

Cuba awaits trade with US

By Keith Morris

BBC News

In 1959, the USA closed the door on trade with Cuba. More than four decades later, this hard line now appears to be softening.

But as American businesses prepare to exploit trading opportunities, Crossing Continents Producer, Keith Morris, asks whether the American dollar may become Fidel Castro's "enemy within".

On the outskirts of Havana, salsa music can be heard echoing in a vast conference hall.

Row upon row of trade stands with packets of supermarket food, cattle in pens and businessmen - all talking business.

And at one end, in a VIP lounge, Fidel Castro spreads his arms round the shoulders of two young blond Minnesota farm boys.

Their father - a passable Harrison Ford look-alike - beams in the background.

Behind him, Communist officials chat with the head of America's biggest private company.

This is corporate apple-pie meeting Cuba Libre.

Some 700 businessmen and politicians from 31 US states are taking part in the US-Cuba Food and Agribusiness Exhibition.

It is the first of its kind since Washington imposed its total trade and travel embargo on Cuba after the 1959 revolution.

Exporting medical supplies is already permitted and since 2001, President Bush has allowed the export of food - for cash only.

The US administration says this is a one-off humanitarian gesture to help Cuba after a series of hurricanes ravaged the island.

Food for thought

Like many at the exhibition, Atlanta-based businessman Joseph Weedon thinks a complete end to the embargo would bring a flood of American business and tourists and weaken Castro's ideological grip on the country.

Weedon told Crossing Continents: "There's guns and there's butter. I think guns won't work.

"The embargo is designed to crush a country, but the rest of the world is already dealing with Cuba. Now we've got our foot in the door.

"Hopefully we'll bring down Communism."

Everybody's motives at the exhibition are complex.

Some businesses are more interested in scouting opportunities to import from Cuba. But that's not allowed. Yet.

Another view is that working to ease the Cuba embargo is just the first part of a campaign to get the US to normalise business with other "rogue" states such as Iran and Libya - trade with them would be worth much more than with Cuba.

Food production in Cuba is failing. Cynics say the country's exhausted its credit with European trading partners and needs to find another source.

So Castro wants to import food from the US but he certainly does not want to import US-politics.

Dollar v Peso

Cuba's 11 million people struggle to survive in a dual economy.

Wages paid by the state average about \$15 dollars, but are paid in Pesos.

With this, Cubans buy food in ration shops and official markets where it is sold at highly subsidised prices.

But they can never find enough this way.

In Cuba's irrational world they head to the state-owned supermarkets only to be able to spend dollars.

They are adorned with revolutionary slogans on the outside and imported Coca-Cola, cooking oil or frozen food on the inside.

The dollars largely come from two sources - either from relatives in Miami or moonlighting.

Tourism has become the main industry in Cuba. Foreign companies have to pay dollars for each Cuban employee.

But the hard currency goes to the government, leaving the worker with only a fraction in pesos.

Despite this, nobody starves in Cuba and there are no shanty towns, as in many parts of South America.

For decades Cubans were grateful for this and forgave the lack of economic growth and personal freedom.

But now a class society is growing up: dollar rich and dollar poor. The dollar may become Castro's "enemy within."