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CANADA'S WEEKLY NEWSMAGAZINE

Macleans's

NOVEMBER 3, 1997

We Love NEW YORK

[Again]

A great city is reborn—and even Donald Trump is making a comeback

\$3.95



Trump in Times Square



Peter C. Newman

Helping to pull off 'Fidel's miracle'

According to Marcos Portal León's business card, he is the Minister of Basic Industry in the Cuban Government of Fidel Castro. In fact, he is in charge of reviving the Cuban economy by establishing business ventures for foreign entrepreneurs. Last week, that involved negotiating several deals and sounding out future prospects among a select group of Canadian investors.

Portal León and his deputy minister, Antonio de los Reyes Bermúdez, were visiting Vancouver, Ottawa and Toronto to drum up business. They are dead serious about opening up the Communist state to free enterprisers willing to undertake joint ventures. Portal León's visit has the added significance that at Cuba's Fifth Party Congress, held last month in Havana, he joined Castro's ruling Politburo. "He is now the man who decides everything," says Wally Berukoff, a Vancouver mining entrepreneur who has signed several deals with him. "León allocates not just contracts, but water, electricity and transport. He must be doing a good job or Fidel wouldn't have promoted him."

Guided by the 71-year-old Castro, who takes inordinate pride in having outlasted eight American presidents, all sworn to his overthrow, the Cuban economy has been largely deregulated. Portal León explains the state of his economy and his Canadian trade mission this way: "When the Revolution took place in 1959, we lost the American presence very suddenly, and when the Soviet Union fell apart, the Russians left even more suddenly, leaving us in turmoil both times. In the future, we want to have more than one presence in the economy, and we feel very comfortable with Canadians. We can now offer them the same conditions and infrastructure as any other country ripe for investment, plus some extra advantages.

"Profits are divided equally between the outside entrepreneurs and the Cuban shareholders, our people. The half that goes outside the country is taxed, but at amenable rates. In Cuba, you can make the same kind of business now as in Canada. The only condition is that it be favorable to both parties. Cuba has no restrictions on the export of profits which are convertible into hard currencies. We're particularly open to oil exploration and mining companies, as well as new tourist facilities."

Berukoff and the Cubans signed a contract to build 11 hotels containing 4,200 rooms through a joint venture called Vancuba Holding S.A., incorporated for the purpose. Ownership of the capitalist half of the joint venture is divided among Berukoff (40 per cent), a French money management firm, Societé Generale (six per cent), the French Rothschilds (five per cent) and, significantly, the Bank of America (15 per cent). The remaining one-third of the shares will

trade publicly on the Toronto Stock Exchange. Berukoff will also operate a small gold mine on the island, but the largest Canadian investor in Cuba remains Ian Delaney and his Sherritt International Corp. of Toronto, which recently floated a \$675-million issue to dramatically expand its already impressive presence.

Canada has become the catalyst for Cuba's economic rehabilitation, not only through private investments but public-sector aid. Havana's new \$11-million airport, for example, was financed by Ottawa's export development funds. Berukoff also invests in Cuba through York Medical Inc. (The company hired Fidel Castro's pal Pierre Trudeau as a consultant to smooth their path on the island.) York is a Toronto-based biotech firm, which now markets products of the impressive Cuban biotech industry in Europe and Asia.

Despite the macho anti-Cuban trade provisions of the U.S. Helms-Burton Act, there is no shortage of American goods on the island. "Cubans can buy cans of Coca-Cola, General Electric microwaves, auto parts, Black & Decker power tools—you name it," says Mark Entwistle, until recently Canada's Cuban ambassador. These contraband goods reach Cuba through third countries, mainly Canada, which has become the Communist nation's biggest trading partner.

Even if Washington's official position remains unbending, behind the scenes manoeuvres are signalling an early softening of its position. The White House has already approved payment of \$107 million by AT&T to Etecsa, the Cuban state telephone company, to cover the Cuban share of revenues from phone calls back home from Cuban exiles in America.

According to *The Cuba Sidewalk Report*, an irregular underground newsletter that usually gets things right, President Clinton is preparing to lift the American travel ban to Cuba as a goodwill gesture during the Pope's January visit to the island. At the same time, the Americans are supposed to have withdrawn all of their CIA agents and restored the U.S. Embassy in Havana, so that it can be ready for re-occupation. And the designer of the Ford Mustang is reported to be negotiating with the French carmaker Peugeot to build a car assembly plant near Havana.

Meanwhile, the Cuban economy stumbles on, caught in Cold War conflicts that deserve to be forgotten and forgiven. According to an apocryphal story making the rounds of Havana these days, an American undercover spook, sent to the island to investigate living conditions, goes home a babbling idiot. "There's no gasoline in Cuba, but the cars keep running," he agitatedly reports to his superiors. "There's no food on the grocery store shelves, but everybody cooks dinner. The Cubans have no money, they have nothing. Yet every night they drink rum and go dancing. I just don't get it. I just don't get it." It's called Fidel's miracle.

Canadian private and public investment have become the catalyst for Cuba's economic rehabilitation