment organizations in Cuba, such as the Catholic Church, Kavulich said. But those organizations had no money and had to get donations from companies to buy the products, often from the same firms that provided the donations, he said. Under that system, donations were virtually nonexistent.

The Clinton administration also said Cuban farmers and cooperatives could buy such goods, but they were not allowed to do so by the Cuban government, he said.

The American people's positive feelings for Cuba were heightened by the controversy over whether Elian Gonzales should remain in the U.S. or be returned to his father in Cuba, Kavulich said. "There is a feeling in the U.S. that you don't separate a parent and child without good reason," he said.

Trade was normalized with China under the theory that the United States could do more to change that nation if China was a trading partner than it could if China was isolated, Kavulich said. Why shouldn't the same reasoning apply to Cuba, American's were thinking, he said.

While loosening of current restrictions won't happen before the Nov. 7 election, because both major political parties are courting the Cuban-American vote in Florida, a vote in Congress to open the trade door wider could come after the election, Kavulich said. If not, Clinton could do so by executive order, he said.

## **Bush, Castro Stall Efforts to Weaken Embargo, Lawmaker Says**

**By**

**Emily Schwartz**

**Washington, April 4 (Bloomberg)** -- President George W. Bush's unyielding support will protect the 40-year-old U.S. trade embargo against Cuba from congressional efforts to dismantle it this year, Representative George Nethercutt said.

Nethercutt, a Washington state Republican and embargo opponent, said he will concentrate instead on persuading Cuban President Fidel Castro to start buying the U.S. food and medicine that became available under legislation passed last year that partially pierced the embargo.

Castro has vowed not to spend "*one penny*" on U.S. goods under the financial restrictions contained in last year's legislation. Without Cuba showing more interest in taking advantage of the current trade opportunities, there is little hope that further efforts to weaken the embargo will attract sufficient support, Nethercutt said.

The Bush administration has "*an unyielding position on Cuba*," Nethercutt told Bloomberg News. "*Our best bet is to change the rigidity of the Castro regime.*"

Nethercutt led a drive in the U.S. House of Representatives over the opposition of Republican leaders to ease restrictions on the sale of food and medicine to Cuba and four other countries. The regulations the Bush administration must issue to put the law into effect are more than one month overdue.

## *Cuba Trip*

A delegation of rice growers and millers will accompany Nethercutt on a trip to Cuba next week, where he plans to push for more U.S.-Cuba trade under the current rules.

U.S. exports to Cuba could reach \$1.16 billion a year in the short-run, according to a U.S. government report released in February.

While those sales would have a marginal impact on the \$9.3 trillion North American economy, the Cuban market is coveted by rice growers and by farm companies like Archer Daniels Midland Co. that say they need to tap all sales possibilities.

*“In the short term, maybe we could have half their market,”* said Bob Cummings, vice president of international policy for the USA Rice Federation, and one of the leaders of the three-day trip to Cuba that Nethercutt and Representative Jo Ann Emerson, a Republican from Missouri, plan to take next week. *“We have members who say we could supply all of Cuba's rice.”*

Cuba buys about 400,000 tons of rice per year, a market potentially worth \$110 million, according to the group, which represents Uncle Ben's Inc., a division of privately held Mars Inc., American Rice Inc. and other companies that grow and mill rice.

## *Sales Potential*

*“The farm community thinks it's important to make purchases now to show Congress that we can do better in the future,”* said Audrae Erickson, director of trade policy for the American Farm Bureau Federation.

Washington state growers could potentially sell up to \$100 million worth of wheat, apples, peas and lentils to Cuba, Nethercutt said.

*“If Cuba buys, Cuba sets the terms of the debate,”* said John Kavulich, president of U.S.-Cuba Trade and Economic Council, which provides business information about Cuba. *“If Cuba doesn't buy, the Bush administration is unlikely to respond promptly to U.S. business interests.”*

The Cuban American National Foundation, which supports continuing sanctions, is ruling out any further thawing of the commercial relationship.

*“We would expect that should any legislation pass, it would be vetoed and the votes are not there for an override,”* said Dennis Hays. *“We have a president and administration that's serious about promoting democracy and free enterprise in this hemisphere and that means the embargo is a given.”*

Bush, Secretary of State Colin Powell and National Security Adviser Condoleezza Rice, have all said they want the trade curbs left intact. Bush's nominee for the top diplomatic post for Latin America, Otto Reich, is a Cuban-American who supports the embargo, Hays said.

## *Lost Momentum*

The administration's position will undercut action in Congress, said Wayne Smith, who ran the U.S. government's diplomatic post in Havana from 1979 until 1982.

*“There was some momentum last year and the general consensus was that (Nethercutt's law) was just the first step,”* Smith said. *“With Bush so strongly opposed and trying to move in the opposite direction, some of that momentum is lost.”*

Still, some supporters of closer ties to Cuba say there's a possibility that Bush, who has sworn repeatedly that he's “*a free trader,*” won't stand in the way of all changes.

*“Frankly it's too early to tell,”* said Emile Milne, legislative director for Representative Charles Rangel, a New York Democrat who has introduced legislation that would scrap the embargo altogether.

President John F. Kennedy imposed the embargo in 1962, making formal U.S. trade restrictions against Cuba that began after Castro seized control of the government in 1959.

**The New York Times**  
**10 January 2001**

**Business Travel: Commercial Trips to Cuba are an Increasing Reality**

**By**  
**JOE SHARKEY**

Last year, about 3,400 business travelers went to Cuba from the United States," said John S. Kavulich, the president of the U.S.- Cuba Trade and Economic Council, a nonpartisan business group based in New York.

"The biggest contingent was in January of last year during the U.S. Health Care Exhibition, which was a United States-government-sanctioned event that drew 97 companies and 300 participants" to Havana, he added. "The last time that many adults from the United States visited Cuba at one time was the Bay of Pigs in 1961. But this time, instead of guns, the Americans carried pieces of paper saying they could sell things. They were far more successful."

Mr. Kavulich was being sardonic to illustrate the reality that many businesses, and more than a few business travelers, are beginning to appreciate. Despite four decades of an American trade embargo that goes back to darkest days of the cold war, global business is being done at an increasing clip in Cuba, which is rapidly modernizing its communications and service industries to accommodate it. And more Americans are getting in on the boom. For detailed, timely financial and trade information about current conditions in Cuba, I recommend consulting [www.cubatrade.org](http://www.cubatrade.org). This is the Web site of Mr. Kavulich's group, whose members include major corporations that are among the 115 United States-based businesses now operating in Cuba under various special licenses, and other companies contemplating connections to the expanding Cuban market.

Some business analysts estimate that trade between Cuba and the United States could reach \$5 billion annually — about 70 percent of it from American exports — within five years of normalization of political and economic relations between the two countries. Which helps to explain why business travel, while still modest, is growing sharply. In 1994, about 500 Americans visited Cuba on business, the trade group said, compared with last year's estimated 3,400.

Some business travelers return after having visited on leisure trips, which have been growing more rapidly. For the last five years, tourism to Cuba has been expanding about 10 percent annually, as more American-based airlines obtain licenses to transport passengers and cargo on charter flights from Miami and New York. Last year, an estimated 140,000 Americans visited Cuba, some of them participating in the growing number of culturally oriented group tours sponsored by museums and schools.

Of course, foreign companies are not hamstrung by the Miami-exile- based blood feud that keeps the embargo in place. While American companies gingerly explore openings, careful not to be too public about it for fear of retribution, foreign companies are moving rapidly to exploit opportunities in telecommunications, tourism, retail sales and other growing areas of the long-stalled Cuban economy, which is still tightly monitored by custodians of the revolution wary of any drift back toward the pre-Castro days when the island's economy was under foreign corporate domination. There are currently 370 foreign companies involved in joint ventures with Cuban concerns, according to the trade council.

Because of the embargo, which is occasionally modified as political pressures ebb and flow, American businesses need special licenses for commercial activity in Cuba. By and large, purely American-owned business activity in Cuba doesn't go beyond trade shows, exhibitions and a range of allowable projects to identify and explore investment opportunities in agriculture, medical supplies, telecommunications, and other fields defined by the United States Treasury Department. The department has a Web site ([www.treas.gov/ofac](http://www.treas.gov/ofac)) that provides a detailed overview of the current regulations under the embargo.

"There are groups of U.S. businessmen who are coming here quite regularly, but they are not able to close any deals; they're basically able to explore opportunities," said Philip Agee, a former agent for the Central Intelligence Agency who spends his time between Germany and Cuba, where he runs a Havana- based Web site, [www.cubalinda.com](http://www.cubalinda.com), that provides tourism information about Cuba and allows potential visitors to book hotels and arrange package deals.

"They're coming in groups all the time, but they're not able to do any business for well-known reasons," Mr. Agee said in a telephone conversation from Havana. "Cuba, as an island, has always depended on trade, and the tradition hasn't been lost" since the revolution, said Mr. Agee, whose name, like so much else connected to Cuba, evokes strong associations with cold war controversy. He quit the C.I.A. after 12 years as an agent in Latin America and in 1975 wrote a book, "Inside the Company: C.I.A. Diary," that made allegations of C.I.A. misdeeds and included a 22-page list of names he said were C.I.A. operatives. That led the United States to revoke his passport.

Today, Mr. Agee said he was happy to promote Cuba as a thriving tourist and business destination. Last year, the Cuban government began a campaign to rejuvenate Havana's tourist spots. The number of hotel rooms has grown to more than 35,000 in five years, and many hotels are rapidly adding high-speed Internet service and other amenities intended to appeal to corporate travelers.

"There is no question they're targeting the traveling business community," Mr. Agee said. "At the Nacional, the grand dame of hotels in Havana, the 6th floor is now an executive floor dedicated for business travelers, with a business center and excellent phone and Internet connections."

Mr. Kavulich, meanwhile, agreed that communications improvements had been remarkable in Havana, which was once a shabby backwater where getting a phone call out was a matter of good luck or good influence.

Asked to explain the difference between the first time he visited Havana on business in 1986 and the most recent visit, he summed it up in nine words: "First trip, no cell phones. Now, great cell phones."

## Embargo,

## what

## embargo?

By  
Sun-Sentinel  
8

ANDREW  
January

CAWTHORNE  
Newspaper  
2001

**HAVANA** -- From wide-eyed high school students to Wall Street bankers, Miami crocodile specialists to New Orleans jazz musicians, Arthur Miller to Jack Nicholson -- it seems all of the United States is coming to Cuba these days.

Still subject to an embargo barring normal tourism to the communist-run nation, U.S. residents are nonetheless streaming into their Caribbean neighbor in unprecedented numbers via a proliferating variety of legal and not-so-legal means.

A record number of 140,000 U.S. residents visited Cuba legally last year, either to see relatives or on U.S. government-licensed travel for business, cultural, academic, sport and other "people-to-people" exchanges.

"It is easier than ever to travel to Cuba. Point at any American in the street and I'll find a legitimate reason for a license to go to Cuba," said Pamela Falk, an expert on Cuba from City University of New York, who advises on licenses and has accompanied various groups to Cuba.

Many more people from the United States, -- estimates on both sides range from 20,000 to 50,000 a year -- are sneaking into Cuba, in breach of the U.S. embargo's ban on citizens' spending money in Cuba, via third countries like Mexico, Canada, Jamaica or the Bahamas.

That means U.S. residents are accounting for maybe 10 percent of the more than 1.6 million foreign visitors coming annually to Cuba in a tourism boom that is throwing a lifeline to Cuba's troubled economy. That enrages hard-line anti-communist Cuban American, who see the trend as helping prop up their nemesis, President Fidel Castro, in power for the past 41 years.

But the U.S. "invasion" seems only likely to expand, analysts say. With the embargo lifted, Cuba estimates it would receive 5 million U.S. tourists per year.

"As an American, I resent my government telling me where and when I can travel. And I can assure you that most Americans think the same, regardless of what they also may think about the Cuban regime," said Nicholas Robins, director of the Cuban Studies Institute at New Orleans' Tulane University.

"I think the boom in U.S. travel to Cuba we are seeing is very beneficial for everyone involved," said Robins, a regular visitor to Cuba and organizer of exchange visits such as a New Orleans jazz band to Havana and Cuban salsa groups in the opposite direction. "This is one of the few instances where the U.S. and Cuban governments agree -- but for different reasons."

Washington remains firmly opposed to Castro but says people-to-people travel works against the Cuban leadership and in favor of ordinary people on the island's of 11 million.

According to the logic of Washington policymakers, the influx of U.S. tourists should expose long-isolated Cubans to the values of a democratic, free-market society, thus making them question their own one-party communist system.

"It is basically a policy of 'citizen diplomacy,'" said John Kavulich, president of the New York City-based U.S.-Cuba Trade and Economic Council.

"The policy is now to push people into Cuba with the hope that they will be a vessel of U.S. government strategy, using people as conduits for change."

Kavulich, whose group provides nonpartisan commercial information on Cuba and is a respected source on U.S. travel to the island, saw little chance of a policy rollback.

"On the contrary, there is a feeling, whether rightly or wrongly, that pushing more Americans into Cuba is having a 'disruptive effect' that the U.S. government sees as positive," he said.

Cuba also welcomes the growing number of tourists, but for exactly opposite reasons. Officials say U.S. visitors, by seeing the "reality" of Cuba, realize how biased their media and government are and generally return home convinced the U.S. embargo, or "blockade" as Havana calls it, is wrong.

"We defend U.S. citizens' constitutional right to know the truth, to travel and to see Cuba up close with their own eyes," the ruling Communist Party said in a recent statement.

For the travelers themselves, there seems to be universal enthusiasm, although often for less politicized reasons. "It's really cool to see a place that doesn't have a McDonald's on every street corner!" said University of Pittsburgh student Chad Cribbens last year, after stepping off a "floating university" cruise at Havana port.

