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In April of this year, the President of the United States called an extraordinary Joint session of Congress to get support for his Central American economic-and-military-aid program, to talk about progress toward democracy that the government of El Salvador ahd been making--and to denounce the left-wing Sandinista government of Nicaragua. Among President Reagan's charges against the Nicaraguans: They were Marxists; they were becoming a Cuban and/or a Soviet military base; they were encouraging revolution throughout Central America; they were undemocratic; they hadn't held elections yet; they had been rude to the Pope. In light of all that, Regan announced, "We should not--and we will not--protect the Nicaraguan government from the anger of its own people."

What he was saying openly was that the United States of America would be quite happy if the Sandinistas were overthrown. For at least two years, the U.S. has been financing counterrevolutionary activities against the Nicaraguan government. In addition to many open measures designed to destabilize the Nicaraguan economy, the Reagan Administration has been financing a not-so-secret "secret war" aimed at toppling the Sandinistas: Anastasio Somoza's former National Guardsmen and other anti-Sandinistas are trained, armed and supported in base camps in Honduras and Costa Rica; those Contras have been making military incursions into Nicaragua.

That so much of America's attention should be focused on Nicaragua's leaders made it appropriate for PLAYBOY to seek out the Sandinista junta and find out something more about those people who so obsess the Reagan Administration. For people supposedly establishing a regime abhorrent to U.S. interests, they are a group whose views, aims and personalities are remarkably unreported. Journalist Claudia Dreifus, whose most recent credit was the "Playboy Interview" with Latin-American writer and Nobel Prize winner Gabriel Garcia Marquez in February, was a natural choice for the complex assignment. After months of negotiations, Nicaragua's head of state and a panel of three of the most influential Sandinista leaders finally agreed to sit down with Dreifus to speak about their feelings toward the United States.

Speaking with PLAYBOY were Sergio Ramirez Mercado, 40, one of three members of Nicaragua's ruling junta; Father Ernesto Cardenal, 58, a Roman Catholic priest who is minister of culture; and Comandante Tomas Borge Martinez, 52, outspoken minister of the interior. In an interview PLAYBOY agreed to run separately, Daniel Ortega Saavedra, 37, the Nicaraguan head of state, also spoke at length about his life, poetry and politics. Comandante Ortega is an extremely elusive figure who, until the "Playboy Interview," had not sat for an indepth interview with a North American journalist.

But first, a quick history lesson.

Nicaragua is a small Central American republic of nearly 3,000,000 people; it is also a country that has a unique historical relationship with the United States. In 1855, a North American adventurer named William Walker was invited to Nicaragua by the Liberals to aid them in the civil war against the Conservatives. Once there, he declared himself president and reinstuted slavery. Walker was eventually routed from Nicaragua, but after him came three invasions by the U.S. Marines--in 1909, 1912 and 1926. The invasions took place during the era of U.S. big-stick diplomacy, and each of them was designed to protect U.S. economic and political interests in Central America.

In 1927, after the Marines had landed in Nicaragua, a peasant leader named Augusto Cesar Sandino decided to wage a nationalist war against the invaders. Sandino's peasant band, armed with sticks, machetes and guns, succeeded in keeping the Marines pinned down for a full six years. It was jungle warfare--fought on the guerrillas' turf; the Marines, despite superior armaments and training, were never able to defeat Sandino's guerrilla fighters. After six years of stalemate, they turned their power over to a new Nicaraguan National Guard they had trained. At the head of that National Guard was an obscure but rising politician named Anastasio Somoza Garcia. Somoza had gotten his job because he spoke English and because he had high-placed friends at the U.S. Embassy. In 1934, Somoza invited Sandino to Managua for a series of "peace talks." After one of those conversations, Sandino was assassinated.

The death of Sandino marked the end of his radical nationalist movement; it also marked the rise of the Somoza dynasty. For 42 years, three successive Somozas would rule Nicaragua as if it were a private estate. They were the last of the old-time Latin-American dictators, and for them, the National Guard was nothing more than a family army, the country itself just a private preserve; indeed, the Somozas used their power to corner many of the country's basic industries: At one point, the Somoza family owned 30 percent of Nicaragua's arable land.

Besides greed, the other keynote of Somoza rule was its pro-Americanism: It was the first Somoza about whom Franklin Delano Roosevelt said, "He's a son of a bitch, but he's ours." And in one of the most ingratiating gestures ever made by a sovereign country, Anastasio Somoza Debayle, the last of the dynasty, put a U.S. Ambassador's picture on the 20-cordoba note.

In the kind of Nicaragua that the Somozas created, to talk of Sandino was to invite arrest. Over the years, Sandino and his peasant warriors were erased from the history books. But Nicaraguan history was changed on a day in 1961 when the anti-Somoza radicals Carlos Fonseca Amador, Toms Borge Martinez and Silvio Mayorga met in Honduras and formed what would become the Frente Sandinista de Liberacion Nacional--the F.S.L.N. According to its founders, the Frente was to be a new nationalist guerrilla army of peasants, students and workers that would avenge Sandino. Its immediate goal: the destruction of the Somoza regime. Its long-term goal: a social revolution that would end the interminable backwardness of Nicaragua.

The destruction of Somoza took the F.S.L.N. almost 20 years to achieve--through jungle battles, general strikes, kidnapings, exiles, assassinations and a civil war that cost more than 50,000 lives. When it was over, Fonseca, Mayorga and dozens of other top F.S.L.N. leaders were dead. Of

the three founders of the Frente, only Borge survived to see July 19, 1979, the day the Sandinistas marched triumphantly into Managua. By then, Anastasio Somoza Debayle had already fled the country for Miami. with him had gone his wife, his children, is mistress and most of the assets of the national bank. Thousands cheered Borge and the F.S.L.N. as they entered Managua. "Sandino has been reborn!" Borge declared.

Latin-American revolutions have a history of ending up with one strong man's grabbing the spoils. To avoid that fate, the Sandinistas opted for a collective leadership. Although a directory of those who hold power in Managua today is confusing, PLAYBOY's interview subjects are a cross section of the top leadership. Dreifus negotiated the interview with various intermediaries, when spent several weeks in Managua last spring. Her report:

"This is undoubtedly the first 'Playboy Interview' ever brought formally before a national cabinet for a vote. The verdict was positive, but getting to that point after months of negotiations was a logistical nightmare. 'You know, we're fighting a war right now,' one Nicaraguan official told me, even after the vote was taken. 'The leaders you want to interview never have 15 minutes together in one place.'

"As nothing came through in the way of firm appointments, I decided to take a bold step: I would fly to Managua and try to pin people down from there. So I left for Nicaragua with my colleague Marcelo Montecino, a talented O.A.S. translator and photographer who would be handling the simultaneous-translation chores.

"The first things you see at Managua's Augusto sandino Airport are those three famous Soviet helicopters that Reagan is always showing in aerial photographs on television. The next thing you notice is a huge sign that says, WELCOME TO NICARAGUA--A DINERS CLUB COUNTRY.

"Revolutionary Managua is a chaotic and exciting place. There are posters and slogans everywhere--even in the women's rooms. Managua, in fact, is the only city I've ever been towhere there is political graffiti on public-bathroom walls. In one women's room, hand-scrawled notes said things like, LUIS MANUEL SABALLOS--HIPOCRITA. To be in Managua was like being in a time machine: Here was a place seemingly run by the kind of people who were Sixties radicals. Wherever one went, people were young, singing political folk songs and chanting, 'Power to the People.' One night, there was even a Pete Seeger concert in town!

"As for me, my first few days in Nicaragua involved a lot of chasing after high-ranking Sandinista officials. None of my efforts came to very much until the third day, when an appointment with Father Cardenal was finally arranged. Then, suddenly, everything fell into line: Ramirez, then Borge. We even got to see elusive Ortega for four hours. Once the breakthrough was made, the Nicaraguan leaders gave us unlimited time; they seemed eager for the opportunity and aware that PLAYBOY takes its 'Interviews' seriously. Soon, the 'Interview' became a piece of local gossip. News was breaking fast in Nicaragua--fighting at the border, Reagan's big speech--but none of the press corps staying at the Inter-Continental Hotel could get to any of the top leaders for reactions; could PLAYBOY be having better luck? We had promised the Sandinistas that we'd keep our interviews secret; they didn't want to be deluged with other requests. One morning, a network reporter approached me over breakfast at the Inter-Continental.

"'What is PLAYBOY doing here, anyhow?'

"'I'm scouting a story--"The Girls of Managua,"' I answered quickly. For a while, anyway, he believed me.

"After the interviews were under way, some of the Nicaraguan leaders began inviting Marcelo and me to, well, hang out with them. Things we did in Managua: go with Borge to a prison farm for Mosquito Indian counter-revolutionaries; watch Father Cardenal put on an all-day Latin-American-song festival in Revolutionary Square; take seven uninvited people to dinner at Ramirez' house.

"Ever since I've returned from Nicaragua, people have been asking me about the atmosphere down there: 'Is there much anti-American feeling?' I must say that, all things considered, there was surprisingly little. American rock 'n' roll blared every day from Radio Sandino. Not once did I encounter any rudeness or hostility--and Marcelo and I wandered off quite a bit to do unofficial reporting. The day after Reagan gave his Congressional address, 250,000 Nicaraguans marched in protest in Revolutionary Square. It was an armed demonstration--250,000 people with guns. Yet Marcelo and I walked out into the crowd and went freely among them. No one threatened us.

"But the Nicaraguans with whom one talked on the street did have mixed feelings toward the U.S. They liked our rock 'n' roll, our blue jeans, our friendly, open ways; what they didn't like was what they called 'Yankee arrogance.' The moment that summed it all up happened one night when a group of us went to a restaurant with Borge. Some American tourists came over to him and said how surprised they were to see the Comandante in an ordinary restaurant. Borge joked with the tourists, welcomed them to Managua and then said, with a grin, 'All North Americans are welcome here, any time--just don't bring the Marines!'"

BORGE: First of all, ours is neither a Marxist nor a Christian revolution. This is a revolution in which Marxism and Christianity are integrated with all other ideologies. We believe in pluralism and practice it. We do not have people in the government who want to destroy our revolution, but we do have members who are not in the F.S.I.N. One of the members of the junta, Cordova Rivas, is a member of the Conservative Party, for instance.

RAMIREZ: You could say that we're a people who, four years after the triumph over Somoza, still feel the fever of the revolution --looking for answers in very many ways. I'm hoping that will still be true in ten years. We don't want our revolution become gray, orthodox. The basic thing we have to deal with is the extreme poverty of Nicaragua. It's not easy. In July 1979, the first time we entered this Government House, we thought we could do everything in a day. A year later, we thought we could do everything in five years. Now we think that we can do everything but that it will be the work of several generations.

It should also be said that we don't see our revolution as a copy of any other. When Ronald Reagan or Jeane Kirkpatrick says that we're another Cuba, that is just a North American invention. We don't believe that the problems of Nicaragua can be solved by merely copying other models. That means we have not reproduced the sociopolitical mechanisms of the United States or the Soviet Union. We're not following any form. What we are doing is seeking a profound solution. To what? To the poverty of this country.

PLAYBOY: So to you, the revolution is continuing.

RAMIREZ: Yes. The struggle is the same. Against whom were we struggling? Somoza's National Guard. Who supported, armed, financed the old National Guard? The United States! Against whom are we struggling now? The National Guard. Who arms and supports the National Guard today? The U.S. Government! The only difference I see is this: Before, we did it from underground, from the mountains. Now we do it from the Government House--now we do it from power!

PLAYBOY: That brings to mind a famous photograph of Zapata taken just after he'd gotten power in Mexico, sitting uncomfortably in a thronelike chair. Or may be you remember the movie with Marlon Brando, Viva Zapata!

RAMIREZ: Great movie!

PLAYBOY: Zapata, as played by Brando, arrives in Mexico City go govern but after a while asks himself, "What are we doing here? Let's go back where we belong." Does any of that strike a chord?

BORGE: Of course. It's the kind of thing we've asked ourselves 200 times. To make war is relatively simple. But to carry on after victory, to make war against poverty and backwardness and egotism and bureaucracy is something else. Especially now that we're fighting North American imperialism, which is infinitely more powerful than the poor historical memory that was Anastasio Somoza.

PLAYBOY: What did you find when you took over the country from Somoza in 1979?

BORGE: Ruins. Somoza left us ruins. Thousands dead. Backwardness. Illiteracy. Incredible poverty. He left us old factories that could not compete in the market. He left us no money in the national treasury. What did we find in the bank in July 1979? Five cordobas! The money--everything but the debts, billions in debts--went abroad. Beyond all that, beyond many deaths, the torture, the poverty, Somoza left us bad taste--mal gusto.

PLAYBOY: Bad taste?

RAMIREZ: There was no official culture under Somoza--which may be a kind of blessing. When it came to culture, he was like one of those black holes in space. Here in Nicaragua, we speak of something we call Somocista quiche, which refers to the way Somocistas slavishly imitated the habits and the tastes of the North Americans--the worst tastes of North Americans, at that. What the Somocistas really wanted was to turn Nicaragua into a kind of Miami--which is not the best cultural tradition of North America. Somoza's what we got mostly from Enders and Haig when we met with them was extreme arrogance. With Haig, there wasn't even a dialog, because he always barked at us. With Enders, it was more a litany of the things we were supposed to do--and then threats if we didn't obey. That was his style. We have been spoken to in one of those two ways for more than 50 years.

After George Shultz replaced Haig, we had hopes to start afresh. Our foreign minister, Father Miguel D'Escoto, requested a meeting with him while he was in New York for a UN session. Our request was ignored. Not a single word back.

PLAYBOY: When did that happen?

RAMIREZ: Last September. Father D'Escoto had our instructions to continue trying to talk with Secretary of State Shultz was giving a reception for the UN missions, and Father D'Escoto was on the diplomatic list. Nothing special about that. At the head of the receiving line, there was Shultz, shaking everybody's hand. Father D'Escoto was announced, he put out his hand--and Shultz refused to shake it. Father D'Escoto plunged on, asking him if the two governments couldn't simply meet to discuss things. Shultz refused to say a single word.

That incident shows us the mental and ideological problems the Reagan people have. They despise us. As a people. As a revolution. From their viewpoint, we deserve only annihiliation. Why should they waste their time speaking with such a small, weak country?

PLAYBOY: Despite all that, do you still want your position to be better understood by the U.S. public?

RAMIREZ: You know, we have never forbidden any representative from the U.S. to enter the country. We've received innumerable delegations of U.S. Congressmen. I've spoken with at least 20 delegations during the past four years, and we've always given the same explanations, because they always ask us the same things. With patience, with cordiality we've responded. We've never said, "What are you people doing here? Why don't you solve your problem of racial discimination? Why don't you solve the problem of chicanos in the U.S.?" That would be stupid on our part, to give that sort of answer. Here, the U.S. Ambassador is treated with every courtesy and respect--which perhaps shouldn't be due to the representative of a country that is financing and directing an invasion against Nicaragua. Nevertheless, this is one of the few countries in the world where a U.S. Ambassador can go to a barbershop to have his hair cut and be completely unconcerned for his safety. He can even act in amateur theatrical productions. I don't know whether Ambassador Anthony Quainton is a good or a bad actor, but he takes part in community theater here.

BORGE: He must be a better actor than Reagan.

FATHER CARDENAL: We would be very happy here to receive Reagan's son, who is a ballet dancer.

RAMIREZ: Besides, he's unemployed.

BORGE: Why don't you invite him, Ernesto?

FATHER CARDENAL: I don't know how to get in touch with him.

RAMIREZ: Perhaps through PLAYBOY.

BORGE: It would be interesting if President Reagan could come.

PLAYBOY: Why?

BORGE: So that he could see, even with his atrophied vision, the reality we are living.

RAMIREZ: No, Thomas--it wouldn't do any good. It would probably be like the Pope's visit, when he didn't see anything. You can attribute that statement to Father Cardenal. Just a joke: Only cardenales can speak about Popes.

PLAYBOY: When Reagan went before a joint session of Congress to give his address on Central America, he began by saying, "El Salvador is nearer to Texas than Texas is to Massachusetts. Nicaragua is just as close to Miami, San Antonio, San Diego and Tucson as those cities are to Washington." What was your reaction to that?

RAMIREZ: Those are the same ideas that were behind President Monroe's doctrime. That theory of influence due to geographical proximity was what impelled a wife, Hope, the leader of this cultural movement, did not think of the United States in terms of New England or the Midwest but, rather, Miami. Low camp. Quiche.

BORGE: It was incredible what they considered art, poetry. They used to publish poems in homage to Somoza--"I give this song to you, Somoza, along with my heart. . . ." Ernesto [Cardenal]'s poetry, by contrast, was unacceptable, because it didn't rhyme.

PLAYBOY: Former U.S. Assistant Secretary of State Thomas Enders charged that you were consolidating a monopoly force with Cuban assistance and building the largest military establishment in Central America. Is his charge true?

RAMIREZ: In a sense, yes. But with an important difference that Enders would never be able to understand. Yes, we do have a large armed force. At this moment, thousands of cities have guns, and they are not professional soldiers--they're workers, students, peasants. And if the aggression increases, we will double that number. So, in that sense, Enders is correct.

He is not correct when he says that this is an aggressive force that threatens the stability of the rest of Central America. Sometimes I think that there is a huge gap of understanding in some North Americans when it comes to what we're doing here. Even from people who do not think as Enders does. For instance, there were a group of Congressmen from the United States who came through here the other day and they said some extraordinary things to us.

PLAYBOY: Such as?

RAMIREZ: One of them actually said, "If you had good relations with the United States, none of this would be happening." Meaning the covert supportt of our enemies, the murders, the terrorist attacks . . .

PLAYBOY: How did you answer that?

RAMIREZ: We said we've tried to have good relations. But if we assume that relations are bad, does that authorize us to put a bomb in the White House? If you took that argument to its logical end, bad relations would give us the right to try to kill Reagan as our enemies have tried to kill us. Oh, but we have long experience with meeting with U.S. Congressmen. They come to Nicaragua and act as though they were in Arkansas or Nevada. For them, there is no international border. We are the back yard. For them, there is no such thing as our independent sovereignty--what exists, instead, are the so-called strategic interests of the United States.

PLAYBOY: Reagan's people accuse you of not really wanting to negotiate with U.S. officials. You've met with Enders and with then-Secretary of State Alexander Haig. What do you claim happended?

RAMIREZ: Comandante Ortega will be telling you more about that, but I can tell you a little bit about those meetings. Briefly, North American named William Walker in 1855 to come to Nicaragua and to try to conquer Central America. According to Walker and his Southern soldiers, Central America was a natural part of the United States, along with Mexico.

The important thing about that speech was that Reagan seemed to be personally declaring war on us. In a very solemn moment, he invited his wife to listen to this declaration of war--giving a sentimental touch to the matter. Both houses of Congress were there. The speech was broadcast throughout the nation. It was a declaration of war stated from the most august halls of the United States--a war against a small and weak country. I think that Washington and Jefferson would have blushed, because it wasn't for this that the founders of North America fought their revolution. What I think was behind the speech really had a lot to do with the military situation in El Salvador. Reagan wanted to tell Congress and the North American people that he was doing everything possible: He warned them that if El Salvador falls--as it probably will-he can wash his hands of the matter.

PLAYBOY: Do you think the leftist insuragents were winning in El Salvador?

RAMIREZ: Absolutely. I don't see how the U.S. can prevent their taking power--unless the U.S. inroduces an invading force into El Salvador.

PLAYBOY: After a speech like Reagan's, do you gentlemen ever ask yourselves, "What is going through the mind of the President of the United States?"

FATHER CARDENAL: I don't think he thinks. Close friends of his say that no one has ever seen him reading a book. Besides, I believe he's mad. What he says about us is worthy of a madman, and he may end up in an insane asylum. It all sounds like some wild-West movie he's acting out. He's playing the cowboy who kills all the "bad guys" in Nicaragua.

RAMIREZ: I think of Reagan as a sort of Frankenstein's monster. Not in the perorative sense, but when you think of the Frankenstein legend, the monster was made up of the bodies and brains of different people, with horrible results. Within Reagan's mind, I don't think there's any one person but, rather, a mixture of any number of extremists who have dwelt in academic and corporate catacombs, who have waited all these years to put their policies into effect. Reagan is a character of this period in North America the same way Colonel Sanders was a chracter representing Kentucky Fried Chicken--just an image with a whole apparatus behind it.

So the apparatus is there, no matter what happens to the image. If Reagan resigned, the system would be left behind, though perhaps George Bush's policies would be somewhat different.

BORGE: What Sergio is saying is absolutely right. Reagan, or his image, is entirely determined by economic interests. Such is the degree of power of advertising in the United States that the people could just as easily elect Coca-Cola as President. And that's what we believe Americans did--swallowed

Reagan as if he were Coke.

RAMIREZ: There can be differences, obviously. Carter was a different sort of President from the usual. He did not invade Iran with 500,000 troops to rescue the hostages as a demonstration of his machismo. That's how Reagan won, by telling the United States it needed a strong man to direct its destiny.

BORGE: It's very difficult to try to get inside the head of Reagan. It suppose he's always onstage, in front of a movie director. We realize that his speeches are prepared and that he probably doesn't think about what he says too much. But Reagan has become an obsession for us--and we've become an obsession for him. His obsession with us is visceral.

FATHER CARDENAL: By the way, do you know anything about those monkey movies of Reagan's?

PLAYBOY: Monkey movies? Do you mean his film Bedtime for Bonzo?

RAMIREZ: Yes. I think that's it. It's an old movie in which Reagan plays a person who controls a monkey. It's very difficult to get hold of prints of what movie. It seems as if someone has bought all of them so placed them in resettlement camps farther inland. Your rationale thus far has been to remove the Indians from the influence of your Contra enemies across the border; but to North Americans, your actions are reminiscent of "strategic hamlets" in Vietnam or th relocation of Japanese-Americans during world War Two. How do you explain what Amnesty International and even your strongest supporters say is a deep stain in your record.?

RAMIREZ: It's an extremely complicated situation and one that was forced on us. I'll try to summarize: Yes, when the Contras began invading from Honduras, we had to move entire populations of Mosquito Indians fartehr into our territory. It wasn't gratuitous. It wasn't something we thought was good. But it was necessary.

PLAYBOY: You're implying it was necessary for their own good. If that were true, you wouldn't have Mosquito Indians still eagerly joining up with the Contras. They obviously oppose you strongly. Didn't your forcible relocation of them have a lot to do with that?

BORGE: The Mosquitos were moved, first of all, because there was constant fighting in the region. But, yes, it's true that they joint the counterrevolutionaries quite easily. The Mosquitos--about 70,000 people--were incorrectly treated by the revolution right after the triump. But let me give you a little history: The region along the Atlantic Coast in which they lived is so isolated that Somoza largely ignored it. What he did do was give them propaganda throught the years about the dangers of Communists, but for them, he wasn't a repressive force the way he was for the rest of the country. So they didn't have the same anger, the same need for change that the rest of us had.

After the triumph, we sent a group of companeros into the region who didn't understand things the way they should have-they knew more about astronomy, some of them, than about anthropology. They made terrible, alienating mistakes in dealing with the Mosquitos. At the same time, the main leader of the Mosquitos, a former agent of Somoza's security police, began making some vicious broadcasts in the Mosquito language. It was claimed, among other things, that our

government had a policy of exterminating all Mosquitos over the age of 30-things such as that. Not surprisingly, with the coinciding of our blunt policies and that propaganda, many Mosquitos became confused. It remains a very painful situation.

PLAYBOY: Another blot against your government was the way Pope John Paul II was treated during his visit here in March, when he was shouted down in front of TV cameras. This is the official Vatican version of his visit: "During the holy Mass, Sandinista activists shouted slogans of a political character without interruption, disturbing the Mass . . . Furthermore, the great crowd of faithful were not only kept at a distance but did not have megaphones or access to microphones. They were not able to make their own voices heard or to express their support for the presence of the pontiff and his religious message."

RAMIREZ: The whole business of the Pope's visit is very complicated. The Pope did not understand this country. He got off the plane thinking as a Pole. He came here with a preconceived notion. He thought that here was a totalitarian regime that oppressed the Catholic people and that these Catholics would take advantage of his presence to start a rebellion. He thought this was the opportunity they were waiting for to "liberate themselves" got off the plane as an ideological conquistador.

FATHER CARDENAL: Many, many untrue things were said about the Pope's visit here. One of the lies that were said first by Archbishop Miguel Obando Bravo [who opposes the Sandinista regime] and then later repeated three times by the Pope was that the people were prevented from attending the Mass. During his Mass, he actually said he was addressing his remarks to those who wre not allowed to come. But in plaza, there were 700,000 people! At the Mass, the Pope did many political acts: He started by permitting Archbishop Obando y Bravo to speak. That was not on the program, had not been negotiated in advance. And Obando y Bravo's speech was political. Everything he says is to annoy the revolution. The Scripture texts that were chosen for the Mass insinuated attacks on the revolution.

PLAYBOY: For instance?

FATHER CARDENAL: For instance, he used the text on the construction of the Tower of Babel--which is something that has no relationship to the current situation in Central america. By using that text here, he was insinuating that ours was a very proud and arrogant government that wanted to substitute itself for God. In the text, those who built the Tower of Babel were lifting themselves as high as God, and then God destroyed everyone. That was the message. There was also a prayer for the people in jail.

PLAYBOY: You mean for the Somoza Guardsmen you imprisoned?

FATHER CARDENAL: For the prisoners. But there was no prayer offered for people who had died during the insurrection against Somoza and now at your border. No prayers for those who died at the hands of those Guardsmen now in prison--those Guards who are criminals! The day before the Pope's visit, 17 young men had been killed by the Contras. There was no prayer for those dead! What was most interesting was that in every Mass the Pope hs said everywhere in the world--no matter how bad the government--there has always been a prayer for those who govern. But not when the Pope came to Nicaragua!

PLAYBOY: Are you certain? Did he says such a prayer for the government in El Salvador?

FATHER CARDENAL: It is in the text of every Mass. And here it was suppressed. It is not a prayer that asks rulers to continue in power--just that God should enlighten them so that they can rule well. But this was suppressed.

PLAYBOY: If you had to do it over--the Pope's visit--would you do anything differently?

FATHER CARDENAL: I think what happened was very good.

PLAYBOY: Good?

FATHER CARDENAL: Yes. Because what the Pope found here was a very mature people, a very Catholic people, but also a revolutionary people. Our people said that they were Catholic but they would not be living with false myths--with fetishism. Now the image of the Pope has changed since he came to Nicaragua. In Italy, recently, they yelled at him, too.

PLAYBOY: It is true that the Pope objects to your participation and that of four other priests, including your brother, Father Fernando Cardenal, and Father Miguel D'Escoto, in this government?

FATHER CARDENAL: As far as I know, the Pope doesn't want a priest to have a government job. But we've not had any official communication. My brother Fernando, a Jesuit, who heads ur literacy program, recently met a Jesuit from Colombia who was with the ministry of education there for a long time--and he had no problem. I suspect we're having problems because the Pope doesn't want Christians to be revolutionaries--he wants Christians to separate themselves from revolution.

PLAYBOY: If he were to demand that you choose between the government and the priesthood, what would you do?

FATHER CARDENAL: As for now, it doesn't seem to be a problem. The way things work is that each priest is under a bishop. I reort to the bishop of the Solentiname region, not to Archbishop Obando y Bravo, who opposes us. But all the bishops, including Obando y Bravo, have permitted us to continue in our positions on the condition that we do not exercise our priestly duties while in public office. We've agreed.

you must understand that not all the bishops in Nicaragua oppose the revolution. Some are for it, others are indecisive. Archbishop Obando y Bravo is against it--clearly, strongly against it. When I spoke with Cardinal Casaroli, the Vatican's secretary of state, I told him that in Nicaragua, there were questions about revolutions that needed answering--that if bishops in the Catholic hierarchy reacted automatically against revolutions, there would be great divisions among Christians, not merely in Nicaragua but throughout Latin America, throughout the world. These divisions could someday have effects as far-reaching as those of the Protestant Reformation.

RAMIREZ: When we've said that this revolution can be an example to Latin America, we haven't said it boastfully. But there are important elements in this revolution that help define the future of change throughout the

continent. For instance, our revolution did not consider religion a backward element, something we had to leave behind. We never felt that atheism had to be an essential characteristic of the country so that things could improve. Here, the humble people exercise religion as a part of their lives in a fundamental way that isn't ture of the upper classes. Now the upper classes use religion as political instrument and have sought refuge in the Church because their power has weakened. The rich never went to Mass before. They believed in the golden calf, and the churches were superfluous. Now they go and fill the churches.

PLAYBOY: Why is Archbishop Obando y Bravo so opposed to you?

RAMIREZ: Because he's a man who's afraid of change. He has vey orthodox ideas of communism and anticommunism, and that has clouded his understanding of the revolution --and put him in a position of complete enmity to the revolution.

PLAYBOY: The archbishop is hardly your only adversary. There is an exile opposition of several thousand former Somoza National Guardsmen who operate out of Honduras; Alfonso robelo Callejas, who was once a member of the junta, has formed anothe exile guerilla organization; and in Costa Rica, Eden Pastora, the former Sandinista "Comandante Cero," leads a guerrilla group of perhaps 500 men. They're getting a lot of publicity on American television. How do you explain the defections of such people as Robelo and Pastora?

BORGE: Robelo is easy to understand. It is very difficult to be a revolutionary when you have 200,000,000 cordobas.

PLAYBOY: And Pastora? Right after the triumph over Somoza, he was one of the great Sandinista heroes. It was he who led the raid that resulted in your liberation from prison, Comandante Borge.

BORGE: He wasn't the only companero at the Nationale Palace. My personal opinion about him is that he should be treated in a psychiatric hospital.

PLAYBOY: Wait a second, Comandante. Dismissing a political opponent as crazy and talking about psychiatric hospitals has ugly overtones. Don't you have a better argument than that?

BORGE: Well, you know, a lot of us companeros have sat around and tried to analyze him--and we have all come to the same conclusion. I could even tell you some anecdotes that everyone here knows that would help you understand the personality of this poor man. He used to claim, for instance, that his mother had such incredible power that she'd look at a piece of glass and the glass would actually shatter. He used to claim that when he and his brother were in marksmanship competitions, they were so good their bullets always went into the same hole. The curious thing is not that he told those stories but, rather, that he told them with complete seriousness. Hehd tell us those things, and we'd laugh, because he was a man who always lived on a stage, always trying to call attention to himself.

PLAYBOY: Are you trying to tell us that his defection from you wasn't ideoloicall but a matter of ego?

BORGE: Exactly. Pastora became internationally famous during the National Palace action, when all the companeros were instructed to keep their

identities secret. Everyone obeyed that command--except Pastora. At the time, he did not have a long history with the F.S.L.N., but the National Palace action was so spectacular that he immediately acquired world-wide fame, like a movie star. After the triumph, he wanted a position commensurate with the hoopla around his name. Well, many people had questions about his personal limitations. We made a decision early on that we didn't want to create any cults around any personalities. Pastora didn't get the position he wanted. At that point, he began to have conflicts with the revolutionary process. One thing led to another, and he eventually said he wanted to go to Guatemala to join the revolutionary struggle there. We said, "Fine." The next thing we knew, Pastora had decided on treason.

FATHER CARDENAL: Pastora's vanity is no small matter. I knew him well. Once, right after the National Palace affair, he asked me if a man could be more vain than a woman--and I think he asked me that because he was beginning to feel that vanity.

RAMIREZ: It's really difficult to explain a man who one year speaks against the rich and against imperialism and then, suddenly, goes to the other side of the street. Do you know what he recently did? He made a public statement that he was giving a deadline to all the Cubans working in this country to get out of Nicaragua in 15 days or all of them would be killed. All Cubans! Doctors, teachers! He is making some very odd alliances these days, too. When Alfonso robelo resigned from the junta on April 22, 1980, it was Eden who made the speech in the plaza condemning him. Now Pastora is in the final stages of an agreement with Robelo. His next alliance will probably be with Somoza's National Guard.

PLAYBOY: In a Newsweek article on the covert war against you, it was stated that Pastora wouldn't take a penny from the CIA. Would you grant him that?

BORGE: It's true. He hasn't taken a penny. He's taken dollars.

FATHER CARDENAL: Pastora spends a lot of money abroad. So it has to be from the CIA. Where else could it come from?

PLAYBOY: That brings us to the subject of U.S.-financed covert actions against your government. When Reagan went before Congress last April, he said that the United States had every right to support covert activities against you, because you were permitting nicaragua to become a military outpost for the Russians and the Cubans--not to mentin the Libyans and the P.L.O. In effect, he warned that you were going to become a Soviet base.

RAMIREZ: that's not true. That's a cheap argument. What does building a Soviet base mean? We're not members of the Warsaw Pact--we have absolutely no military agreements with the Soviet Union. The heart of the matter, Reagan's real problem, is that we're not a north American military base--and until July of 1979, that's exactly what we were. The Bay of Pigs invasion of Cuba was launched from here--as was the U.S.-sponsored coup against the Arbenz government of Guatemala in 1954.

Some of the Reagan's propaganda against us is really quite fantastic. For instance, the charge that Nicaragua is going to permit the Soviet Union to build a canal through our country. What's the proof? On our Pacific coast, we're permitting the Soviet Union to build a floating dry dock from which it can

repair its fishing fleet in the Pacific--

BORGE: By the way, there is something very similar in Peru that doesn't bother the U.S.

RAMIREZ: What military advantages do we get from that arrangement? The country will receive some payment for the service. Twenty people have employment at the dry dock. But the distance between that and a new canal is the same as the distance between Reagan and Orson Welles as movie actors . . . It's exactly like the missile thing: Reagan says we plan to let the Soviet Union install nuclear missiles here--an incredible fiction!

PLAYBOY: Can you say categorically that if the Soviet Union offered you missiles placed on Nicaraguan soil, you'd turn them down?

RAMIREZ: Yes, I could say so categorically. But to me it's a useless discussion, trying to answer the Reagan Administration while it accuses us. For us to answer that it's not true about the missiles is to put ourselves on the defensive, because the Administration makes us justify something that we're not doing. And we know that this is interminable. Because even if we deny it, no matter how much we deny it, within a week, Shultz, Kirkpatrick, any of them will repeat that Nicaragua is willing to install nuclear missiles, and we will have to say once again that it's not true. And it becomes a useless game.

PLAYBOY: If we accept what you claim--that you're not now in the Soviet camp--let's play out a different scenario: What if U.S. covert activities against you continue? What if U.S. economic pressures on you increase? Could you be driven, as some feel Fidel Castro was driven in 1960, to make an alliance with the Soviets?

RAMIREZ: We are facing the same kind of divided world that Fidel confronted in the early Sixties. But for us, the world is not divided as strictly into East and West. The truth is that the United States Government has declared war on us--but that doesn't mean that we're at war with the NATO countries. We have excellent relations with Holland, Belgium, Spain, Greece. [The embassy of the Netherlands in Washington disagrees with Ramirez' description of Dutch-Nicaraguan relations as "excellent." The foreign minister recently said, "I am concerned thta Nicaragua may evolve into a dictatorship of the left." The other embassies referred to relations as normal.] At the moment, we have the support not just of the socialist countries but of Western countries, of Arab and African countries, of Latin-American countries as well, despite their ideology. We have the support of Brazil, Peru, Venezuela, Mexico. If all of that diversified support disappeared, hypothetically, we might be left with the support of only the Eastern European countries. But we don't think that moment will come.

PLAYBOY: Let's get down to specifics. Reagan talks of thousands of Cuban advisors working for you in Nicaragua. Are they here?

BORGE: Yes.

PLAYBOY: Doing what?

BORGE: The Reagan Administration would have everyone believe that they are all spies and military men who pretend to be doctors and teachers. We would

like to ask the President to check with the people the Cubans are teaching and ask them whether or nt they're real teachers and doctors. And, yes, we have dozens of Soviet experts who help us with maritime and mineral exploration. It would be absurd if Nicaragua were offered thousands of North American doctors and teachers and we refused them. We inherited a country where we have no doctors or teachers, and the Cuban government has generously sent some. We will keep them in Nicaragua, even though it may irritate some leaders of the world.

PLAYBOY: Since you claim that your support from Cuba consists mainly of economic help and advice, what sort of advice has Castro personally given you?

FATHER CARDENAL: It may seem surprising, but Fidel has basically recommended moderation. He said that we should go more slowly on the nationalization of industries than he did, for example. Although he didn't say it to me personally, he warned uas against committing some of the errors Cuba did.

PLAYBOY: Such as?

FATHER CARDENAL: He didn't specify which ones while I was around.

RAMIREZ: There are several important differences between our revolution and the Cubans'. First, Cubas was much closer to the U.S., and its economy was completely dominated by North American interests--all the way from sugar production to the gambling casinos. To break that grip, Castro had to be more radical. That isn't the case in Nicaragua. We inherited limited North American interests, and we still have excellent relations with business investors four years after the revolution.

BORGE: The fact thta Cuba is an island is another big difference. Although it is closer to the U.S., it could be pressured by the U.S. only from the sea. The Bay of Pigs, despite the power of the North American Navy, could be launched in only a limited way. But with our borders, we have a constant Bay of Pigs, in slow motion.

PLAYBOY: What about your other foreign supporters? How do you explain aid from Libya when Muammar el-Qaddafi is thought of as a fanatic dictator?

BORGE: Ours is a country that is being attacked. We require military help--we have an absolutem right to that. Libya has offered to help. In no way do the Libyans determine the polices of the Nicaraguan revolution. Reagan, on the other hand, certainly does determine policy for El Salvador and Honduras in return for U.S. aid. In any case, France helps us militarily, too. Reagan never mentions that.

RAMIREZ: We don't choose our friends according to the pattern of the United States. That would be very difficult. We would have to accept other types of allegiances we wouldn't like. The United States has its own interests, world interests, and according to those world interests, it chooses the villains and the heroes of the movie it is directing. Those characters--those countries--don't necessarily coincide with our own heroes and villains.

For instance, by North American standards, Qaddafi is a more odious villain than Chile's military strong man, Augusto Pinochet Ugarte. For us, Pinochet is far more odious! But he does not threaten the strategic interests of the United States, while Qaddafi government supposedly threatens U.S. strategic interests

in the Mediterranean. It's all a matter of perspective. For instance, Ferdinand Marcos of the Phillippines elects himself every four years, but not one ever worries about him in the United States, because he represents the strategic military interests of the United States in the Pacific.

PLAYBOY: What about the P.L.O.?

RAMIREZ: We think the Palestinians have a right to exist as a nation, and they struggle for that right. And we respect that.

PLAYBOY: And are the reports true that there are as many as 50 P.L.O. pilots flying jet fighters in Nicaragua?

RAMIREZ: Untrue. It's a lie--not because we have anything against the Palestinians but because we don't have 50 planes. And if we did have them, we'd have Nicaraguan pilots fly them!

PLAYBOY: What is your explanation of the incident in Apwil when some cargo planes from Libya, supposedly loaded with medical supplies for Nicaragua, were found by Brazilian authorities to contain arms and military supplies? If you're so open about taking your friends where you find them, why the deception?

RAMIREZ: We didn't know that that was a secret operation. We received an offer of support by Libya, and we accepted it--as we are willing to accept support in this difficult moment from any country that wants to offer it to us. We don't feel any sort of shame. We feel proud that a country such as Libya would support us in a moment like this. It should serve to demonstrate that we're no tied to Soviet military support, because Libya is not a country aligned with the Soviet Union.

PLAYBOY: Let's talk about some of your neighbors. What do you think of Jose Efrain Rios-Montt, the president of Guatemala?

BORGE: There's a movie called The Good, the Bad and the Ugly. Let's just say that Rios-Montt falls into one of those three categories.

PLAYBOY: And the new military leader, Alvaro Magana Borga, in El Salvador?

BORGE: He's definitely a bad guy. Perhaps the guy who's not good, bad or ugly is Dr. Roberto Suazo Cordoba, from Honduras.

PLAYBOY: What is he, then?

FATHER CARDENAL: Nothing. He has no role in this film.

PLAYBOY: The fact is, you of the Sandinista government are perceived by many North Americans as the bad guys. Aside from your Marxist beliefs, why do you think you've managed to get such poor press in the U.S.?

RAMIREZ: First of all, I think it has to do with the impossibility in the midst of a revolution of a small and poor country's penetrating the consciousness of a very large, complex country. You know, we once tried to hire a public-relations firm in the United States. Representatives from the agency came here, and we even paid them to do a poll on the most sensitive points of North American opinion about Nicaragua. But we would have had to spend $

1,000,000 a year to barely make a scratch in the skin of an elephant.

So we feel that it's due to our lack of material resources, our lack of experience and sometimes our lack of intelligence. We've never developed a strategy on American public opinion.

Your television networks in the United States will show a film in which you see the Somocista guards in their camps in Honduras and how they go bravely into Nicaragua. We couldn't finance or get that type of favorable propaganda, because we're not going to convince the North American public overnight that we're the type of democracy that is acceptable to the normal American.

When you North Americans see the new uniforms of the Contras while our soldiers wear old boots and torn clothes, you'd swear the Contras were the regular government army. Our young boys are still fighting for a cause, not for money. So when we can convince the North American public that the Contras' cause is unjust, in that sense we win a battle. But it's an uphill battle. Because if the Reagan Administration manages to convince the North American public that is position toward Nicaragua is just and legitimate--if someday the polls change and one says that 60 percent of the Americans agree with Reagan instead of the other way around--the situation will become more difficult for us.

PLAYBOY: To change the subject, does anyone here know who killed Somoza? On September 17, 1980, Anastasio Somoza's Mercedes-Benz was blown to bits in Paraguay, where he lived in exile. Who did it?

RAMIREZ: We'd have to answer that question like Lope de Vega in his play Fuente Ovejuna, act three: "Who killed the commander?" The villagers answer, "All the people!" If the people of Nicaragua could have killed Somoza, they would have done it. Whoever did it had the support of the Nicaraguan people. There's an Argentine organization that took responsibility for the execution, and one of the members of that commando team who fell, Captain Santiago, now has a street named after him in Managua. That wasn't our idea--it was the people's initiative.

PLAYBOY: So nobody was sorry.

RAMIREZ: On the contrary; there was a great fiesta here the day Somoza was executed.

BORGE: I happened to meet one of the men involved in that action sometime afterward. In an odd way, it made me sad. What saddened me was a situation in which the death of any man could make so many people so happy.

RAMIREZ: I dissent from you on that, Comandante. I think it was legitimate joy. I do not feel sadd about the joy that we all felt.

PLAYBOY: Father Cardenal, the Ministry of Culture, where you work, is located in the mansion that Hope and Anastasio Somoza called home. When we were in your office the other day, you told us a strange story about a tree in the back garden. It's a huge tree with enormous, gnarled roots. You claimed that a few days after Somoza's assassination, the tree sickened and part of it died.

FATHER CARDENAL: Well, I don't believe in magic, but I remember you were struck by my mentioning it, even though I only thought it ironic. But since then, I've reflected on it. You know, North American scientists have done studies showing that there can be relationships between human beings and plants--perhaps some sort of communication. Perhaps plants react to the people around them. Perhaps that tree had a true affection for Somoza. So although he was an evil criminal, perhaps he loved that tree--and it was one of the few living things that would react to his departure with sadness.

PLAYBOY: On a more prosaic note, let's discuss some of the charges made against you by the U.S. Government. To quote Jeane Kirkpatrick: "Within weeks after the fall of Somoza in July 1979, the Sandinistas began to cooperate in support of the Salvadoran insurgents by establishing training camps and the beginning of arms-supply networks. This clandestine assitance initially involved local black markets and relatively limited resources. In 1980, after meetings in Havana had unified Salvadoran Marxists into a single military-command structure, the Sandinista leadership agreed to serve as a conduit for an arms-trafficking system of unprecedented proportions, originating outside the hemisphere. That structure remains in force today." How do you respond?

BORGE: We are very courteous with women. We prefer not to respond.

PLAYBOY: That is hardly the point, Kirkpatrick is a representative of the U.S. Government.

BORGE: Yes, of course. I'm just saying that I've already answered the specific charges, as far as I'm concerned.

PLAYBOY: Then will you respond to the general thrust of her remarks--that Nicaragua is the first domino in Latin America? That since the revolution triumphed here, it will be exported to El Salvador, then Guatemala, then Honduras, then Mexico?

BORGE: That is one historical prophecy of Ronald Reagan's that is absolutely true!

PLAYBOY: Why?

BORGE: These revolutions are a necessary and an inevitable step in the historical process in countries such as ours, where injustices are immense, where everything has yet to be done, where it is a crime to be young, where there has been a permanent denial of the higher values of man. It is logical that there will be profound and serious changes in other countries, each with its own characteristics. Don't think that the Nicaraguan revolution is the result of happenstance. Those same conditions are accumulating in the rest of Central America, and their inevitable result is revolution.

So Reagan is correct when he points out that today Nicaragua, tomorrow El Salvador. We would like to invite Ronald Reagan to build with us! If Nicaragua triumphed, El Salvador will also triumph!

PLAYBOY: Reagan is hardly likely to join in building revolution with you. In fact, though somewhat restrained by the U.S. Congress, he hasn't made much of a secret of the fact that covert support has been given to your enemies.

Do you think North Americans know what you would like them to know about covert actions?

RAMIREZ: The important thing is not what the North Americans don't know about covert action but, rather, what might happen here. In the minds of the extremists of the Reagan Administration, there are several ideas that, when put into practice, have been really dangerous to the history of humanity.

PLAYBOY: As we said, Reagan obviously feels that you people are the extremists.

RAMIREZ: Yes. I know. But we're not the extremists. We're not the ones who are as extreme as Hitler or Pol Pot.

PLAYBOY: Meaning what? Are you comparing what Reagan is doing in Central America with what Hitler did in Europe--or Pol Pot in Cambodia?

RAMIREZ: Yes--insofar as Nicaragua is concerned. Now, Reagan is not Hitler insofar as the United States is concerned. North American society continues to be an open society with guarantees of rights for its citizens. But those same rights don't exist for Nicaraguans, thanks to U.S.-sponsored covert actions. The rights you have don't exist for the children who have been mutilated by mortar fire, the peasants who have been kidnaped, the technicians who have been murdered, the health workers and the rural teachers who have been killed. All of those Nicaraguans are victims of a genocidal and criminal policy.

I say this as an enemy of rhetoric--I am not just being rhetorical. Murders have been committed, crimes against unarmed Nicaraguans. An all of those crimes have depended on the political will of Ronald Reagan. Somoza's Guards wouldn't have committed their crimes if they hadn't been given the weapons, the logistics and the confidence by Reagan. And there are many other things the Reagan extremists have in mind besides supporting thousands of Guards from Honduras: They've got a slew of operations that have not yet been put into effect. Some of those plans involve introducing terrorist commandos to murder the leaders of this revolution. There are very concrete plans for this.

PLAYBOY: How do you know? Do you have any proof?

RAMIREZ: We know. We know. We have the means to know. There exist organized groups of murderers who are infiltrated into a country to kill its leaders.

[In early June, after the return of PLAYBOY's interviewer from Managua, the Sandinista government announced that three U.S. diplomats were being expelled for, among other charges, conspiring to kill foreign minister D'Escoto. A day later, President Reagan announced that all of Nicaragua's consulates in the United States were being closed, and Nicaragua's consuls were given 24 hours to leave the U.S. The following portion of the interview took place after those events.]

PLAYBOY: You had predicted that there were plans to kill your leaders, and apparently you acted on that premise by expelling three U.S. diplomats. But your proof that at least one of them was conspiring to poison foreign minister D'Escoto seems unconvincing thus far.

RAMIREZ: I don't know what you've seen in U.S. reports, but we have all the proof that any reasonable person would require. As we speak, our government is issuing a full report on the incident. Briefly, one of the U.S. diplomats, Ermila Rodriguez, had induced a contact in our foreign ministry to deliver a bottle of Benedictine brandy to foreign minister D'Excoto. We determined by chemical analysis that it contained thallium, a poison. There will be more details available by the time your interview goes to press, but for now, let me ask you: Wouldn't it have been absurd of us to concoct such a wild story if all we wanted to do was expel three CIA agents?

PLAYBOY: Not if you intended it as a gesture: It can be very popular in some parts of the world to spit in Uncle Sam's eye, and the pretext doesn't always matter.

RAMIREZ: Look, we had no recourse. For instance, we know that there are at least 15 other CIA agents in Nicaragua right now in the guise of diplomatic functionaries--we didn't expel them, though we know them to be agents. It was simply that the evidence against these three was so overwhelming that we had no alternative but to expel them.

PLAYBOY: Reagan's new Ambassador at Large for Central American Affairs, Richard Stone, was met at the airport just after the expulsion by a middle-level official. Did you intend that as a snub?

RAMIREZ: He was met by an official appropriate to his rank as Ambassador. I am giving you a formal response based on protocol.

PLAYBOY: And a less formal answer?

RAMIREZ: Of course, it's true that the poor relations between Managua and Washington were reflected in our formal reception of Stone. He had, after all, made some extremely hard-line statements about our government even before arriving.

PLAYBOY: How did his meetings with you go?

RAMIREZ: Comandante Ortega tells me that Stone was somewhat more cordial and conciliatory in private than he was in public. But let me tell you a personal story: Back in 1979, Comandante Ortega and I were in Washington on an official visit to President Carter two months after our victory over Somoza. Senator [Edward] Zorinsky invited us to lunch up on Capitol Hill. It was a social occasion attended by other Senators, and Stone was introduced. In the middle of this friendly lunch, he leaned over and began to grill Comandante Ortega--our head of state--as if he were in a police line-up: "Is it or isn't it true that you are a terrorist indoctrinated in Cuba?" Stone then left the luncheon and gave waiting reporters a statement he had prepared beforehand condemning our government--just two months after we'd taken over. So with a precedent like that, it's difficult to be optimistic about a man with such prejudices.

PLAYBOY: Then you're becoming more pessimistic overall?

RAMIREZ: Yes; recent events seem to confirm what I've been telling you--which is that, little by little, the extremists in the Reagan White House are taking over. For instance, there is now all-out support by Washington for General Gustavo Alvarex Martinex, Honduras' military leader. For the first time,

Honduran military units have joined the Contras in attacking our troops along the northern border, and they are also providing artillery support. This could rapidly escalate into full-scale war.

PLAYBOY: Do you think war with Honduras is inevitable?

RAMIREZ: If General Alvarez keeps getting the kind of support he is getting in Washington, yes.

PLAYBOY: Do you think Reagan reacted to your expulsion of the diplomats the way he did because of this new hard line?

RAMIREZ: Reagan reacted the way someone who is powerful reacts when he feels offended by someone weaker. He had to react more strongly than we did: He couldn't just expel three of our diplomats; he had to shut down every one of our consulates. It was simply another roar of the MGM lion--and we've heard that roar through the years.

PLAYBOY: What if, despite the restraints, the war against you escalates? What if it becomes a war as long as grueling as Vietnam?

FATHER CARDENAL: We would be scared; but we are willing to do anything. And no matter what, the struggle would continue. The war would become internationalized. We will not pretend that we would stay within our own borders. If we're defeated here, we can go someplace else and continue the struggle. So, in that sense, there is a parallel to Vietnam: The struggle would be for 20 years, until a new triumph, until we won.

PLAYBOY: You admit that you're scared as political leaders; are you scared personally?

RAMIREZ: What we feel this minute is as good an example as any. Here we are, sitting relatively tranquilly--but there are 2000 armed Guardsmen pouring over our borders; a hostile government in Honduras; an even more hostile Government in Washington; the knowledge that every day, we are being discussed in the National Security Council, that the CIA has contingency plans to destory us, to murder us. . . . How do I feel?

I feel as if anyone could be waiting to murder me the mimute I leave the Government House. My children go to school without protection--they could be kidnapped at any time. These are everyday possibilities, but we've become accustomed to living like this. All we can do is not to lose our morale. Otherwise, we'd lose control--not only of our nerves but of the country.

PLAYBOY: What specific actions are you planning if the counterinsurgency widens?

RAMIREZ: It's hard to say. All kinds of things could happen. It's even possible that, as a last resort, there could be an invasion of North American soldiers in Nicaragua and a long-term war. We wouldn't lose. We have experience with such wars. We were invaded by the North American Marines in 1909, 1912 and 1926. What the United States would have to do is send a squadron of 300 airplanes to destroy the most important centers of the country. They could, perhaps, conquer Managua--but that means nothing in the long run. As I said, we're only a small piece of Latin America.

PLAYBOY: Do you really believe the U.S. would invade?

BORGE: The North American Government has many kinds of contingency plans that would lead to further logical steps. First, there's the plan we see being acted out now: the invasion of our country by counterrevolutionary forces from Honduras to create the false idea that there's a civil war in Nicaragua. The next step would be to try to assimilate it into the real civil war in El Salvador--which would be pure fiction. At the same time, that plan would keep as a reserve the Honduran army as a sort of military checkmate at the right moment. And if that plan were to fail from a North American point of view, then perhaps, as a last resort, there might be an invasion by North American forces.

FATHER CARDENAL: But this war may never happen--and can be prevented if there is sufficient pressure from the people, the press and the Congress of the United States on Reagan.

PLAYBOY: Are you optimistic that the American people will understand your viewpoint?

RAMIREZ: There is no other road but to understand. There must be a mutual understanding that Latin America has to change and that there may be different ways for that change to occur. The worst thing would be for the United States to always, repeatedly, be against any of those changes. The CIA would have to repeat its covert operations ten, 15 times in Latin America. And that would be a terrible historical lesson for the United States to always bet on the losing side. It shouldn't, it musn't be on the side of the villains in this movie.

BORGE: Let me add something--and I'm happy that this conversation has been a collective effort, because that makes it part of the revolutionary process. Although it's rather late, let me stress how much the North Americans are loved and appreciated by the Nicaraguan people. Americans who visit here are constantly surprised at how affectionately they are received. So if it fits within this Interview, we want to express that affection and respect to a people who knew their great historical responsibility during the war in Vietnam. We know they will become aware of what it means to wage aggression against a poor and small country and that they are with us and against the imperialist designs of their present Government.

RAMIREZ: Perhaps this isn't the moment to say it, but we are aware of the bountifulness of North American civilization. We think we still have a lot to learn from the technology an the spirit of progress that have characterized North American society. But we believe that this trying to dominate a weaker people is a tumor in the body of the North American society. Because of the present situation, there is great ignorance on both sides. What is stressed most to the North American people is that we have a revolution tied to the Soviet Union, and the danger is that, little by little, that view will become accepted by the U.S. public. Conversely, Nicaraguans may begin to think of the United States as synonymous with aggression, invasion, dictatorships, threats. Both images are equally superficial.

PLAYBOY: So to return to your frequent metaphor, what you would like is for North Americans not to see you as the bad guys in the movie.

RAMIREZ: Yes. We're the heroes. We're not Greek heroes who get saved at the last minute by a deus ex machina and are without fault. We are human heroes,

full of frailties, defects, error-prone--but on the side of justice! That much we're sure of; we're not on the side of a bad cause! What we want is to be able to prove it.

GRAPHIC: ;Portrait

SUBJECT:
Sandinista National Liberation Front, officials and employees ; Nicaragua, politics and government

NAME:
Martinez, Tomas Borge, interviews ; Ramirez Mercado, Sergio, interviews ; Cardenal, Ernesto, interviews

GEOGRAPHIC:
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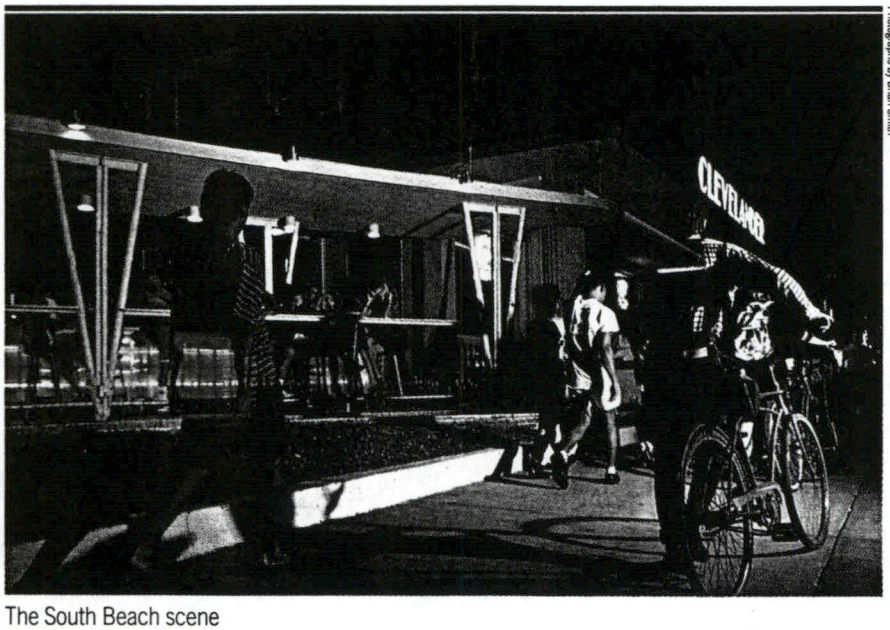
Miami has a high-growth economy and relatively low taxes. New York and Massachusetts have no-growth economies and high taxes. There's a lesson here, but the politicians won't heed it.

A turbulent teenager

By Tatiana Pouschine



Photographs by Brian Smith

The South Beach scene
Like Saint-Tropez in the Seventies.

MIAMI. The art deco buildings redone in vivid colors, the gardens in the residential areas lush and well kept. South Beach, one of the new hangouts, is reminiscent of the Saint-Tropez of the early Seventies: relaxed, but exciting. Even on a Tuesday night, the stretch of restaurants and cafes overlooking the Atlantic bustles. All evening people stroll by: tourists, local yuppies, miniskirted blondes.

For the past decade Miami's population, including Dade County municipalities, has been growing 2% a year on average, twice the rate of other U.S. cities. No, that's not because of the graying of America. Many of the newcomers are young professionals, refugees from New York, Washington and Chicago.

Some, but by no means all, of the young professionals have a Latin connection. Take Edward Deschapelles, 31, who moved to Miami two years ago from New York. Of Cuban descent, he grew up in Paris and Madrid. A Harvard M.B.A., he was a loan officer for Chase Manhattan, later a trader for Phibro-Salomon.

Deschapelles now runs a consultancy advising clients—mostly local agricultural operations—how to enter and finance expansion into Latin America. He shares an office with two former bankers he knew in New York who have also come to Miami recently to run their own firms.

What brought Deschapelles to Miami? Climate. A more relaxed pace. The relatively low cost of living. New York, Philadelphia and Los Angeles can be more expensive. On Long Island, for example, the cost of living is 50% above the national average; in Philadelphia, 28%. Miami's is just 12%. Says Thomas Purvis, a vice president at NCNB, the North Carolina-based bank, who was transferred to Miami four years ago: "I was surprised. Miami has the cost of living of a small town."

Bad luck for developers and banks is good luck for residents and newcomers. Thanks to the overbuilding in the Seventies, good housing and office space are relatively cheap. In Brickell, one of Miami's most exclusive residential neighborhoods, rents for a two-bedroom apartment with a view of Biscayne Bay and minutes from downtown average about $1,000 a month. Comparable apartments in New York are at least double that—and no bay.

Miami is a supply-side sort of place. Because it is prosperous, it has a high tax base. And it has low tax rates. The low taxes in turn feed the prosperity. New York City residents pay up to 8.4% in state income taxes and 3.4% in city taxes. In Philadelphia, residents pay 2.1% in state taxes and a 5% local wage tax. Miami has neither state nor city income taxes. Only three states have lower taxes than Florida.

So business flourishes. Without the population influx, there would be a shortage of workers: Though the number of available workers grew 16.5% over the last decade, to over 950,000, employment grew even faster, at over 18%. The number of new businesses grew 25%, to nearly 57,000, last year. In the last ten years wholesale and retail trade has grown nearly 25%, employing 240,000 people, or nearly one-third of Miami's work force.

Counted in the wholesale trade statistics are importer-exporters, employing 2 to 100 people, that help Latin Americans buy or sell in the U.S. One such company is Marco Technology Corp., which imports rice-milling equipment from Taiwan, Japan and Mexico and exports it to Venezuela, Ecuador and Panama.

"We've never been bigger," says Claudio Martinez Sr., who has run the business in Miami for 20 years. Last year he added 14 people to a staff now totaling 36.

Finance follows trade. Take a walk down Brickell Avenue. Lined with palm trees, Miami's Wall Street is packed with shiny skyscrapers displaying banking names from around the world. Between 1988 and 1990, ten additional foreign banks were licensed to do business in Florida, bringing the total to 66. As a foreign-banking center, Miami is now second only to New York.

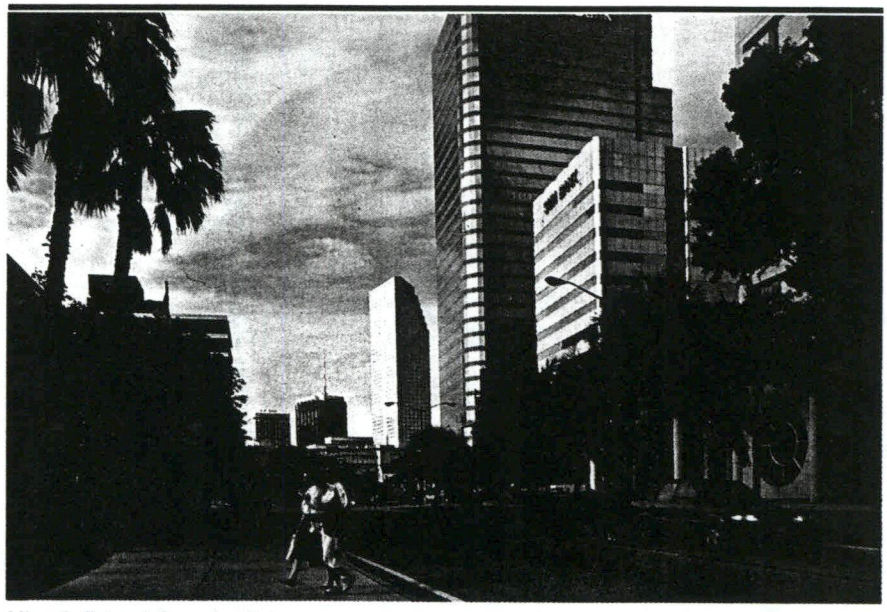
There is good money to be made dealing with Latin American finance. Manuel Fernandez is head of trade finance at Barnett Bank of South Florida, part of the state's largest bank holding company. Fernandez pulls out paperwork on a banker's acceptance Barnett had just issued. The bank earned about 200 basis points guaranteeing the credit of a local exporter-importer that typically borrows at Barnett's prime rate. It would have earned no more than 50 basis points had it been guaranteeing the credit of a brand-name corporation.

Money center banks such as Chase and Citibank aren't as actively in the game. One banker says he was surprised at how little competition came from big U.S. banks. His explanation: "They turned up their noses because these aren't the large import-export firms they are used to dealing with in New York."

The money centers are eager, however, to compete with the others in private banking, managing the money coming in from such countries as Colombia, Venezuela, Guatemala and El Salvador.

That money is pouring in. Analyst Moshe Orenbuch at New York's Sanford C. Bernstein & Co. estimates that between 1980 and 1989 deposits in Florida nearly tripled to over $100 billion from $37 billion, representing a compounded annual growth rate of 12%. Deposits for all U.S. commercial banks grew at only 6.5%, or barely more than half the rate. Orenbuch expects Florida's deposit growth in the early Nineties to slow to the high single digits but to remain more than that in other parts of the U.S.

Drug money? Some of it. "I'm sure every bank has money launderers," sighs one banker, "though we follow all the regulations." But much of the money is earned in legitimate businesses in Latin America. Though they could send their money to New York or European capital havens like Geneva or London, Latin Americans like doing business in Miami. Many Latin Americans send their children to school in Florida and have vacation homes near Miami. Miami Mayor Xavier Suarez recounts how he breakfasted with one father, the vice president of the Dominican Republic, whose two daughters are in Miami schools. Good relations increase trade, he says.



Miami's Brickell Avenue
The bankers are moving in.

The dark spot in the Miami economy is manufacturing. Employment in manufacturing fell 11% over the last decade. The sector employed about 89,000 in 1990, down from 100,000 in 1980. The problem is the apparel industry, which is losing jobs to countries in and across the Caribbean. The apparel industry remains a major employer but is shrinking. As of last year, almost one-third of the 166 manufacturers in the city that employ over 100 people were apparel or textile firms. But now they are laying people off or disappearing altogether.

The bright side of this, of course, is that the move of the garment trade to lower-wage countries makes those countries more prosperous and hence better customers for Florida. Says Mayor Suarez: "As soon as you get Haitians and Dominicans working in textiles or shoes, they themselves become a market, where they formerly lived almost in abject poverty."

A few manufacturing companies in Miami are thriving, some of them high-tech. Coulter Corp., a privately held maker of medical diagnostic equipment with over 2,000 employees in Miami, has been manufacturing in the city since 1960. The company recently worked with the city government to create a development group to help other biomedical technology companies in the area.

With all this growth and change comes a certain amount of turmoil. A polyglot city, Miami is the scene of frequent confrontations between the Latin population and the local blacks. Miami has more murders per 100,000 than New York or Los Angeles. Nonviolent crimes, too, are rampant. Just a few months ago, Mayor Suarez's car was broken into while the police were reportedly guarding it. Assistant City Manager Sergio Rodriguez puts the situation in perspective: "Miami is like a teenager. First this part grows, then that part." Like an energetic adolescent, Miami doesn't always act like a grownup, but it's never dull and certainly not stagnant. ■

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 27, 1991

The President today announced his intention to nominate Susan Meredith Phillips, of Iowa, to be a Member of the Board of Governors of the Federal Reserve System for the unexpired term of fourteen years from February 1, 1984. She would succeed Martha R. Seger. Currently, Dr. Phillips serves as Vice President for Finance and University Services; and Professor of Finance, College of Business Administration at the University of Iowa in Iowa City, Iowa.

# # #

II. The Praxis of Intervention

The Sandinista National Liberation Front (FSLN) was founded in Tegucigalpa, Honduras, in July 1961, at a meeting among Tomas Borge, Carlos Fonseca, and Silvio Mayorga. All had been student activists in Nicaragua; all had participated in preliminary meetings in Cuba; all identified with the Cuban revolution and with armed conflict. The first armed FSLN guerrilla units entered Nicaragua from Honduras in 1962 carrying Cuban-supplied weapons.[1]

By the time the FSLN was founded, internationalism and guerrilla warfare had already been united in Sandinista praxis in the form of the "Rigoberto Lopez Perez" Column. This guerrilla group had been organized in mid-1959 with advice from Ernesto Che Guevara and supplied by Cuba. The 55 Nicaraguans, Cubans, and other internationalists who belonged to it were dispersed by the Honduran Army before they could enter Nicaragua.[2]

The FSLN suffered repeated defeats in its armed opposition to the Somoza dynasty, which after 1967 was headed by Anastasio Somoza Debayle. Fifteen years after their opening attacks, Fonseca and Mayorga were dead and FSLN forces had no more than 300 guerrillas belonging to three feuding factions.[3]

A new strategy to gain alliances beyond the borders of Nicaragua, especially with non-Marxist states and organizations, gradually developed in the wake of a failed October 1977 campaign against Somoza. Events soon gave the FSLN the opportunity to develop alliances with moderate and democratic groups and individuals who previously would have shunned the FSLN because of its Cuban ties and penchant for violence. In January 1978, Pedro Joaquin Chamorro, the editor of *La Prensa*, Nicaragua's leading newspaper, was murdered by assailants widely believed to be associated with Somoza. Chamorro was Somoza's leading critic and a strong democrat. His death set off the national revulsion that eventually destroyed Somoza.

Throughout 1978, while Nicaraguan business, religious, and civic leaders were moving irrevocably into opposition to Somoza, Armando Ulises Estrada, a high-ranking member of the America Department of the Communist Party of Cuba, made numerous secret trips seeking to unify the three major factions of the FSLN. In March 1979, the three Sandinista factions entered into a formalized alliance with Fidel Castro's support.[7] Once unity was achieved, Cuba increased covert support operations, providing weapons, training, and advisory personnel to the FSLN. Estrada and Julian Lopez Diaz, later Cuba's first ambassador to Sandinista Nicaragua, concentrated on building a supply network for channeling arms and supplies to Sandinista guerrilla forces.[8] By May

The foreign policy of the Sandinista People's Revolution is based on the full exercise of national sovereignty and independence and on the principle of revolutionary internationalism.

FSLN "72-hour Document," September 1979[4]

This revolution goes beyond our borders. Our revolution was always internationalist from the moment Sandino fought [his first battle].

Tomas Borge
July 19, 1981[5]

We cannot cease being internationalists unless we cease being revolutionaries.

Bayardo Arce
May 6, 1984[6]

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[1]Claribel Alegria and D.J.F. Falkoll, *Nicarugua: la revolucion sandinista* (Serie Popular Era) Mexico, 1982, quote Borge on the establishment of the FSLN and its 1962 operation on pp. 166–168. The organization established in Honduras in July 1961 was originally to be named simply the National Liberation Front. "Sandinista" was added because of Fonseca's belief in the need for a historic Nicaraguan symbol. In this way, Augusto Sandino, a nationalist, became the symbol of an internationalist movement.

[2]The defeat brought a wounded Fonseca to Havana where he made personal contacts with the Cuban leader that contributed to the founding of the FSLN. In 1960, Borge also met with Che Guevara in Havana.

[3]Leaders of the three factions were: Tomas Borge, "Prolonged Popular War," Humberto and Daniel Ortega, "Third Force" or "Insurrectionist," and Jaime Wheelock, "Proletarian." The factions are described in George Black, *Triumph of the People: The Sandinista Revolution in Nicaragua* (London, Zed, 1981), pp. 91–97.

[4]*Analisis de la Coyuntura y Tareas de la Revolucion Popular Sandinista (Tesis Politicas y Militares Presentadas por la Direccion Nacional del Frente Sandinista de Liberacion Nacional en la Asamblea de Cuadros "RIGOBERTO LOPEZ PEREZ" celebrada el 21, 22 y 23 de Septiembre de 1979)*, Managua, October 1979, p. 24 (often referred to as the "72-Hour Document").

[5]At a military ceremony broadcast on Managua domestic service, as reported by *FBIS* on July 21, 1981.

[6]*Comandante Bayardo Arce's Secret Speech before the Nicaraguan Socialist Party (PSN)*, Department of State Publication 9422, Inter-American Series 118 (Washington, D.C., March 1985), p. 4, translated from the text published in *La Vanguardia*, Barcelona, August 23, 1984.

[7]Cuban radio announced as early as December 1978 that the three factions had agreed to merge. Also see Richard L. Millett, "Historical Setting," in *Nicaragua: A Country Study* (Washington, 1982), p. 51. Black (*op. cit.*), pp. 142–148, discusses unification without mentioning Cuba.

[8]Cuba today has an extensive intelligence and training apparatus, modern military forces, and a large and sophisticated propaganda network. Making Che Guevara's attempts look amateurish, the Castro government is now able to utilize agents and contacts nurtured over 20–25 years. Most of the covert operations in Nicaragua were planned and coordinated by the America Department of the Cuban Communist Party. Headed by Manuel Pineiro Losada, the America Department emerged in 1974 to centralize operational control of Cuba's covert activities in the Western Hemisphere. The department brings together the expertise of the Cuban military and the General Directorate of Intelligence into a farflung operation that includes secret training camps in Cuba, networks for covert movement of personnel and materiel between Cuba and abroad, and sophisticated propaganda support. (See *Cuba's Renewed Support for Violence in Latin America*, Department of State Special Report No. 90, December 14, 1981.)

Special Report No. 132
United States Department of State
September 1985

"Revolution Beyond Our Borders"

Sandinista Intervention in Central America

"This revolution goes beyond our borders."

Tomas Borge
July 19, 1981

GREATER MIAMI CHAMBER OF COMMERCE

NEW OPPORTUNITIES COMMITTEE

Report Of The Committee's Task Force On

"THE TRADE IMPACT OF A FREE CUBA"

Raul Martinez, Co-Chairman
Ocean Bank

Bruce Jay Colan, Co-Chairman
Fine Jacobson Schwartz Nash Block & England

Jose R. Cuervo, Legal Counsel
Dow Chemical, Latin America/Caribbean

Pedro A. Freyre, Consultant
Dow Chemical, Latin America/Caribbean

Sandra Gonzalez-Levy, Vice President
Greater Miami Chamber of Commerce, International Department

April 1991

** Table of Contents **

* INTRODUCTION *

Located 90 miles from Key West and some 220 miles from Greater Miami, Cuba, with a population of 10.7 million living within the island's 40,508 square miles (about the size of Pennsylvania), has remained economically alienated from the U.S., formerly its main trading partner (1), for over 30 years. During this period, along with the ethnic and cultural influences of three decades of migration from Cuba, Nicaragua and other Central and South American countries, Dade County has evolved into an international trade, commerce and banking center which is uniquely positioned to benefit from trading with a "free" Cuba. This report sets forth the potential trade impact for Dade County when (rather than if) that opportunity arises.

# # # #

* CUBA TODAY * (2)

Economy

Before Castro took power in 1959, Cuba ranked third in per capita income among Latin American nations, behind only Argentina and Venezuela. Today, after more than 30 years of socialism and more than $45 billion in Soviet economic aid, Cuba's per capita income of less than $1,500 ranks in the bottom half of nations in Latin America (3).

Cuba's principal trading partners have been the Soviet Union and the Eastern bloc countries. In 1988, Cuba's exports, consisting primarily of sugar, petroleum (the resale of imports from the Soviet Union), nickel, shellfish and tobacco, totalled $5.5 billion, of which 67% were to the Soviet Union. In 1987, 72% of its exports were to the Soviet Union and 15% were to Eastern Europe.

In 1988, Cuba's imports, consisting primarily of petroleum, machinery, manufactured goods, foodstuffs and chemicals, totalled $7.6 billion, of which 71% were from the Soviet Union. In 1987, 72% of its imports were from the Soviet Union and 14% were from Eastern Europe.

Cuba has little industrial base. Its agricultural production is principally limited to sugar, tobacco and citrus. Cuba's economy is currently more reliant on sugar production than at any time in this century. Sugar production accounted for 80% of Cuba's exports between 1920 and 1959. By 1986, sugar represented 82% of total Cuban exports. Sugar exports are Cuba's primary source of hard currency earnings and its principal means for servicing its $6.8 billion debt to Western lenders, such as Japan and Sweden. Cuba's sugar plantations are inefficient and relatively unproductive. Its sugar harvest of 1960, Castro's first full year in power, was 5.95 million metric tons. By 1987 it had reached 7.2 million tons, an average annual growth rate of less than 1%. By contrast, Brazil's annual sugar harvest grew from 2.8 million metric tons in 1958 to more than 8.5 million metric tons in 1987 (4).

Tourism is again becoming an important part of Cuba's economy, as Cuba has dropped what its officials called "social tourism", in which ideologically sympathetic Westerners and Communists from around the world were invited to visit and offered tours of model communes, sugar plantations, and other workplaces where the achievements of Castro's socialism were put on display. Over 320,000 tourists visited Cuba in 1989-exceeding all pre-Castro years-and the annual growth rate over the past six years has been close to 10% (5). However, for the most part these tourists take low-priced package

tours and are not making repeat visits.

As of 1990, Cuba had the highest per capita debt of any nation in Latin America. Cuba's $6.8 billion debt to Western lenders was 150 times greater than its 1959 debt total of $45.5 million. Although it is difficult to pin down Cuba's actual debt to the Soviet Union, the Soviet government journal Izvestia reported on March 1, 1990 that Cuba's debt to the USSR had reached $24 billion. Cuba's foreign debt total was thus $30.8 billion. Its per capita foreign debt of nearly $3,000 was about three times that of Mexico.

Havana's refusal to honor its debt obligations to Western government lenders since July 1986 has severely restricted loans to Cuba. The National Bank of Cuba in 1988 reported "an overall absence of credits, particularly medium-term credits" (6).

Infrastructure

Cuba's infrastructure is a curious mixture of 30-year old American machinery and vehicles kept in operation through considerable mechanical improvisation skills, inefficient East bloc products such as the fuel-guzzling, medium-duty Soviet trucks built with 1950's technology which are a crucial part of the distribution system, and modern Western equipment such as German, Japanese and Swiss medical and analytical equipment found in some medical facilities and research centers. To this potpourri of equipment should be added a sprinkling of modern American items such as personal computers and appliances which have entered the country in spite of the embargo.

Cuba's industrial plant presents the same quilt of dissimilar equipment and vintages. In the sugar industry, some mills sport American Babcock & Wilcox equipment installed in the 1920's, while others built since 1959 have far more modern Eastern European and Soviet machinery.

The oil refining industry is another illustration of this phenomenon. Cuba's refining capacity is concentrated in Havana and Santiago where former ESSO, Shell and Texaco refineries built in the 1950's supply most of the island's requirements for refined petroleum products. A massive government effort to complete a new refinery in Cienfuegos, on the island's Southern coast, has yet to bear fruit. That installation, built with Soviet assistance and technology, is behind schedule and has not yet gone on stream. Cuba is in the midst of negotiations with Mexico to obtain feedstocks for this refinery.

Perhaps Cuba's most unique infrastructure project is the nuclear power plant under construction, also in Cienfuegos. This project, utilizing Soviet technology, was

reportedly delayed by the Chernobyl accident which resulted in a substantial redesign of the facility. Currently under the personal supervision of Fidel Castro, Jr., the project is running years behind schedule and the latest estimated completion date is late in 1992.

Breakdown of Economic Relations with the USSR and Eastern Europe

Soviet aid to Cuba increasingly has become a casualty of Moscow's internal economic crisis, as confirmed by Castro in recent speeches. For this and other reasons, the Soviet Union is cutting its subsidies and economic assistance programs to Cuba. Among other things, Soviet sugar subsidies, which were roughly four times the market price for sugar since 1986, are being reduced to levels closer to the current world price. As this happens, Cuba's earnings from its only significant cash crop is plummeting and Cuba is being forced to cut purchases of critical imports, such as food, machinery and spare parts. Further, Moscow's cash shortage and economic restructuring programs have reduced the Soviet Union's interest in subsidized trade with Cuba. As a result, in late 1989 the Soviet Union signed its first long term sugar import contract with a non-Cuban supplier. In addition, the Soviet Union failed to deliver promised wheat and grain shipments to Cuba in the first two months of 1990. Now that independent Soviet enterprises are beginning to have the right to trade directly on foreign markets and need profits to survive, they are more likely to seek cash trade and reject barter arrangements preferred by cash-poor Havana (7).

Soviet oil shipments to Cuba also are declining in volume and increasing in cost. Cuba's hard currency earnings from the resale of oil imported from the Soviet Union dropped from $621 million (or roughly 40% of Cuba's total hard currency earnings) in 1985 to zero in 1989. According to data published in 1989 by the Central Bank of Cuba, Moscow cut its shipment of subsidized oil to Cuba by $200 million in 1989. Given that Soviet oil production fell by 350,000 barrels per day in 1989 and was expected to drop another 500,000 per day in 1990, Cuba is likely to experience even more painful reductions in subsidized Soviet oil shipments.

Economic liberalization in Eastern Europe is also damaging the Cuban economy. New reform-minded governments in Eastern Europe need hard currency to purchase consumer goods, pay interest on foreign debt and finance their transition toward free market economies. Accordingly, they need cash payments for their exports, not the barter trade deals with cash-starved Cuba. The new Soviet and East Europe emphasis

on cash trade is undercutting Cuba's export market and causing shortages of food and industrial goods in Cuba.

Moscow had required East bloc nations to help prop up the Cuban economy by purchasing Cuban sugar at prices roughly three times the market rate. Emerging democracies in Eastern Europe can save substantial sums by purchasing sugar from cheaper, more reliable producers in Barbados, the Dominican Republic and Jamaica.

Reform-minded East European enterprises are changing the way they do business with Cuba. For example, Hungary's leading bus manufacturer, Ikarus, boosted prices for bus spare parts by 20% in September 1989, making them unaffordable for Cuba. As a result, parts shortages disabled most of Havana's mass transit system. Further, Poland and East Germany failed to honor agreements with Moscow in 1990 to transport Cuban citrus to the Soviet Union. These countries are pressing Moscow to pay in scarce hard currency for the use of their freight vessels. Moreover, as the countries in Eastern Europe allow their currencies to fall to their market value to make their exports more competitive, Cuba refuses to do so. Cuba's over-valued peso thus makes Cuban exports more expensive and less attractive to Eastern European and Western consumers.

The United States Economic Embargo

Under the Trading with the Enemy Act, the United States government enacted the Cuban Assets Control Regulations on July 8, 1963 in response to certain hostile acts of the Cuban government. This legislation affects all U.S. citizens and permanent residents physically in the U.S., as well as any branches and subsidiaries of U.S. organizations throughout the world. This legislation, which is governed by the Office of Foreign Assets Control within the U.S. Department of the Treasury, includes a number of far reaching restrictions that can result in severe penalties if violated. Maximum penalties include up to 12 years in prison and $250,000 in fines. Some basic restrictions preclude the importation or exportation of any goods or services to or from Cuba, whether directly or indirectly through a third country. Also prohibited is the spending of any U.S. dollars that are ultimately destined to impact the Cuban economy directly or through indirect investment.

All bank accounts, goods and other monetary interests of the Cuban public and private sectors will be confiscated by the U.S. government under existing legislation. While all financial interests continue under Cuban ownership, the embargo applies a total

prohibition on all transactions and transfers of any kind.

Since this embargo is not the result of an executive order, but an act of Congress, repeal legislation will presumably be required before the embargo can be lifted. Such action is not anticipated, absent a material political change in Cuba, making it "free".

These are only a few of the many unique and complicated aspects of the U.S. embargo against Cuba. For more details concerning specific portions of the legislation, you can contact the Office of Foreign Assets Control in Washington DC at 202/376-0392.

* WHAT IS A "FREE" CUBA? *

A "free" Cuba is both a political and an economic issue. A "free" Cuba from a political standpoint is beyond the scope of this report, but would entail, among other things, substantive changes toward democratization, freedom of expression and association, and substantial improvement in the area of human rights abuses.

From a purely economic standpoint, and ignoring political and emotional issues, at least insofar as impacting on trade and investment, from an objective standpoint, a "free" Cuba will occur when the United States embargo is lifted in Washington, a decision which will undoubtedly be made with the substantive input of all affected constituencies. It is extremely unlikely that this decision would be made without substantial political freedom in Cuba. It must also be understood that the issue of trade with Cuba has the potential for a substantial political impact in Dade County due to the very large active Cuban-American constituency. As a result, the perceived degree of democratization and other political reforms in Cuba will have a significant impact on the extent to which the Dade County business community will participate in increased opportunities for trade with and investment in Cuba.

In order to understand the conditions under which trading with and/or investing in Cuba would be worthwhile for American businesses once the embargo is lifted, some basic considerations which American businesses have traditionally looked for in foreign jurisdictions, and which do not presently exist in Cuba, must be examined. These include, at a minimum, the following:

a. Predictability and consistency in the country's attitude towards foreign investment.

b. Departure from central planning toward an open market economy.

c. Widespread recognition of an acceptable legal environment for commercial activities (including compliance with basic International Chamber of Commerce customs and procedures in foreign trade documentation and arbitration; recognition of intellectual property rights, patents; etc.).

d. Predominance of the rule of law providing basic individual rights (private ownership of property, freedom to travel regardless of nationality, political affiliation, etc.) and a credible judicial system.

e. A convertible currency.

A cursory review of recent attitudes by the Castro regime confirms that, despite allegations to the contrary, present conditions do not favor private investment. Perhaps foremost among considerations for Western businessmen is predictability. In a negative way, Cuba has in fact been consistent and predictable in its attitude toward foreign investment. Until approximately 1980, foreign investment was considered undesirable. At the beginning of the 1980's, and following the lead of other socialist countries such as Vietnam, Cuba made a limited move toward wooing foreign investors under very tight strictures. It went so far as to enact a foreign investment law under which foreign investors could participate in joint ventures with the Cuban government with an equity participation of up to 50%. A limited number of foreign investors have taken advantage of that legislation, including a Spanish group (the Gaviota Group) which built the Hotel Las Palmeras in Varadero with an investment of $40 million. An interesting twist to this investment is the ability of the Spanish management group to hire and fire Cuban workers who are unproductive, a radical concept for the paternalistic Cuban labor environment. While that law provided some predictability for investment and there are additional hotel joint venture projects underway, it didn't go nearly far enough in today's rapidly evolving and free wheeling competitive climate for foreign investment.

Currently, terms being offered to foreign investors include the possibility of owning over 50% of a project, as well as tax and tariff concessions. Sectors currently purportedly open to foreign investment include tourism, light industry, medical equipment, medicine production, construction and agro-industry (8). Whether the new terms being offered will be more successful is problematic. Cuba also appears to be toying with the idea of more radical changes, but Castro has consistently snuffed out credible moves toward an open market economy. Perhaps the most dramatic example of this was the switch in 1985 to Castro's program of rectification of errors, an ultra-socialist campaign

to get away from Cuba's brief but successful flirtation with limited open market policies, particularly in the agricultural sector.

A second element which would be necessary to encourage foreign investment, and which appears to be substantially lacking in Cuba, is a positive attitude toward free enterprise, or at the very least for a mixed economic model. Of the countries that have flirted with the socialist economic model, Cuba has gone as far as, if not further than, most. Under the Cuban constitution of 1976 virtually all means of production are the property of the state, with certain minor exceptions for small farmers and cooperatives. Trade appears to be a completely different issue, with the Cuban government making serious concerted efforts to diversify its reliance on trade with the Soviet Union and the Eastern bloc. In the course of the last two years Cuba has engaged in a concerted effort to develop new trading partners such as the countries of Latin America and Africa. Most particularly, it has pursued a significant expansion of its trade with China, the most recent evidence of which was an apparent agreement for the purchase of 200,000 bicycles to assist Cuba in its campaign to reduce oil consumption. These efforts have essentially been undertaken on a "government-to-government" level (or, at best, with various producer and trade associations and groups) and Cuba is still a long way from adjusting to the usual trade financing patterns and customs inherent in commercial activities with privately-owned foreign suppliers and/or customers.

Of lesser importance, but nevertheless a significant factor in any consideration of trade with, and investment in, Cuba, is the absence of a legal environment which affords credible protection of intellectual property. This has been an on-going theme of friction between major industrialized countries such as Japan, the United States and Germany and less-developed countries. Only now, are major players like Mexico and Brazil beginning to react to the changes in the world market place which require their recognition of patent and trademark rights. If Cuba desires to develop the full potential of some of its more promising industries such as biotechnology, it is going to have to come to grips with the need to afford serious protection to intellectual property.

Next, is the apparent absence in Cuba of a rule of law. Cuba continues to be perceived in the international community as a state which engages in widespread violations of civil rights and which has stubbornly refused to allow any significant dissent or political opening in its governmental structures. Undoubtedly, this inflexibility has caused and will continue to cause Cuba to miss the opportunity to join in the new wide open world marketplace.

Last, is Cuba's present lack of a convertible currency. As with many Eastern bloc countries, Cuba relied heavily on the barter of goods with its socialist trading partners and is now having difficulties in adjusting to a trade pattern based on hard currency.

However, notwithstanding the negative atmosphere for foreign trade and investment, the emotional impetus to such trade and investment by Cuban-Americans once the embargo is lifted, and the infectous impetus of this can give to others, cannot be overlooked.

* TIMING *

In light of the Cuban economic deterioration and, even more importantly, the recent dramatic changes in Eastern Europe and the Soviet Union, it is inevitable that the days of the current Cuban political and economic system are growing short. The model that will be followed in making this change is not yet defined. Increasing food and other shortages could trigger a Rumanian scenario, where an angry populace protesting its misery takes to the streets and is mowed down by elements of the army or security forces, setting off violence. Alternatively, the Hungarian model, where elements within the Communist Party itself took an active part in a peaceful dismantling of the old order, could prevail. By whichever method, or any of countless alternatives, a reform Cuban government will eventually set political prisoners free, allow the free expression of thought and worship, permit different political views and invite foreign trade and investment. The only uncertainty is timing.

Any credible predictions made as recently as two to three years ago as to the timing for a free Eastern Europe would certainly have contemplated a far longer time period than has occurred. Based upon the current Cuban economic and political situation, Cuba will most likely be economically "free" by the end of the next presidential term, if not within the current presidential term.

* IMPACTS ON DADE COUNTY *

General

An Overview

Before January 1, 1959, contacts between Havana and Miami were numerous. The old Spanish tiles that grace the rooftops of Coral Gables homes were once imported from the island. Daily flights and a car ferry service linked the two cities. During the hot summer months, many Miami Beach hotels catered to Cubans, who thrived in the 90-degree weather. The connections extended to banking and trading relationships. The flow of American investment capital to Cuba was compensated, albeit on a smaller scale, by Cuban investment in Miami real estate and Cuban technical contributions to Florida's sugar industry. Cuban cultural influence in Miami, from music to academic visits between the University of Miami and the University of Havana, was widespread.

It's not difficult to see future opportunities of mutual benefit. All of South Florida could benefit from increased contacts. In the short-term, there may well be adverse effects mixed-in with a euphoria equalling or surpassing that which took place in Berlin as the Wall came down. In the medium to long-term Florida (and Dade County in particular) could enter an era of unprecedented prosperity as the center of trade (9).

Miami is in an ideal position to be the beneficiary of renewed commercial links with Havana, should the following scenario unfold: First, the U.S. trade embargo is lifted in response to substantive changes by the Cuban government in the areas of human rights and political freedom. Second, Cuba looks to the U.S. market as a rational alternative to its uncertain trade relationships with the Soviet Union and Eastern European countries.

Numerous Dade County (as well as other U.S.) businesses have formulated business plans to enable them to take advantage of the opportunities for increased trade and investment that are certain to arise when Cuba is "free".

The Port of Miami and Miami International Airport are the logical points through which Cuba will export sugar, nickel, fish, tobacco, citrus and other commodities. Similarly, flowing to the island will be consumer products, machinery, computers, medical equipment, pharmaceutical and construction equipment needed to rebuild Cuba's infrastructure. Dade County is the natural entry point for Cuban trade. The principal apparent constraint will be the availability of financing.

A normalization of relationships with a reformed Cuba will have a dramatic impact on the exile community, which is one source of financing for increased trade. Doubtless, some exiles will return to participate fully in the political process that would evolve. Others, probably the greater number, will continue to reside in Miami but will travel to Cuba for vacations and family visits, or out of sheer curiosity. Initially, we will likely see a remarkable air- and sea-lift of emergency and medical supplies to alleviate shortages on the island. Later, the Miami exile community can be expected to ship TVs, microwaves, VCRs, fax machines and appliances to Cuba. As the situation stabilizes and the shape of new Cuban policies become clearer, some Cuban-Americans may consider retiring on the island.

It would not be surprising in the long run to see a relationship analogous to that of the American Jewish community with Israel, where a strong cultural tie will continue to bind third- and fourth-generation Cuban-Americans to the island. A reformed Cuban government will be well advised to nurture its bonds with the Cuban-American community, utilizing its substantial economic, political, technological and human resources. Of particular importance will be expansion and improvement of the Cuban health-care and educational systems, purportedly the two linchpins of the Cuban Revolution.

Short-Term Effects

In the short term, especially if the change in Cuba is sudden, the most crucial impact on South Florida is likely to be rapid, potentially chaotic, large scale movements of people leaving Cuba and seeking to enter the United States, leaving the United States and seeking to enter Cuba or seeking to travel in both directions. There would be rapid and major increases in the demand for travel and shipping services between Cuba and the United States. Florida, and particularly South Florida, would be the center for most of this traffic. At the inception, the Metro-Dade Police Department anticipates there would be an immediate, spontaneous and massive outpouring of emotion expressed by the need to assemble in large groups (perhaps in the hundreds of thousands) to make speeches and otherwise express political and personal opinions, to demonstrate in support of changes and to move throughout the Hispanic community in parades or motor vehicle caravans. These activities are anticipated to last at least two to three days and could well disrupt other segments of the community not participating in the demonstrations, including, but not limited to, resulting in massive employee absences from

Miami businesses. It is also anticipated that there could be significant Cuban-American migration to the South Florida area from other states, a shortage in housing facilities, overcrowded airport and seaport, overcrowded public schools, lack of short-term employment and overcrowded health facilities which, together with migration from Cuba could place a severe strain upon Dade County facilities similar to, and potentially greater than, that which occurred following the Mariel boat lift (10).

Financing Considerations

Cuba's hard currency reserves, $60 million in June of 1989 (11), are insufficient to support the level of trade which the pent-up demand of its citizens and needs of its economy require. Accordingly, the extent to which this pent-up demand and Cuba's needs will be met as the result of increased trade is contingent upon the degree to which financing is made available.

It is assumed that governmental agencies will make a significant amount of financing available under various programs, but the extent to which such financing will in fact be available is problematic. As noted by the Governor's Commission on a Free Cuba, there is substantial interest in the Florida business community in the prospect of investing in Cuba following political change; and members of the task force have been made aware that there are apparently groups of investors already poised to make material investments in a "free" Cuba. Further, one or more of the large national franchisers have already awarded franchises for Cuba and it is anticipated that the franchise holders are prepared to make investments at the appropriate times. It is also anticipated that U.S. companies which had properties or operations in pre-Castro Cuba and/or which previously did significant business with Cuba, will be poised to take advantage of the re-opening of that market. Such investment will provide badly needed currency to finance trade.

The level of trade with a "free" Cuba would also be boosted if, after democratization has progressed, Washington designates Cuba as a beneficiary of the U.S. Caribbean Basin Initiative.

Current Western Trade Partners

In 1987, Cuba's imports from non-Communist countries totalled $938 million, with Spain ($163 million), Argentina ($124 million), Japan ($108 million), the United

Kingdom ($70 million), West Germany ($53 million), France ($47 million), Italy ($46 million) and Canada ($33 million) accounting for nearly 70% (12). Because of the proximity and inherent lower transportation costs, the U.S., via Miami, should have an opportunity to capture much of this trade.

Key Areas of Opportunity

Tourism

By virtue of its geography and climate, Cuba possesses major potential as a tourist market and tourism has significant potential for a rapid increase in hard currency earnings. The Cuban government has expended massive efforts in this field. Cuban government figures show $145 million of earnings from the tourist trade in 1989.

Cuban hotels can be divided into two groups: the old and the new. At the older hotels, such as the Havana Libre, a vast high-rise that was the Hilton, telephone lines crackle, water drips rather than flows from faucets, elevators creak and dowdiness is the watchword. On the other hand, it is hard to distinguish the new accommodations from medium-sized resort hotels elsewhere in the Caribbean.

The Cuban government has pledged to more than quadruple the number of hotel rooms devoted to Western style tourism by 1992. Cubanacan, a state tourism agency, states it has already formed six joint ventures with hotel companies in Spain, Italy, Austria, France and Finland (13).

Recently, Time magazine published reports of visits by leading American hotel industry executives to the island to discuss future possibilities for investments. In short, it is evident that the opening of the U.S. market would afford Cuba access to the most lucrative tourist consumer market in the world, and many tourism experts believe that Cuba's expansion plans for tourism cannot succeed without a sizable increase in the number of American tourists. The exploitation of this market in the future, however, will require a substantial amount of foreign investment to bring existing Cuban tourist facilities up to competitive levels with those available in the rest of the Caribbean region.

Of particular concern is the need for considerable improvement in the service offered by the Cuban labor force. An attempt to remedy this can be seen in the arrangement made with the Spanish Gaviota Group. It is not difficult to envision the boost to both Cuba's and Miami's economies that would ensue from the opening of Cuba as a port of call to cruise ships. The simple fact is that due to Cuba's political isolation

for 30 years, Cuba is today the single largest most attractive unexploited destination in the Western hemisphere for U.S. tourists. But the full potential of this market will remain unexploited until the American consumer market is opened to Cuba. American hotel chains could once again set up joint ventures with the Cuban government or private investors to operate hotels and casinos throughout Cuba, helping to strengthen the country's economy.

Once the Cuban market is opened, it is likely that an air shuttle service will be established between Miami International Airport and Havana's Jose Marti International Airport, with Miami once again becoming the primary U.S. gateway to Cuba. As per the May 1959 schedules published in the Official Airlines Guide, in that month, using non-jet equipment ranging from 41 to 65 passenger seats, there were 102 scheduled flights per week between Miami and Havana, which was almost double the 53 flights per week on a combined basis between Havana and New York, Key West, New Orleans, Tampa, West Palm Beach and Houston.

These flight schedules pre-dated Miami's Cuban-American population which is currently the second largest urban Cuban population in the world, after Havana. As the Committee's task force has been advised by a representative of Miami International Airport, Miami's Cuban population alone would generate enough traffic for several daily flights to Havana, at least one daily flight to Camaguey and Santiago and a very sizable number of connecting passengers to domestic Cuban destinations. While other U.S cities (New York, Chicago, and Los Angeles) have Cuban-American populations, none is as large or as affluent as Miami's. Also, given the shortness of travel time and its resultant lower cost, Miami's Cuban-American population will travel to Cuba more frequently on a per capita basis. No other U.S. city will have this built-in market advantage. The impact of this air service on Miami businesses servicing the airline industry will be significant.

Water and Sewer

Rebuilding Havana's deteriorating water and sewer systems appears to require massive investment. Both are showing ominous signs of complete breakdown. Reports coming out of Cuba in 1990 indicate that Havana's aqueduct loses approximately 50% of the water from the time it enters the system until it is delivered to consumers. The water and sewer systems have suffered from a lack of required maintenance and are currently in need of massive rebuilding.

Telecommunications

Cuba's telecommunication equipment is, as in the case of other infrastructure items, a mixture of obsolete American equipment and Soviet and Eastern bloc equipment. Havana's telephone system is reportedly beginning to fail in massive ways. For example, certain telephone exchanges can no longer dial out and can only receive calls. The government has recently started an effort to crack down on black market telephone cable splicers who reconnect malfunctioning phones to operating lines for a fee, thus further deteriorating the system.

Transportation Vehicles and Parts

Cuba's motor pool is in dire need of modernization. Apart from the American clunkers of 1950's vintage, in the course of the 30 years of the current government, Cuba has received sporadic supplies of Argentine built Ford products (1970's), Italian Alfa Romeos (late 1970's and 1980's) and Soviet built Lada automobiles, basically a knockoff of the 20-year old Fiat 124 design. Cuba's heavy transportation equipment is in no better shape. Fidel Castro himself ranted and raved in a televised speech in the summer of 1990 against the poor quality of Czechoslovakian and Hungarian buses which had been bought by Cuba and which are alleged to be notoriously inefficient and prone to repeated breakdowns. The situation is so bleak, that recently, at the behest of Cuba's consul general in Toronto, Cuba is in the process of obtaining as a gift from the Toronto Transit Commission 90 buses which are 18 years old or more and had been slated for demolition (14). In light of Cuba's lack of domestic oil production, it is evident that the need exists to modernize Cuba's transportation fleet with updated fuel efficient vehicles, from buses to trucks, to automobiles and motor scooters.

Housing and Real Estate

Cuba has a housing shortage of significant proportions. Attempts to solve the problem by constructing prefabricated apartment blocks, utilizing volunteer labor, have not solved the problem. A vast number of housing starts are reported each year which are not completed. The growing Cuban population will continue to create additional demand for new housing units.

With a more open economy, the Cuban government could encourage substantial private U.S. investment in real estate by designating locations where housing projects, vacation condominiums and retirement communities could be built by private developers. Providing utility services could be one of the preconditions to the granting of building permits.

A recent visitor to Havana was quoted as saying that the City appears to need 10 million gallons of paint. Although parts of Havana have been declared world historic landmarks and have received funds for restoration from UN agencies, most of the City is in dire need of structural and cosmetic work. The recent movie "Havana" made by a Czechoslovakian film maker shows dramatic examples of collapsing floors and roofs in the older sections of the City.

Appliances

During the brief opening of freer travel between Cuba and the United States in the late 70's and early 80's, the Cuban populace demonstrated a substantial pent up demand for small electronic devices such as Sony Walkman and radio cassettes, and more utilitarian domestic devices such as rice makers, microwave ovens and TV sets. There appears to be an across-the-board pent up demand for kitchen appliances such as refrigerators, stoves, ovens, radios, and VCR's.

The Sugar Industry

Cuba is the largest single exporter of sugar in the world and, depending on the size of its 1990 crop, currently estimated at 7.9 million tons, it could wind up being the 3rd or 4th largest producer in the world. The worth of this commodity to Cuba cannot be underestimated. The world price of sugar is currently estimated at approximately $0.1025 per pound and the Cuban government has, after a brief flirtation with diversification, concentrated a substantial amount of resources on the production of sugar. As of 1985, approximately 55% of the arable land planted in Cuba was dedicated to sugar. The island possesses 159 sugar mills, and until recently had made a concerted effort to mechanize its sugar production producing KTP1 and KTP2 mechanical harvesters of local manufacturers using Soviet technology, in the province of Santiago, to streamline the production of sugar. Sadly, 1990 witnessed a reversion to 19th century animal driven

and labor intensive methods of harvest which experts believe could have a negative impact on sugar yields for actual and future crops. After a period of intense competition from fructose, sugar appears to be rebounding and prospects seem to be good for a continued expansion of the world market, currently estimated at 110.337 million metric tons.

A problem that has nagged Cuba in its quest to maximize the yield of its sugar bonanza, is the inherent inefficiency of state run mills and volunteer labor. As an example, in Santo Domingo, privately owned operators can produce sugar at a cost of between 10-15 cents per pound while the state owned Compania Estatal de Azucar has production costs of between 18-20 cents per pound. By sheer volume alone, it is fair to say that sugar will continue to play a leading role in Cuba's ability to trade with the outside world, and the sugar industry will continue to be the primary magnet for Cuba's future capital needs. It would not be an overstatement to say that a shift in policy of the Cuban government to allow private ownership of sugar assets would provide a wide open field to private investors, since this field has been monopolized by the government for more than 25 years.

Only 60% of Cuba's sugar output is mechanically harvested, and nearly 30% of its land available for harvest remained idle in 1990 (15). Cuba is in substantial need of new farm machinery, fertilizers, herbicides and sugar refining equipment.

Other Agriculture

Cuba's overwhelming dependence on sugar has not boded well for the development of other agricultural production. Nevertheless, Cuba produced 238,000 tons of garden vegetables, 37,000 tons of tobacco, 885,000 tons of citrus products, and 105,000 tons of other fruits in 1988, and is currently the largest exporter of citrus products to the Soviet Union. Its climate, the fertility of its soil, and the proximity to the American market, make Cuba a potential candidate for future export of fruits and seasonal vegetables to the huge North American market.

Machinery, Equipment and Tools

As set forth above, Cuba's inventory of machinery is a mixed bag consisting of old American equipment, newer Soviet and Eastern bloc equipment which is often times of inferior quality, and some top quality late model Western equipment. Opportunities

abound in light industry, machines, tools, generating equipment, farming equipment and construction industry equipment to resupply Cuba.

Biotechnology and Other Industry

An industry in which the Cuban government has invested a substantial amount of resources to develop, is biotechnology. The Center for Biotechnology and Genetic Engineering is a favored project of the current Cuban government and its efforts have resulted in substantial export earnings for Cuba in the sale of meningitis B vaccine, interferon, and the heart attack medicine streptokinas. Additionally, Cuba has made a major effort to promote and sell its SUM 321 HIV detection device in third-world countries. While possessing fine research and manufacturing facilities for biotechnical products, once again Cuba's developmental efforts have been hindered by rigid state ownership and planning mechanisms and a singular lack of access and understanding of capitalist techniques and marketing skills.

Cuba could adapt its existing foreign investment legislation to encourage the basing in Cuba of high-tech assembly operations. Cuba could expand productivity of its existing industries in biotechnology and animal-health products by licensing technology from U.S. firms. Cuba could also enter into a number of trade relationships with the United States, Mexico and the Caribbean Basin countries to promote assembly operations. A free-trade area could eventually evolve in the Caribbean, with Miami and Havana as its principal centers.

Nickel

Together with sugar and tourism, nickel ranks at the top of Cuba's hard cash earning industries. Massive investments have been made to expand the existing facilities at Moa, the major nickel producing region in the province of Oriente, with a target of 100,000 MT of production for the end of the decade. Production, as of 1989 was at the 44,000 MT level, and the actual production for 1990 is an open question since the government announced in September that it was shutting down some of the nickel production facilities due to lack of fuel. There are reports that the newer plants developed with Soviet aid and technology are fuel inefficient and expensive to operate.

Pollution Control

As in other socialist economies, pollution control has been of secondary importance to the centralized government planners. As a result, Cuba's infant green movement reports that Havana Harbor is one of the most polluted bodies of water in the Caribbean, with raw sewage being dumped within its boundaries. Additionally, the sugarcane refining industry is a notorious source of pollution which requires massive investment and re-equipment to comply with modern pollution control requirements.

Medical Services

Cuba's current government has made a concerted effort to develop the rendering of specialized medical treatment as a cash-generating industry. Using Cuba's substantial health network, the government has promoted package tours which combine specialized surgery, such as cosmetic surgery, with vacation stays on the island. This approach may be the basis for future marketing of specialized medical services in the U.S. market.

Medicines

Cuba's much vaunted public health care system is currently suffering from a shortage of medicines. Although some medicines are produced locally, there would appear to be a market for sophisticated Western style medicines.

* CONCLUSION *

There can be no dispute that with the arrival of a "free" Cuba there will be a massive increase in U.S.-Cuban trade which will be centered in and/or flow through Dade County. Cuba's size, population, location and geographic characteristics offer tantalizing opportunities for investment in agriculture, tourism, light industry, biotechnology and other areas. Its population has the highest literacy rate in the Caribbean, at over 90%. There is a substantial pent-up demand for top quality goods and services originating out of the United States, and conversely, Cuba is in dire need of accessing American markets in order to develop its full potential.

Cuba has one additional substantial asset if it should ever elect to adopt the necessary reforms and changes to enable it to join the community of nations in adopting democratic and free market reforms. That asset is the approximately 1 million Cuban born men and women who have emigrated to the United States and other Western countries. This group of people, the plurality of whom and the most affluent of which reside in Dade County, possess a pool of talent and resources unmatched by any other Caribbean and possibly Latin American country. Counting among its members top business executives with multinational companies, bankers, lawyers, doctors, scholars, investors and hard-working men and women who have in the course of 30 years of living and surviving outside of their home country developed outstanding capitalistic skills. The very skills that Cuba most desperately needs in order to break out of its Caudillo imposed austere socialism.

Dade County both geographically and due to its Cuban-American population will receive more benefits from this increased trade than any other area within the United States. The extent to which this trade occurs will be heavily dependent upon the availability of financing.

This report has been based upon available published resources and selected private interviews. In order to prepare a more definitive report, the task force endorses the proposal made by the Business and Commerce Committee of the Governor's Commission on a Free Cuba that a census of (Dade County) businessmen, merchants,

investors and entrepreneurs who would like to explore specific enterprises in Cuba at the very beginning of a "free" Cuba be undertaken. This census, which would require significant time commitments, could then result in the preparation of a reasonably definitive forecast of the impact of a "free" Cuba on Dade County trade.

# # # #

** Footnotes **

1- Before the 1959 revolution, the U.S. provided 70% of Cuban imports and purchased 67% of its exports. Opportunities for U.S.-Cuban Trade, Johns Hopkins School of Advanced International Studies, Baltimore, June 1988, pg 14.

2- This section of the report has been extensively taken from The Heritage Foundation, Backgrounder, "Preparing for a Post Castro Cuba", May 14, 1990.

3- Robert A Packenham, "Capitalist vs. Socialist Dependency: The Case of Cuba", Journal of Interamerican Studies and World Affairs, Spring 1986, page 76. See also Wharton Econometric Forecasting Associates, "Cuban Economy Project, Volume I: Construction of Cuban Economic Activity and Trade Indexes", Philadelphia, November 1983, pg 1.

4- U.S. Intelligence Agency, The Cuban Economy: A Statistical Review, ALA 89-10009 (April 1989), pg 7-9; U.S. Department of Commerce, "U.S. Relations with Cuba: A Statistical Survey", HF 3075. U49 (August 1975).

5- New York Times, Travel Section, March 31, 1991, pg 8.

6- Economist: Foreign Report, op.cit, page 2; Joint Economic Committee Report, "East-West Trade: The Prospects to 1985", 97th Congress, 2nd Session, 1982, pg 107 110.

7- John Attfield, "Will It Harm Cuba?", Cuba Business (London), Dec 1989, pg 5-7.

8- Caribbean Update, April 1991, pg 7.

9- Report of the Commission an a Free Cuba, June 1990, ("RCFC"), pg 3.

10- ibid, pg 7 and Appendix C & G

11- The Caribbean Handbook, 1990 Edition, pg 103.

12- U.S. Intelligence Agency, The Cuban Economy: A Statistical Review, ALA 89-10009 (April 1989), pg 29.

13- New York Times, Travel Section, March 31, 1991, pg 8.

14- The Miami Herald, April 2, 1991, pg 7A.

15- The Heritage Foundation, Backgrounder, "Preparing for a Post Castro Cuba", May 14, 1990, pg 17.

* NOTES *

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An
Illustrated

HISTORY OF CAPE FLORIDA LIGHTHOUSE

By Neil E. Hurley

The Author

Neil Hurley first heard about Cape Florida Light from an obscure Coast Guard Publication called "Historically Famous Lighthouses". Inspired by that short account, he wanted to find out more, but no matter how hard he looked, no accurate detailed history of the lighthouse existed. He was astonished to discover how ill-informed most Miamians were about the history of their lighthouse.

Taking matters into his own hands, Neil scoured records from the Coast Guard, the National Archives, and Florida historical organizations to locate firsthand information about the lighthouse. Ideally suited to research this subject, his background includes six years as an Officer in the U.S. Coast Guard (specializing in Aids to Navigation) and a long-time interest in nautical history.

The author of several articles for the lighthouse magazine "The Keeper's Log", Neil is also putting the finishing touches on a book documenting the history of all of Florida's lighthouses.

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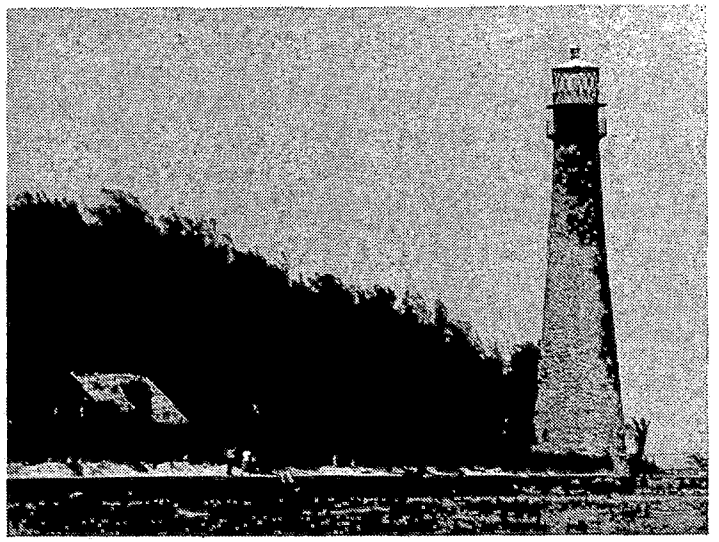
Historic Lighthouse Publishers
Camino, California



An Illustrated History of Cape Florida Lighthouse
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PHOTO CREDITS

Cover--by author, based on the engraving "Moonrise on the Coast of Florida"by J.D. Woodward, circa 1890. Frontpiece--1987 photo by author. Page 6--from De Brahm's 1780 report. Page 7--from collection of Historical Association of South Florida (HASF). Page 9--early lighthouse lanterns from drawing by David Battle, courtesy F. Ross Holland and U.S. Lighthouse Society. Page 17--1976 painting by Ken Hughs in collection of HASF. Page 19--Seminole Chiefs Osceola and Tukosee Mathla, by author based on prints by unknown painter and Charles King in 1826. Page 21--by author. Page 22--A Seminole home, by author based on an 1887 print by Clay MacCauley. Page 23--1839 drawing of Fort Bankhead by C. Vinton in collection of HASF. Page 25--2nd order classical lens, by author based on U.S. Coast Guard plans. Page 29--by author based on plan in De Brahm's 1790 report. Page 30--U.S. Lighthouse Board plan from National Archives. Page 31--1901 photo from Florida State Archives. Page 32--Circa 1920's from Florida State Archives. Page 34--1987 official U.S. Coast Guard photo. Page 35--official U.S. Coast Guard photo.

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Contents:

The Keepers of Cape Florida Light

Head Keepers

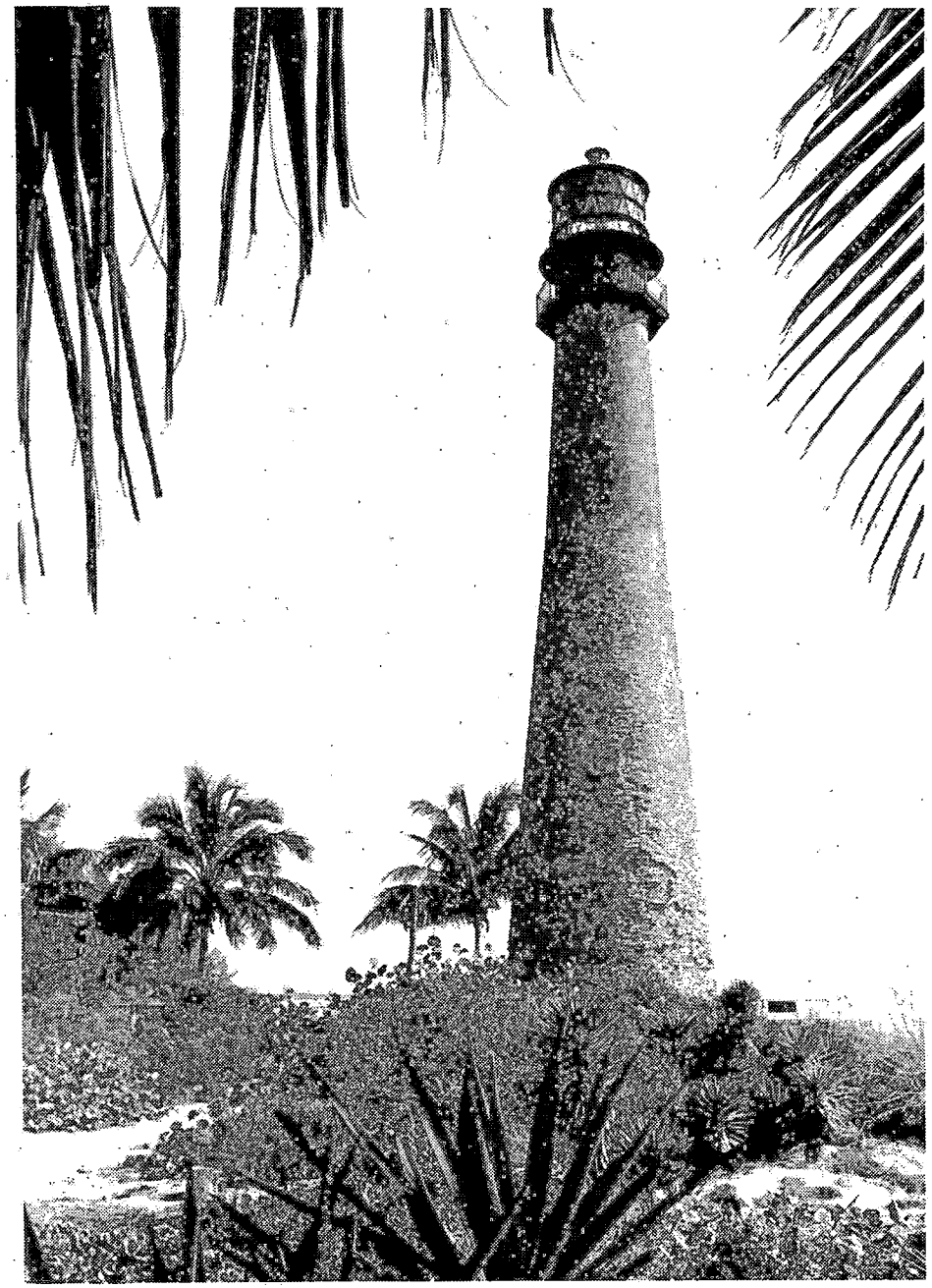
John Dubose	1825-1836 dismissed after lighthouse destroyed
Reason Duke	1846-1853
Temple Pent	1853-1855
Robert Fletcher	1855-1859 reappointed asst. keeper at Key West light in 1859
John R. Paynor	1857- ?
Simon Frow	1859-1866 includes Civil War period
Temple Pent	1866-1868 died 1869
Simon Frow	1868-1878 transfered to Fowey Rocks Light

Assistant Keepers

John Christian	? present in 1850
John Zraman	? -1857 resigned
Robert Lowe	1857- ?
Charles W. Trumbull	1866-1867 resigned
Charles F. Sallas	1866- ?
Joseph Copley	1866- ?
Samuel Jenkins	1867-1868
John Frow	1867-1868 promoted
Charles Frow	1868-1869 resigned
Joseph Frow	1869-1878 resigned

Temporary Keepers during the Seminole Indian War

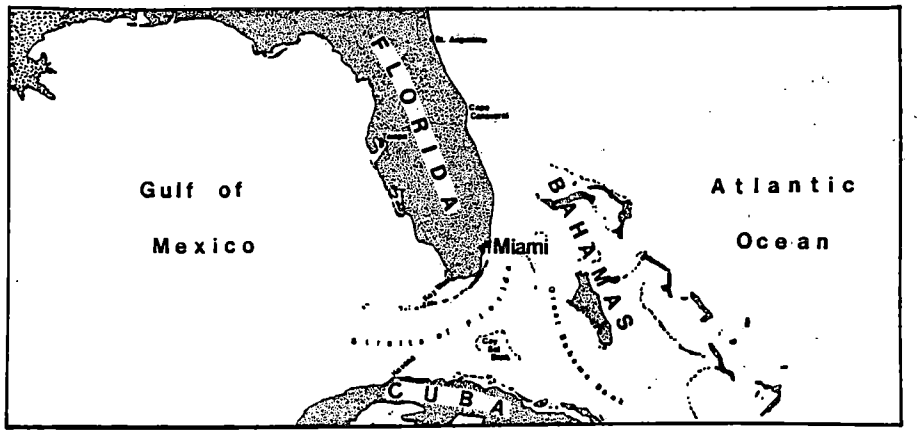
William Cooley	(volunteered after family killed by Indians)
John W. B. Thompson	(wounded in Indian attack)
Aaron Carter	(killed in attack on lighthouse)



the ground. The window entrance was used to enter the tower when the entrance door was bricked over to vandal-proof the structure.

Guided tours are provided by State Park Rangers. The tour includes a climb up the iron spiral staircase leading to the top of the tower. At the top, you can see the drum lens which focuses light from an electric bulb into a narrow beam for ships at sea. The lens uses the same princples discovered by the famous French physicist Augustin Fresnel in 1822, but it is not a "classical" lens of the quality installed in 1848.

Because of its historical significance, Cape Florida Light is listed on the National Register of Historic Places. Its significance was underscored by an archaeological survey made in late 1983. Test excavations located the foundation of a building believed to be the remains of the dwelling destroyed in 1836. While no additional excavations are planned at this time, Cape Florida remains an important archaelogical site, retaining a great deal of the history of Florida's past.



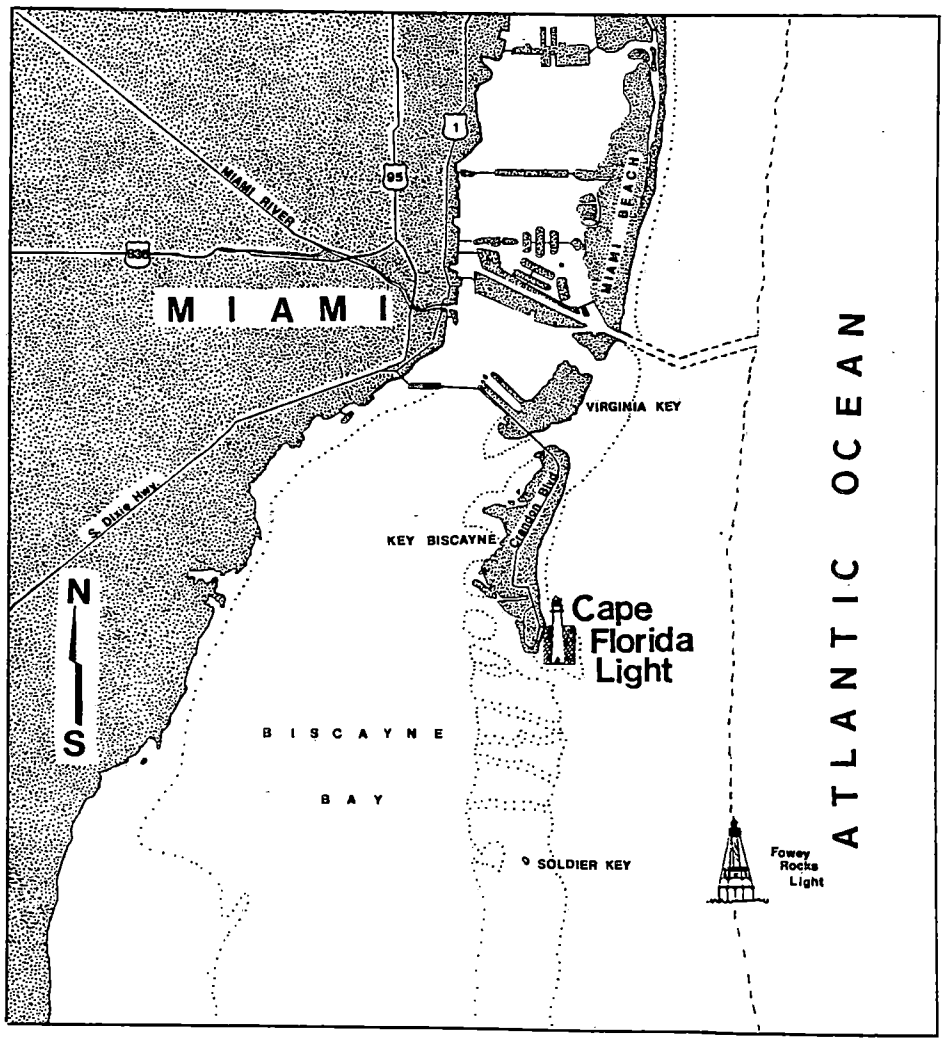
INTRODUCTION

THE city of Miami, Florida is well known as a tourist destination. Hotels line the beaches, the harbor is crowded with cruise ships, night life abounds and the city's "Miami Vice" reputation have all but paved over the area's early history. Yet in one Miami suburb, part of Florida's early American history has been memorialized by a tall brick lighthouse. Cape Florida Light (its proper name) stands on the site of an earlier lighthouse made famous by an Indian attack in 1836.

First explored by Florida's discoverer Juan Ponce de Leon in 1513, the island of Key Biscayne and its southern tip (Cape Florida) were largely ignored for the next 300 years. Although it was known as a good watering spot, few permanent settlements were made on the island until a lighthouse was built by the American government in 1825.

In 1836, the lighthouse was attacked and destroyed by Seminole Indians. Rebuilt ten years later, the height of the tower was increased to 95 feet in 1855. Extinguished again in 1861 by Confederate sympathizers, the light stayed dark until 1867. When a new lighthouse was built offshore at Fowey Rocks in 1878, Cape Florida Light was abandoned. After 100 years of darkness, the lighthouse was restored by the Florida State Park Service and the light re-established by the U.S. Coast Guard.

Today, Key Biscayne and Cape Florida Light are connected to the mainland by a four-lane bridge and causeway. The restored lighthouse stands in a beautiful State Park only about 10 minutes from the bustle of downtown Miami and only 15 minutes from the famous city of Miami Beach.



THE LIGHTHOUSE TODAY

TODAY, the island of Key Biscayne is a bustling suburb of Miami. It's old connection to the mainland (a drawbridge) was replaced in 1987 by a high level bridge, ending the monstrous holiday traffic jams of the past. Despite the hotels, condos and traffic lights, the island maintains its natural appearance with its large parks and golf courses.

Bill Baggs Cape Florida State Park occupies the southern end of Key Biscayne. For a small fee, one can enter the park by car or on foot. The ocean (eastern) side of the park is the most crowded (the park had over 720,000 visitors in 1988). It contains parking lots, picnic areas and swimming beaches, while the southern and eastern shores are less devloped and bordered by a concrete seawall. The interior area of the park is filled with Australian pine trees and "wild" enough to make short-cuts difficult if not impossible.

The park is also accessible by boat at "No Name Harbor", a small anchorage on the bay side of the island. No docks exist, but shallow draft boats can moor along the seawall within reasonable walking distance of the lighthouse.

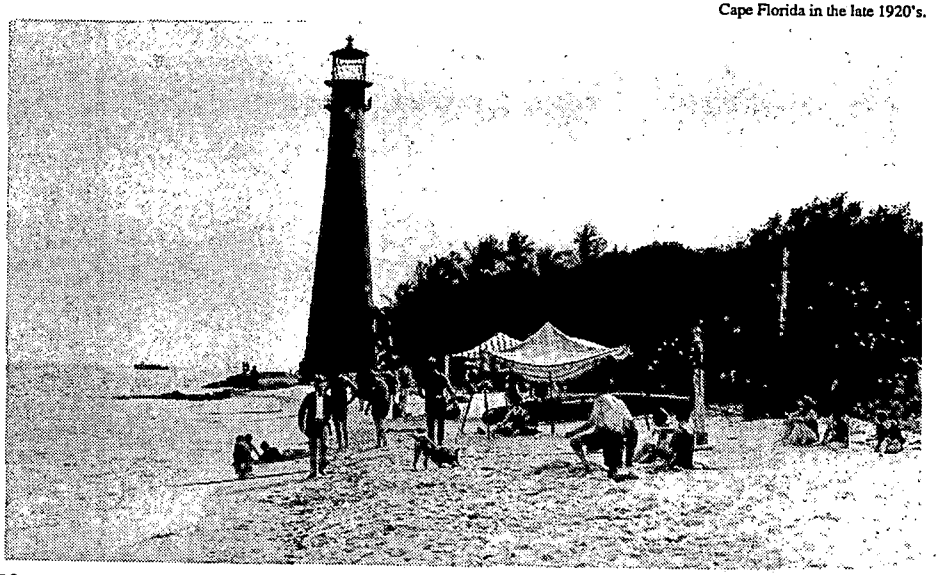
A fenced-in area protects the lighthouse site from vandals. In addition to the lighthouse tower, the State built replicas of the 1848 keeper's dwelling, kitchen, outhouse, well and cistern. Plans for the dwelling were based on photographs made before the building washed away.

The lighthouse itself has several interesting exterior features. Most obvious is the 1855 addition to the height of the tower. The newer bricks are slightly darker and the slope of the wall is steeper. Waves and weather badly deteriorated the brickwork on the seaward face of the tower. This has been restored, but the shoreward side still shows its original, well-weathered face. A short metal ladder extending down from a west-facing window is all that remains of the ladder which once extended to about 10 feet above

The government leased the lighthouse property to the Biscayne Yacht Club in 1888 for five years. After several unsuccessful attempts by the now-General William Harney to claim ownership (he felt the tower was on land he purchased from the Davis family) the land was finally sold to Walter S. Davis in 1903 for $400. Davis sold the land to James Deering in 1915. During the 1920's, shoreline erosion gradually washed the keeper's dwelling away. The tower probably would have also washed away, but its massive weight, and the construction of rock jetties and a concrete slab saved it from destruction.

The future of the lighthouse was put in doubt when the area was slated for development in the late 1960's. Fortunately, far-sighted persons pushed for the establishment of a State Park. Named for the newspaper editor who spearheaded its creation, Bill Baggs Cape Florida State Park was opened in 1966. The State of Florida restored the lighthouse and built a duplicate of the old (1846) keeper's dwelling in 1969. After 100 years of darkness, the Coast Guard re-established the light on July 4, 1978, using a 1930's vintage drum lens to provide the light.

Cape Florida in the late 1920's.



EARLY KEY BISCAYNE

IN May 1513, only a month after he discovered Florida, Ponce de Leon arrived at what is today called Key Biscayne. He named the island Santa Marta. The name Key Biscayne (Cayo Biscayno on early Spanish maps) probably comes from the shipwrecked Spaniard Don Pedro Vizcaino, who was held by the Indians for several years until rescued in 1567.

Soon after, a Spanish mission and post were established along the Miami River at the Indian village of Tequesta. The Missionary stationed there reported that the Indians moved to Key Biscayne each winter to collect coconuts and palm grapes. Only a few months later, the Indians killed four of the Spaniards, forcing the survivors to flee. The Spainish abandonded hopes of a permanent settlement in the Miami area.

British surveyors explored and mapped the area around Key Biscayne in 1765 and 1770. They reported a channel (they named it Dartmouth Sound) 11 feet deep leading to the bay side of the island. On the southern end of the island fresh water wells could be dug and there was a good place to beach ships for maintenance and repair.

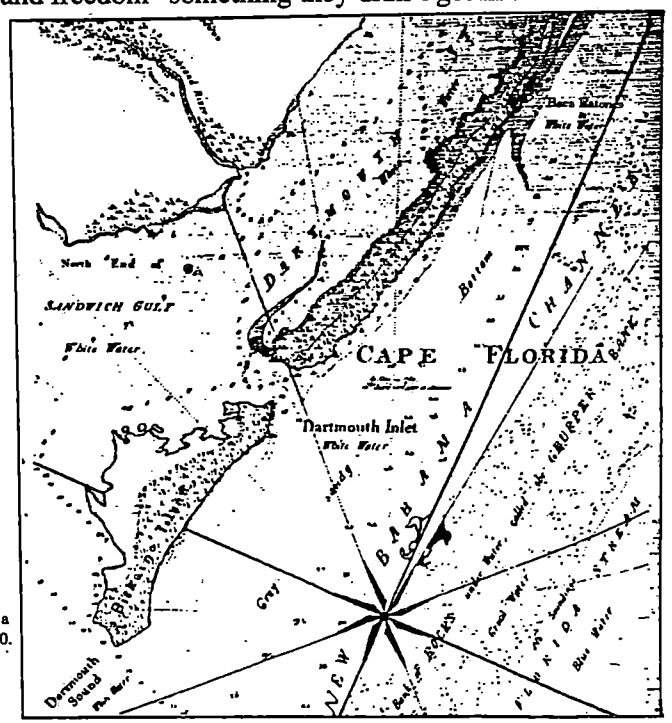
One report commented on the quantity of fish and game at Key Biscayne: "At this place there is a vast abundance and variety of fish, both in creeks and outside at sea, particularly groupers are in great plenty, king-fish, Spanish mackerel and Barrows are also often caught towing: and if you have one or two good hunters aboard, you may also be provided with plenty of venison, turkies and bear meat, which are all excellent refreshment. There are for the most part deer on the key, and sometimes bear: but by sending to the main, you may depend on finding every kind. In winter, duck and teal abound in the creeks; turtle is very plenty ...".

The British, and the Spanish before them, realized Key Biscayne was an island and gave the name "Cape Florida" to what is now Virginia Key (but was then attached to the mainland via Miami Beach). One British survey established that Key Largo was attached to the mainland, making it the true Cape of Florida, but the swampy characteristics of the area made the point

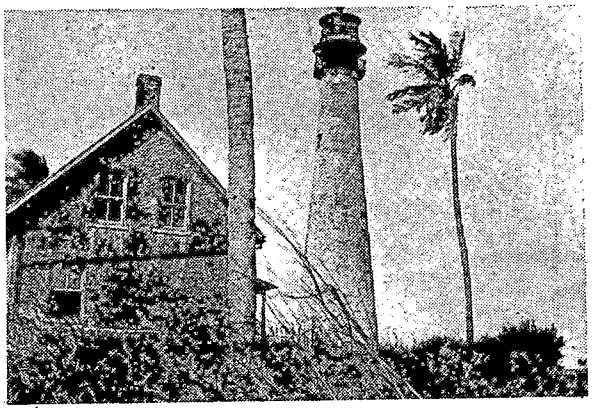
academic. The name stayed loosely associated with the Key Biscayne area until the construction of the lighthouse tied the name to the southern end of Key Biscayne.

In 1790, Pedro Fornells was granted 175 acres of land on the southern end of Key Biscayne. Fornells and his father moved onto the land in 1803 and grew Guinea corn and coffee. Fornells' grant was validated by the new American government soon after 1821. In 1824, Mary Ann Davis purchased the land from Fornells' son.

Accounts written in 1803 and 1821 mention the use of the island as a rendezvous for Bahamian wreckers (men who salvaged shipwrecks), Indians and escaped slaves from Northern Florida and Georgia. The Indians and slaves were fleeing to the British-owned Bahamas where they could expect just treatment and freedom--something they didn't get in the United States.



Cape Florida from a British map of 1770.



Cape Florida Light in 1901.

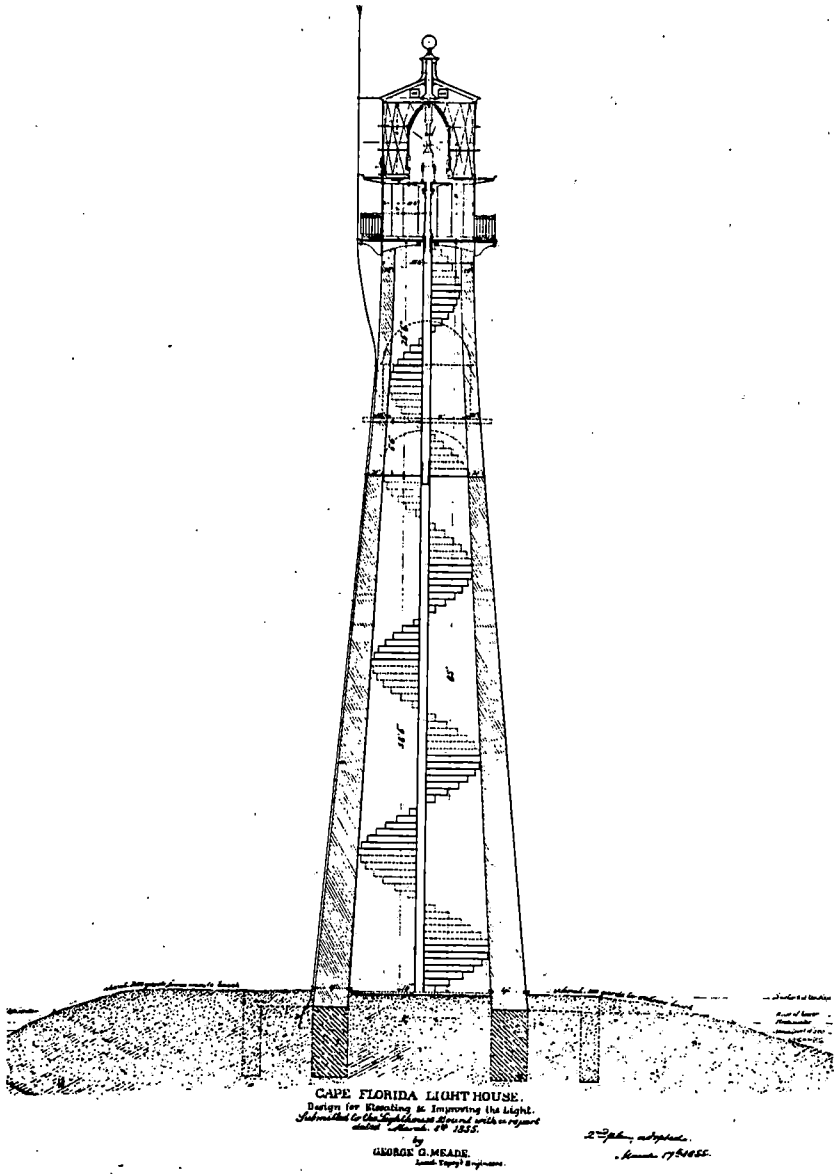
100 Years of Darkness

With the new improvements, Cape Florida provided an excellent light, visible for 18 miles. But the light still had one drawback--the lighthouse was located 3 miles from the edge of the reefs, and over 6 miles from a dangerous reef named Fowey Rocks.

The construction of Carysfort Reef (about 25 miles to the south) in 1848 proved that iron-pile lighthouses could be built on the exposed reef edge. Three more "reef lights" were constructed at critical reef locations before work began on a lighthouse at Fowey Rocks in 1875.

Using the old lighthouse reservation on Soldier Key as a supply depot and barracks, the lighthouse was completed and first lit on June 15, 1878 at a cost of $163,015. On the same day, Cape Florida Light was extinguished and the property abandoned.

Cape Florida didn't remain uninhabited for long. In 1880, much of Key Biscayne (excluding the lighthouse property) was planted in a coconut grove. Members of the Davis family (the same family which sold the lighthouse property to the government) built a large house and several outbuildings to the south of the tower, on the extreme southern end of the island.



BUILDING THE LIGHTHOUSE

RECOGNIZED as an important navigational point because it marked the northernmost point of the Florida reefs, money for a lighthouse on Cape Florida was first appropriated by Congress in May 1822. The $8,000 appropriated was supplemented by an additional appropriation of $16,000 on April 2, 1824. On July 31, 1824, the contract was awarded to Samuel B. Lincoln of Boston. Lincoln's winning bid was for $29,847 but it included two other lighthouses which were built on Key West and in the Dry Tortugas.

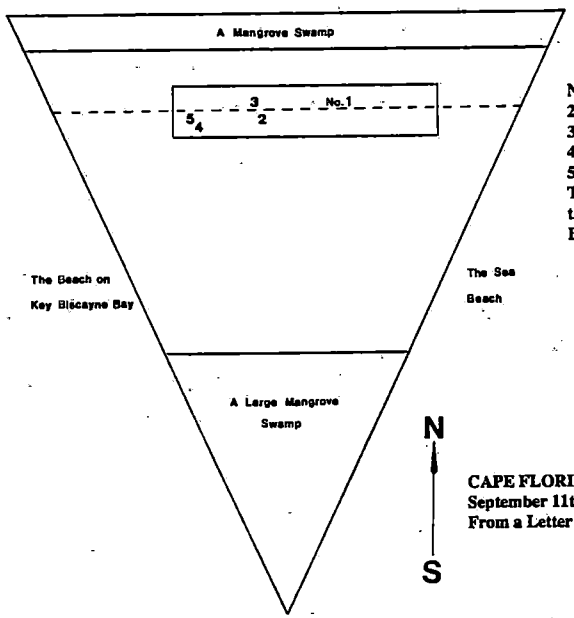
The contract called for "a tower sixty-five feet high with solid walls of brick, five feet thick at the base, graduated to two feet at the top" and included a brick dwelling for the keeper. The contract also specified a completion date before May 1, 1825. Title for the three acre lighthouse site was unclear, so it took until July 1827 before the land payment of $225 was made to William G. Davis (Mary Ann's husband).

Lincoln gathered materials in Boston and set sail in August 1824, never arriving at his destination of St. Augustine. It was presumed the ship sank along the way with no survivors. Mr. Lincoln's backers were allowed to take over the contract and a new completion deadline was set.

Noah Humphreys (of the Boston suburb of Hingham, Massachusetts) was appointed by the Boston Collector of Customs to oversee the materials and work, and a second ship sent from Boston arrived safely at Key West on December 12, 1824.

The Collector of Customs for St. Augustine was to oversee site selection and construction, but no southbound ships were available for his trip. The Collector finally sent for the revenue cutter (the Revenue Service is the forerunner of the Coast Guard) stationed in Georgia and arrived at Key West on February 8, 1825. Work on Cape Florida Light was finally begun, but the "general" sickness of the workers (possibly yellow fever or malaria) forced a halt to the work until the fall.

The two-story brick dwelling was completed first in July 1825. The tower was certified as completed on December 17, 1825.

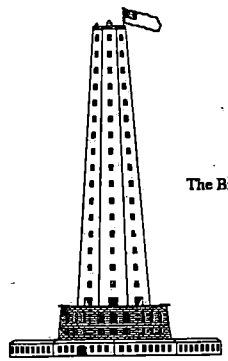


No. 1 the Lt. House
2. Dwelling
3. Kitchen
4. Bath House
5. Negro House
The dotted mark represents the road from Key Biscayne Bay to the Atlantic.

CAPE FLORIDA LIGHTHOUSE AND GROUNDS
September 11th, 1826
From a Letter by Keeper John Dubose

Military Posts at Key Biscayne

Key Biscayne was long recognized as a strategic military location, but hostile Indians prevented early settlement. During the British occupation of Florida (1763-1783), the Surveyor General of Florida proposed a combination fort and lighthouse on Cape Florida. The base of the tower was to be made of brick, with the upper section made of wood. The fort was designed to hold 26 cannon and 100 men in peacetime, with room for an additional 350 soldiers in wartime. At 260 feet tall, the tower would have been one of the tallest structures in the Americas. The huge expense of the tower (it was to be one of two twin fort/lighthouses in Florida) and the start of the American Revolution ended the project in its early stages.



The British tower.

After the 1825 lighthouse was destroyed by Indians, the site was used as a base for American soldiers. It was first used by Naval Lieutenant L. M. Powell in October, 1836. The site became the Army's Fort Dallas in February 1838, but in April, that name was transferred to a fort along the Miami River. The Key Biscayne post was renamed Fort Bankhead (for Lieutenant Colonel James Bankhead) by Army Captain L. B. Webster. The post was abandoned one month later, but it was soon reoccupied by Lieutenant Colonel William S. Harney and the 2nd Dragoons. At its peak, Fort Bankhead included a large parade ground and rows of tents, all enclosed by a wooden stockade. The post remained active until August 1842. Two Navy schooners remained based there until 1844.

Also located on Key Biscayne, but at an unknown distance from the lighthouse, was Fort Russel. Active from February 28, 1839 until September 1842, this post was named for Captain Samuel L. Russel, who had been killed near the mouth of the Miami River.

In 1841, Thomas Jessup, the Quartermaster General of the Army, made a recommendation to the Secretary of War that three permanent fortresses be built in south Florida at the Dry Tortugas, Key West and Key Biscayne. Jessup wrote; "The three positions might be rendered impregnable by an expenditure not exceeding four millions of dollars. They would be worth, in military effect, an expenditure of fifty millions." The massive brick forts of Jefferson and Taylor (at the Dry Tortugas and Key West, respectively) were later built, but no permanent fort was ever built on Key Biscayne.

satisfied to receive pay and provisions from the U. S. Government. We thought that he was not the proper person to be in such a responsible position, and consequently turned him away. We brought away from the Cape a Sail Boat, two Muskets complete two Colt Revolvers, and three lamps and burners belonging to the Light, all of which is at Jupiter waiting your decision--the arms captured will be much needed at Jupiter in case of an attack.

Mr. A. Oswald Lang the Asst Keeper resigned his position when he found the Keeper Mr. Papy was intent on Keeping the Light burning, and is now in charge of the light and property, and will be glad to receive instructions from your Excellency in relation to his duty in this matter.

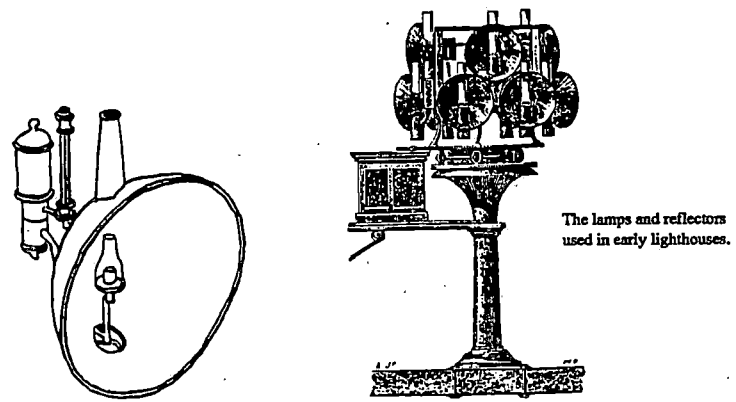
As it is most likely that the enemy will undertake to retaliate by destroying the Light and property we would suggest that a Guard be Sent to protect it, or if not, instruct us to have the property removed to some safe place.

We have addressed this report to your Excellency, thinking you the proper person to give the information, and hoping our action will be approved, as our only desire was to serve our country having performed a journey of about 140 miles, 90 of it on foot, being exposed to a burning sun and drenching rains, and with a very scant allowance of food.

We are very Respectully, Your Excellency's Most obt. Servants

James Paine
A. Oswald Lang
Francis A. Ivy

The light at Cape Florida was considered so crucial that replacement lenses and lamps were sent to Key West for installation at the lighthouse as soon as the area was under Union control. No repairs were made until the end of the war, when on April 15, 1866 the light was relit. In addition to the lens, many other repairs were found necessary.



The lamps and reflectors used in early lighthouses.

THE FIRST KEEPER

POLITICS played an important part in the appointments of early lighthouse keepers. Corruption was suspected in many of the selections and it wasn't unusual for unqualified or overage persons to be selected.

Among the applicants for Cape Florida Light was Morgan Davis and John Dubose. Davis applied to the Secretary of the Treasury on May 21, 1824 and the Fifth Auditor of the Treasury (the person directly responsible for U.S. Lighthouses, Stephen Pleasonton) on June 24 of the same year. Dubose's application was backed up by letters of recommendations from Waters Smith of St. Augustine and by future Territorial Governor Richard K. Call.

Dubose won out and received word of his appointment as keeper on May 23, 1826. Southbound shipping was still hard to find, delaying Dubose's departure (along with his family) for the lighthouse until December. On the night of December 17, Dubose lit each of the 17 lanterns at the top of the tower for the first time. Unfortunately, regulations required mariners be notified in advance before new lighthouses could be illuminated. Word reached Dubose on January 11th, and the light was extinguished. Notice was given and the light relit at a later, unrecorded date.

RECOMENDATION LETTERS

St. Augustine Florida
18 November 1824

Dear Sir:

John Du Bose Esq. of this city will hand you this; I beg leave to introduce him to you, as a Gentleman of itelligence; and abilities fitting him for a more elevated situation than the one he is about to solicit. I understand from Mr. Du Bose that he is about to apply for the charges of one of the light-houses erecting on our coast; I do not think it probable, that any other person so well qualified will be likely to apply for the situation; It would be very desirable that Mr. Du Bose should know before he leaves Washington, if he is to receive the appointment, in order that he may this winter make arrangements for his settlement; & for preparing to raise provisions, you will readily see that on a coast where there are few or no settlements he will have to depend upon his own exertions for the necessities of life: I will only state, that any interest you may take in favor of Mr. Du Bose will be well bestowed.

I am Dear Sir with personal respect, Your obedient servant,

Waters Smith

Washington
8th March 1825

Sir: [ed. addressed to Stephen Pleasanton]

Allow me to recommend the following persons for Keeping and command of the Light Houses and Light Vessel on the coast of Florida. John Du Bose of St. Augustine for the Light House at Cape Florida. John Walton of St. Augustine (an excellent Seaman) for the command of the Light Vessel at Carysfort Reef, and Michael Mabrity of Fernandina for the Light House on the Sambo Keys. Your attention to these gentlemen will oblige your M.O.S.

R. K. Call

We had felt the importance of such a measure for some time, thinking some authorized Agent of our Government would be sent to perform it, but finding no effort was made by either the Government or the Keeper of the Light, we resolved to assume the responsibility ourselves, and report the result to your Excellency, hoping that it may meet your approval. At Jupiter we destroyed no property whatever, the Light being a revolving one and of very costly make, we took away only enough of the machinery to make it unserviceable. There is a quantity of property belonging to the Light consisting of Tools, machinery, Paints, oil &c which we have secured under lock and Key.

At Cape Florida the Light being within the immediate protection of Key West and most indispensable at this time to the enemy's fleet, as well as knowing it to be useless for us to try and hold it, we determined to damage it so that it will be of no possible use to our enemies.

The Keepers at Cape Florida were armed, and instructed not to surrender the Light with their lives, the possession was gained however without any resistance, owing to the complete manner in which our plans were executed, we brought away the Lamps and burners, and broke the Lens Glasses.

The seizure and surrender was made at midnight of the 21st August, while the two Keepers were in the tower, and the Iron door below bolted and locked on the inside--one of the party being acquainted with the Keeper and knowing that he expected supplies from Key West daily, devised the plan to get them down by telling them he had news for them from Key West, which brought them both down, and as soon as the door was opened, we secured them as prisoners. The party being small, and having only a small Boat to return in, we concluded not to take them prisoners, they professing to be strongly in favor of the South, although they had repeatedly boasted that they would defend the Light to the last.

The Keeper of Jupiter Light although professing to be with the South, yet by his acts he falsified his professions--he was repeatedly urged by his assistant Mr. Lang to put out the Light, but refused to do so, and was quite

1854, appropriated $15,000 and the work was completed in 1855. This is the same tower which stands today.

With the start of the Civil War in January, 1861, lighthouses throughout the South were extinguished or destroyed by Confederate forces to prevent their use by the North's blockading fleets. Only the lighthouses from Jupiter Inlet to the Dry Tortugas remained lit by the time Fort Sumpter was fired on in April 1861.

While Key West had strong Southern sympathies, the presence there of Fort Taylor and Fort Jefferson at the Dry Tortugas insured that the Southern Florida Keys remained under Union rule. North of Key West, the hold of Union forces was more tentative. Coastal areas could always be reinforced by ship, but few efforts were made to permanently hold the area.

Finally, three Southerners (one of whom was the assistant lighthouse keeper of Jupiter Inlet Light) took matters into their own hands. Union reports stated that "On 22 August, a gang of pirates from St. Augustine visited the Light House at Jupiter and removed from it all lenses and illuminating apparatus. They then proceeded to Cape Florida Light, the lenses of which they broke and destroyed." Actually, the lens wasn't completely destroyed, but only the crucial center prism and the reflector were smashed. The Confederate view of the attack was recorded in a letter to Florida's Governor.

To His Excellency M. S. Perry
Governor of Florida
Sir-

We the undersigned residents of Indian River, believing it a solemn duty of every citizen, to try and serve his state and Country in whatever capacity he may be most able, would in accordance to such feelings, report to your Excellency, that we have taken the responsibilty of putting out the Lights at both Jupiter Inlet and Cape Florida, believing them to be of no use or benefit to our government, but on the contrary, of great importance to our enemies.

As if the difficulties of frontier life weren't enough, Dubose soon ran into problems with his boss, the Collector of Customs and Superintendent of Lighthouses at Key West, William Pinkney. As each problem occurred, Dubose only made matters worse by going over Mr. Pinkney's head and writing directly to Pinkney's boss, the Fifth Auditor of the Treasury.

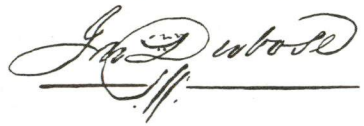
In October, 1826, Pinkney reported that "... I am informed by several who have landed at Cape Florida, that Mr. Dubose the keeper does not live in the dwelling ... that he has built a house on the main land several miles from the Light house, and that he has given the whole direction of the light and etc. to a black woman ... at the same time I may be permitted to say that the excessive hardship arising from sickness and the evils a most horrid climate afford some palliation for his conduct." Dubose admitted the move, but wrote to Washington that the mainland had fewer mosqitos and better farmland. Dubose promised to stay at the lighthouse six nights a week and keep his two eldest sons there when he was away.

Additional misconduct charges soon followed. In 1828, Pinkney reported "... Mr. Dubose has refused to receive supplies in that way, and has sent to me in reply to my letters, verbal messages too insolent and filthy to be repeated ... I enclose a copy of the letter to the honorable Secretary of the Treasury informing him that Mr. Dubose has been detected defrauding the Revenue." Despite orders to the contrary, Dubose continued writing the Fifth Auditor and even the Secretary of the Treasury.

A new Superintendent of Lighthouses appointed in 1830 didn't improve relations with the crusty lightkeeper. The new Superintendent, William Whitehead, had to order Dubose to return to his duties at the lighthouse after the threat of Indian attacks passed.

Despite the charges of misconduct and disobeyance of orders, Dubose kept his job and stayed on at the lighthouse.

JOHN DUBOSE



The first lighthouse keeper of Cape Florida Light was John Dubose (also recorded as Du Bose, DuBose and James Dubose). Dubose was born in South Carolina around 1780. He took to the sea and spent several years in the American Navy before becoming the Captain of a merchant ship.

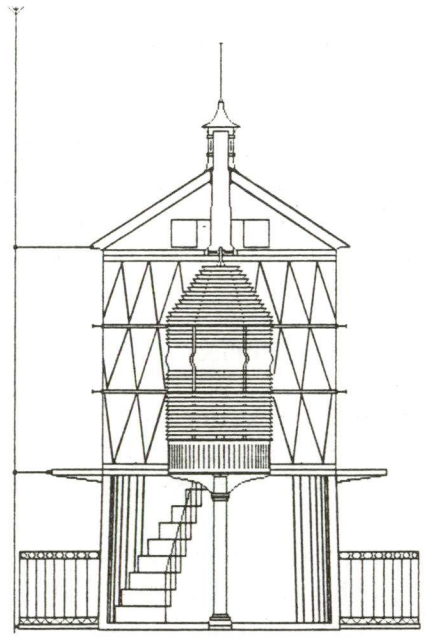
In 1821, he was appointed Alderman for the City of St. Augustine in the newly formed U.S. Territory of Florida. During the next few years he held a number of political posts in St. Augustine and St. Johns County including Clerk of the Council (1822), Justice of the Peace (1821) and Collector of Customs (1823). Also in 1823, Dubose asked that a revenue cutter (the Revenue Service was the forerunner of today's Coast Guard) be built and himself appointed captain to stop Bahamian wreckers from salvaging wrecks in American waters.

In 1824, Dubose asked for an appointment as the Collector of Customs and Superintendent of Lighthouses (to include Cape Florida Light) at Key West. When this job was taken by William Pinkney in December of the same year, Dubose applied for the job of keeper of the proposed lighthouse at Cape Florida.

Dubose's family moved with him to the isolated lighthouse. In 1830, his family consisted of his wife, seven children and four slaves. The two eldest children were about 17 years old and the slaves were two adult women with two young children.

While working at the lighthouse, Dubose continued his political career, being appointed Justice of the Peace for Monroe County in 1834. In response to a nearby Indian massacre in early 1836, he moved his family to Key West. After the lighthouse burned down, Dubose (living in Key West) asked unsuccessfully to retain his pay and position as keeper of the lighthouse and Collector of Customs (Key Biscayne). Dubose remained in Key West until 1840, being nominated for Notary Public and Justice of the Peace for Monroe County.

It is unclear what happened to Dubose next. A man with the same name was nominated Judge of the County Court of Nassau County, Florida, in February 1841, but this was probably a different person. One account, which seems very likely, states that Dubose moved to South Texs and died in his bed there, in 1845.



The lantern and 2nd order lens of Cape Florida Light in 1855.

CIVIL WAR YEARS

COMPLAINTS soon filtered back that Cape Florida Light was less than adequate. One mariner noted "Cape Florida light is a beacon for all persons to avoid: it is on a par with Cape Hatteras light--badly lighted, and badly kept: though one of the most important on the coast."

The problems weren't limited to Cape Florida--all American lighthouses were criticized in an 1851 Congressional investigation. Years of penny-pinching resulted in a system of lighthouses which was far inferior to European lights.

The Congressional investigation resulted in the formation of the Lighthouse Board and the requirement that all lighthouses be equipped with French-made Fresnel lenses. In order to improve Cape Florida light, it was decided to use a second order (one size smaller than the largest) lens, and increase the height of the tower to 95 feet. A Congressional Act of August

Soon after the failed attempt to rebuild the lighthouse, William Whitehead (the Key West Superintendent of Lighthouses) suggested that the light be rebuilt on Soldier's Key, (the first island south of Key Biscayne) about 5 miles to the south. "There it will afford a safer land mark, both to Vessels passing the Gulf & to those passing inside the reef. It is also believed there will be greater comfort & exemption from mosquitoes." The Soldier Key site was reserved for lighthouse purposes, but a lack of fresh water and the small size of the island kept Cape Florida as the preferred site.

Another attempt was made to rebuild the light in 1841, with the military post's commander William Harney in charge. He provided estimates of material needed, but had little faith in the unnamed man (a wreck salvager) appointed by Key West authorities to superintend the construction. Harney reported "The notorious bad character of this man would have compelled me to have him ordered off the Island, but I am fully convinced in my own mind, that he did not intend the (ed. light-) House be built."

Congress appropriated another $13,000 in August 1846 (making a total of $23,000 available) to rebuild the lighthouse. Work on the new lighthouse was completed and the light first lit on October 24, 1846.

The new tower was 55 feet tall and contained 17 lamps with 21-inch reflectors. It was constructed of brick and had a whitewashed exterior. John Dubose's interest in remaining lighthouse keeper diminished after 1839 and in 1841, Captain Uriah Poinsett was recommended for the job. Despite a flattering recommendation by Colonel Harney "...he is in every way qualified for, and deserving of it: he is an honest man, and that is more than I can say of any other man in this country who would accept the appointment", another man got the job.

The new keeper was Reason Duke. Duke and his family had previously farmed land about 3 miles up the Miami River and had been among the refugees who had fled to the lighthouse in January 1836. The Census of 1840 reported the presence of John Christian, an elderly Danish man who was the assistant keeper. From this time on, the lighthouse always had at least two keepers assigned.

A HARD LIFE

LIFE on the island quickly proved to be a challenge for the keeper and his family. Their nearest neighbor was nearly 10 miles away, and only about 60 whites inhabited all of Florida from Key Largo to Cape Canaveral. Dubose wasn't one to hide the fact that conditions were bad. In letters to the Fifth Auditor of the Treasury, Dubose recorded that life on Key Biscayne was far from the "tropical paradise" that many consider it to be today.

In 1826, Dubose wrote "I am on a desolate island, inhabited and kept by myself and children. It is 275 miles to the south of St. Augustine, and no settlement on the Coast between it follows. ... I am obliged to send down to Key West 185 miles to the south of this for every single article myself or family may want as it is the nearest place, where any supplies can be purchased. ... It is but seldom a vessel ever enters here, and the Wreckers generally sail by on their way for a supply of water and it is sometimes for weeks that I do not see a soul on the Island."

In 1830, the problem of supply became critical: "During the last 12 months, for want of a suitable boat, I have paid for freight of my Supplies from Key West to this place $50. The keeper of the Light at Tortugas has a large fine boat, and requires no assistance from the Government, so has the Sand Key Light. This therefore is the only Light House, which requires a large boat, and it is more than double the distance from Key West than any other Light." Attempts to raise vegetables at the lighthouse were unsuccessful: "... it is impossible to raise the least thing of this kind as the soil is nothing but sand or gravel thrown up by the Sea." The only success was with some fruit trees.

Along with the isolation and poor soil, much of the island was a swamp, filled with mosquitos. "... It is impossible that any family can reside here from 1 May to 1 of October on this Coast, everywhere the Mosquito are very thick and bothersome, but now you can neither eat, drink, or sleep in peace. This Island, although 5 miles long is now 4/5ths of it a Mangrove

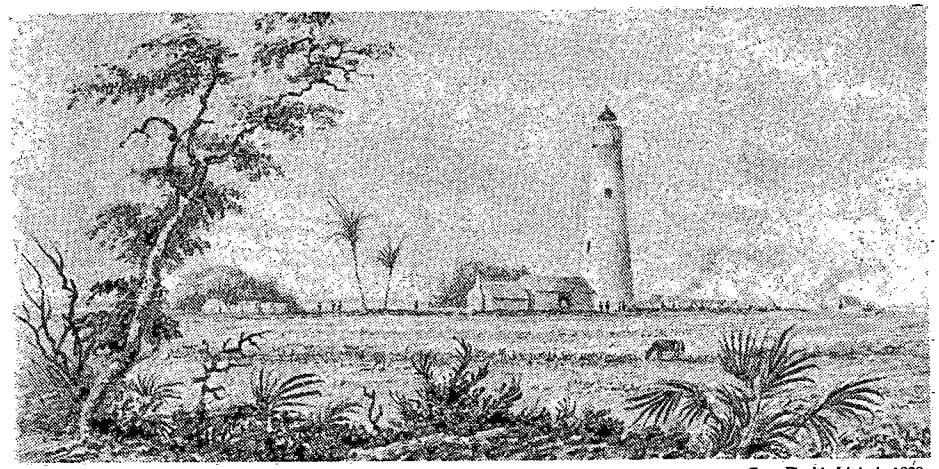
pond, full of water, during those months. .... Mosquitos kill the fowls and chickens and that they soon kill the young pigs ... (ed. it is impossible) to eat a meal without having a pot of smoke under the table to keep them off."

"Swamp vapors" were considered to be the cause of disease, and of course, Dubose was concerned about this problem also: "... my house is located in the midst of a scrub, and within 50 yards of two Ponds, such as are so fatal to the health of Key West ..." Requests to hire two men (at $18.00 per month each) to drain the ponds was turned down.

The house itself generated complaints: "This house is placed 400 yards from the beach in every direction, with a deep and wide Mangrove swamp to the South and stretching across the Island, completely depriving us of all the south and southwest Winds, which are most prevalent during the Summer Months." The dwelling was two stories high with a central chimney and two rooms on each floor. As originally built, the upper floor had only one small window at each end, making the upstairs too hot to use during summer. Finally, the government hired a carpenter to add four dormered windows and a porch to the dwelling in 1830.

The wind undermined a kitchen wall in 1830. The kitchen, in the fashion of the time, was attached to the back of the dwelling. "The oven has fallen in and the chimney with the corner wall (will) also soon be down and unless something is done soon it may destroy the House. In June it would not have required more than $10 to have repaired it now I do not suppose $100 will repair it. A longer delay will only increase the injury."

Like many other American lighthouses of the time, the tower also suffered from a poor foundation. It settled and leaned to the east as early as mid-1826. Dubose's 1830 description doesn't present a pretty picture: "This Light House at present requires to be white washed and from its settling, numbers of the glass from the windows are broken, and none to repair them, there are several glasses broken from the lantern." A box of replacement glass received in 1827 was too large for the window frames. Because no glass cutters were available, the glass sat unused.



Cape Florida Light in 1839.

REBUILDING THE LIGHTHOUSE

THE Indian attack on the lighthouse did more than injure the keepers. The dwelling and outbuildings were burned out, while the tower suffered from fire and the explosion of the gunpowder. Over 200 bullet holes were found in the tower's iron lantern (the top part of the lighthouse where the windows and vents for the light are contained).

Worst of all, it was discovered that the original builders had defrauded the government by building the tower with hollow walls. It was estimated that the hollow area equaled about half of the bricks needed for the job. Primarily because of the hollow walls, the tower had to be completely rebuilt.

In unusually prompt action, Congress appropriated $10,000 in March 1837 and a contract was let in July to Winslow Lewis of Boston. The contract called for the buildings and tower to be rebuilt using the 1826 specifications. Having been told that the Indian Wars were over, Lewis arrived on Key Biscayne with workmen, materials and a reluctant former keeper Dubose. When Lewis found out that hostile Indians were still in the area, he and his workers returned to Boston. Meanwhile, the lighthouse site was occupied by the military as a supply base for use against the Seminoles.

The Attackers

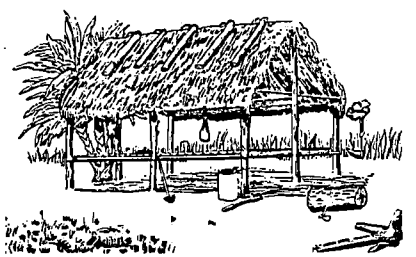
Not all of the Indians fighting the American government shared the same background or even the same language. Although they were all called "Seminoles", the term represented several groups of Indians. While the majority of Seminoles were decended from Creek Indians of Georgia, many in South Florida were decended from the Calusa tribe which originally lived in the Fort Myers area of Florida. Americans called the Calusa decendents "Spanish" Indians.

It was Spanish Indians under Chekika who were blamed for most of the attacks in South Florida. These attacks included the January 6, 1836 "Cooley massacre", an April 2, 1836 attack on Charlotte Harbor, an 1839 attack on the camp of Colonel Harney near Fort Myers (which killed 18 of the 30 soldiers present) and the May 7, 1840 attack which destroyed the relatively large white settlement at Indian Key. Chekaika was finaly killed, deep in the Everglades, by Harney's troops on December 4, 1840.

No other Florida lighthouses were attacked by Indians, but the crew of the next navigation light to the south of Cape Florida was attacked. The lightship FLORIDA, stationed at Carysfort Reef (off Key Largo) marked the most dangerous section of reefs in the state. On October 5, 1836 a group of about 70 Indians destroyed the home and gardens of the lightship's Captain John Walton on Key Largo. Nine months later, Walton was killed when he and five others rowed ashore to tend the re-established vegetable garden. One crewman was killed, two wounded and only one escaped unharmed. Dozens of other attacks and battles occurred in South Florida.

The Indians attacked in groups ranging from a few warriors up to the estimated 250 warriors who attacked Harney's camp. They rarely used bow and arrow, favoring muskets but sometimes using rifles. It wasn't unusual for the bodies of dead enemies to be mulated or scalped. White women and children were rarely spared, but Negros were usually captured and held by the Indians as slaves. Much of this same brutality was practiced on Indians caught by the Whites.

About 5,000 Seminole Indians were eventually shipped off to a reservation in Central Oklahoma, (where they became one of the "Five Civilized Tribes") but many deaths occured enroute. Another 350 to 500 were never captured, forming the basis of the Muskogee and Mikasuki bands still found in Florida today.



A Seminole house.

THE INDIANS THREATEN

RELATIONS between Seminole Indians and American settlers had never been good. Many Seminoles were escaped slaves or the children of escaped slaves. Needless to say, this brought them into conflict with the slave-holding whites who wanted the Indians relocated to Midwest reservations and the slaves returned to their owners.

Clashes with Indians grew into the Second Seminole Indian War. Starting in late 1835, the war continued until 1842. About 1,500 soldiers and many civilians were killed and more than $40,000,000 was lost in property damage or spent fighting the Indians.

Some of the first deaths in South Florida occurred when Indians attacked William Cooley's farm near the present-day city of Fort Lauderdale. On January 11, 1836, a special edition of the Key West Inquirer reported:

"In consequence of the Indians having been seen in considerable bodies in the neighborhood of New River, about 22 miles north of Cape Florida, some two or three weeks since, considerable alarm was felt in that vicinity which proved not to be without foundation. A party was observed surrounding the house of Mr. William Cooley, where a considerable quantity of the materials from a wrecked vessel was known to be stored, and they were seen to carry from the house portions of those goods. Shots were heard, and one man was observed lying apparently dead on the threshold of the door, who was supposed to be a man in the employ of Mr. Cooley. These circumstances alarmed the nearest neighbors, and the news having spread, the inhabitants of all the settlements between New River and Cape Florida congregated on the Light House premises at the place, in number upwards of sixty, but being without ammunition or provisions capable of sustaining them for even a very limited period, they thought it advisable to leave before the Indians made their appearance. A boat which was then on its way to them from Indian Key, whither it had been dispatched for supplies, arrived within sight of the Light House shortly after the inhabitants left there, and found on approaching the shores that the premises were

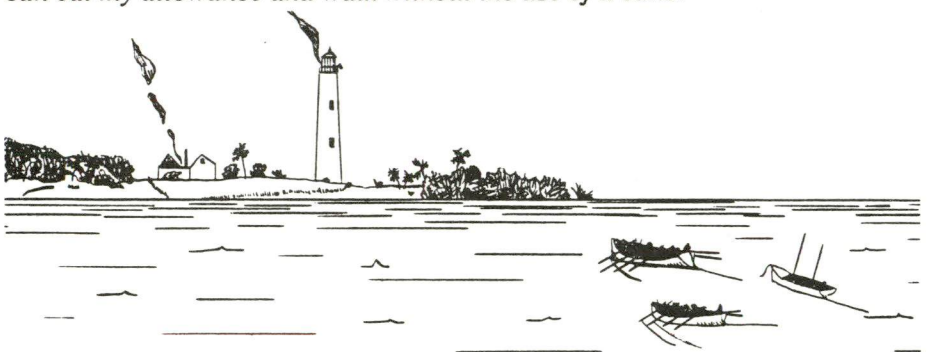
already in possession of the Indians, and consequently returned to Indian Key. The abandonment of the Light House, is much to be regretted, but we have no doubt from the authentic statements we have heard, that blood would have been shed had the inhabitants remained--the greater portion of them being women and children. The massacre of the family of Mr. Cooley has been confirmed by a visit paid by the bereaved husband and father (who happened to be absent) to his once happy mansion; as he found lying in its vicinity, the bodies of his mother, wife, two children, and the hired man before alluded to. The house had been robbed of such articles as the Indians were likely to stand most in need of but had not been set on fire as was feared."

Mariners considered a lighthouse without a light at its top worse than no lighthouse at all. Ships expected to see the light and might run aground looking for it. It was crucial that it be relit as soon as possible.

Eager to try and save any of his remaining property, William Cooley volunteered to take charge of the lighthouse on January 14th. His offer was accepted, and along with five men hired as guards, Cooley returned to Cape Florida. They found that the Indians had been to the Cooley plantation again and destroyed everything there, but found no evidence of Indians visiting the lighthouse. The light was relit before Feburay 10th, with one man staying constantly on watch against Indians. Despite seeing the campfires from an estimated 300 Indian warriors, Cooley kept the light going.

By the middle of March, the Indians moved inland and the threat was gone. Against his wishes, Dubose returned to the lighthouse (his family stayed in Key West) and took over from Cooley. Three soldiers were posted at the lighthouse as a guard during the month of June. Meanwhile, newspapers announced "The Cape Florida Light is still kept up, although there is scarcely a day passes without Indians being seen in the vicinty". Interestingly enough, a petition signed by a Jno. Dubose in Key West states "The Light House at Cape Florida is So much exposed that the light keeper is about to abandon it."

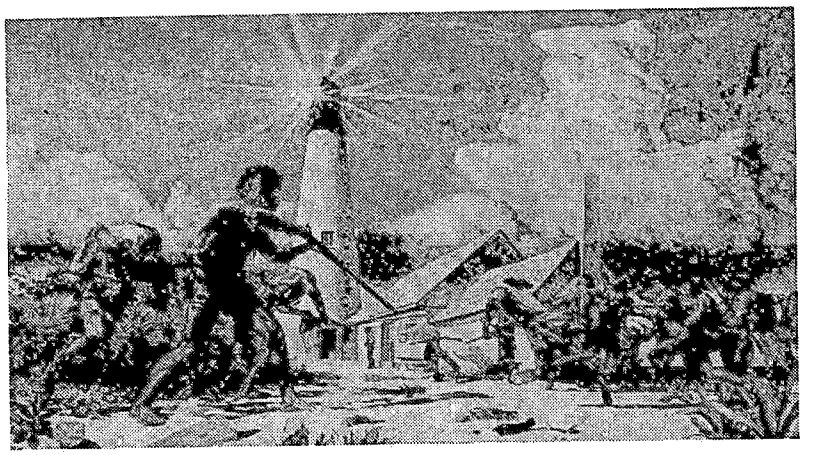
and made fast round an iron stanchion, rove the twine through the block and they below, by that means, rove a two-inch rope and hoisted up two men, who soon landed me on terra firma. I must state here that the Indians had made a ladder by lashing pieces of wood across the lightning rod, near 40 feet from the ground, as if to have my scalp, nolens volens (ed. without violence). This happened on the fourth (editor 24th). After I got on board the Motto every man from the captain to the cook tried to alleviate my sufferings. On the seventh (editor 27th) I was received in the military hospital, through the politeness of Lieutenant Alvord of the fourth Regiment of the United States Infantry. He has done everything to make my situation as comfortable as possible. I must not omit here to return my thanks to the citizens of Key West, generally, for their sympathy and kind offers of anything I would wish that it was in their power to bestow. Before I left Key West two balls were extracted, and one remains in my right leg, but since I am under the care of Dr. Ramsey, who has paid every attention to me, he will know best whether to extract it or not. These lines are written to let my friends know that I am still in the land of living, and am now in Charleston, S. C., where every attention is paid me. Although a cripple, I can eat my allowance and walk without the use of a cane."



Thompson's account contradicts itself regarding the number of times he was wounded, but other contemporary accounts state that he was shot three times in one foot and wounded in the ankle of the other. Carter was buried at the lighthouse (he was shot five times). Thompson received some money from the government fund for sick and disabled seamen. It is reported that he later made a living telling his story of the attack.

"The Indians, thinking me dead, left the lighthouse and set fire to the dwelling place, the kitchen and other outhouses, and began to carry off their plunder to the beach. They took all the empty barrels, the drawers of the bureaus, and in fact everything that would act as a vessel to hold anything. My provisions were in the lighthouse, except a barrel of flour, which they took off. The next morning, they hauled out of the lighthouse, by means of a pole, the tin that composed the oil tanks, no doubt to make grates to manufacture the coonty root into what we call arrow root. After loading my little sloop, about 10 or 12 went into her; the rest took to the beach to meet at the other end of the island. This happened, as I judge, about 2:00 a.m. My eyes, being much affected, prevented me from knowing their actual force, but I judge there were from 40 to 50, perhaps more. I was now almost as bad off as before; a burning fever on me, my feet shot to pieces, no clothes to cover me, nothing to eat or drink, a hot sun overhead, a dead man by my side, no friend near or any to expect, and placed between 70 and 80 feet from the earth with no chance of getting down. My situation was truly horrible. About 12 o'clock I thought I could perceive a vessel not far off. I took a piece of the old negro's trousers that had escaped the flames by being wet with blood and made a signal. Sometime in the afternoon I saw two boats with my sloop in tow coming to the landing. I had no doubt but they were Indians, having seen my signal; but it proved to be the boats of the United States schooner Motto, Captain Armstrong, with a detachment of seamen and marines under the command of Lieutenant Lloyd, of the sloop-of-war Concord. They had retaken my sloop, after the Indians had stripped her of her sails and rigging, and everything of consequence belonging to her."

"They informed me they heard my explosion 12 miles off, and ran down to my assistance, but did not expect to find me alive. These gentlemen did all in their power to relieve me, but night coming on, they returned on board the Motto, after assuring me of their assistance in the morning. Next morning, Monday, July 25, three boats landed, among them Captain Cole, of the schooner Pee Dee, from New York. They made a kite during the night to get a line to me, but without effect, they then fired twine from their muskets, made fast to a ramrod, which I received, and hauled up a tailblock



INDIAN ATTACK

IN July, Dubose hired John W. B. Thompson (a former sailor), Aaron Carter (probably Thompson's slave) and one other man to act as guards and assistants. On July 18th, Dubose and the unnamed man set sail for Key West (to visit Dubose's family and get supplies). Five days later, on July 23, 1836, the lighthouse was attacked and destroyed by Indians.

In perhaps the most famous attack on an American lighthouse, Thompson was wounded by four bullets, Carter was killed and the wooden portion of the lighthouse and dwelling burned. Brief accounts of the attack were printed in newspapers just after the attack, but the best account was written by Thompson some time later. It was recorded in the 1846 book "Steamboat Disasters and Railroad Accidents in the United States to Which Are Appended Accounts of Recent Shipwrecks, Fires at Sea, Thrilling Incidents, Etc."by S. A. Howland.

First Hand Account by Assistant Keeper John W. B. Thompson

"On the twenty-third of July, 1836, about 4 P.M., as I was going from the kitchen to the dwelling house, I discovered a large body of Indians within twenty yards of me, back of the kitchen. I ran for the Lighthouse, and called out to the old negro man that was with me to run, for the Indians

were near. At that moment they discharged a volley of rifle balls, which cut my clothes and hat and perforated the door in many places. We got in, and as I was turning the key the savages had hold of the door. I stationed the negro at the door, with orders to let me know if they attempted to break in. I then took my three muskets, which were loaded with ball and buckshot, and went to the second window. Seeing a large body of them opposite the dwelling house, I discharged my muskets in succession among them, which put them in some confusion; they then, for the second time, began their horrid yells, and in a minute no sash of glass was left at the window, for they vented their rage at that spot. I fired at them from some of the other windows, and from the top of the house; in fact, I fired whenever I could get an Indian for a mark. I kept them from the house until dark. They then poured in a heavy fire at all the windows and lantern; that was the time they set fire to the door and window even with the ground. The window was boarded up with plank and filled with stone inside; but the flames spread fast, being fed with yellow pine wood. Their balls had perforated the tin tanks of oil, consisting of two hundred and twenty-five gallons. My bedding, clothing, and in fact everything I had was soaked in oil. I stopped at the door until driven away by the flames."

"I then took a keg of gunpowder, my balls and one musket to the top of the house, then went below and began to cut away the stairs about halfway up the bottom. I had difficulty in getting the old negro up the space I had already cut; but the flames now drove me from my labor, and I retreated to the top of the house. I covered over the scuttle that leads to the lantern, which kept the fire from me for some time. At last the awful moment arrived; the crackling flames burst around me."

"The savages at the same time began their hellish yells. My poor negro looked at me with tears in his eyes, but he could not speak. We went out of the lantern and down on the edge of the platform, two feet wide. The lantern was now full of flame, the lamps and glasses bursting and flying in all directions, my clothes on fire, and to move from the place were I was would be instant death from their rifles. My flesh was roasting, and to put an end to my horrible suffering I got up and threw the keg of gunpowder down the scuttle - instantly it exploded and shook the tower from top to bottom. It had not the desired effect of blowing me into eternity, but it threw down the stairs and all the woodenwork near the top of the house; it damped the fire for a moment, but it soon blazed as fierce as ever. The negro man said he was wounded, which was the last word he spoke. By this time I had received some wounds myself; and finding no chance for my life, for I was roasting alive, I took the determination to jump off. I got up, went outside the iron railing, recommending my soul to God, and was on the point of going head foremost on the rock below when something dictated to me to return and lie down again. I did so, and in two minutes the fire fell to the bottom of the house. It is a remarkable circumstance that not one ball struck me when I stood up outside the railing although they were flying all around me like hailstones. I found the old negro man dead, being shot in several places, and literally roasted. A few minutes after the fire fell, a stiff breeze sprung up from the southward, which was a great blessing to me. I had to lie where I was, for I could not walk, having received six rifle balls, three in each foot."

Seminole Chiefs

FOR INFORMATION ON HOW YOU CAN HELP SUPPORT THE RESTORATION OF THE CAPE FLORIDA LIGHTHOUSE, CONTACT

DADE HERITAGE TRUST
190 S.E. 12 TERRACE, MIAMI, FL 33131
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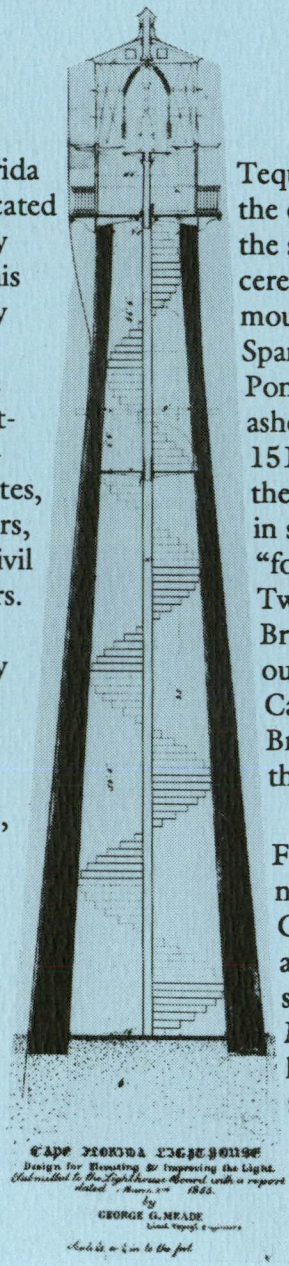
THE CAPE FLORIDA LIGHTHOUSE

ITS HISTORY & ITS FUTURE

The Cape Florida Lighthouse

Yesterday



THE CAPE Florida Lighthouse, located at the tip of Key Biscayne, symbolizes this region's colorful history more than any other historic structure in the state. This 95-foot lighthouse tower has weathered the assaults of pirates, profiteering shipwreckers, Indian uprisings, the Civil War and land developers. Time has enriched the lighthouse with a legacy of priceless South Florida history.

The barrier island's shore was, for centuries, used by early inhabitants, explorers, pirates, slavers, and shipwrecked crews. Their primitive campfires, built upon the key's southern shore, could be seen by ships cruising the gulfstream waters.

Archæologists have dated the remains of Tequesta Indians back to the eleventh century when the site was used for ceremonial and burial mounds. The renowned Spanish explorer Juan Ponce de Leon came ashore at Cape Florida in 1513 after sailing down the east coast of Florida in search of the elusive "fountain of youth." Two centuries later, British surveyors mapped out the area around Cape Florida during the British occu-pation in the mid-1700s.

Recognizing Cape Florida's important navigational position, Congress first appropriated money to construct a lighthouse in May 1822. The lighthouse would mark the treacherous reefs lying beyond its southern shore and protect ships from the jagged coral rock.

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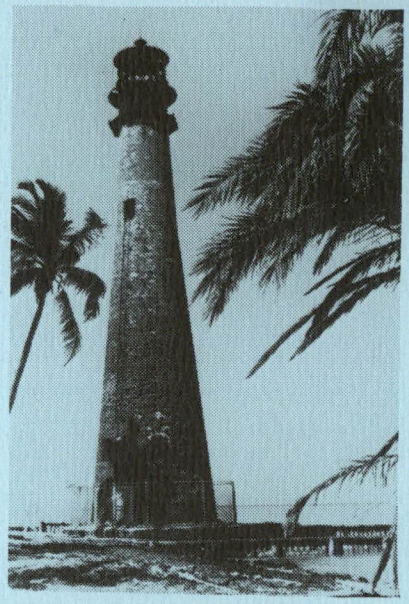

THE CAPE FLORIDA Lighthouse is Dade County's oldest remaining historic landmark. The opportunity to save this national treasure could be the last. If its condition continues to deteriorate unabated, one of Florida's most important historic monuments will be lost forever. Survival of the lighthouse is uncertain without the support and financial commitment necessary to restore and preserve this historic site.

In conjunction with the bicentennial of the National Lighthouse Act, Dade Heritage Trust formed the "Save the Lighthouse Committee." The goal of the committee is, to not only raise the necessary funds for the lighthouse's restoration, but to develop the community's awareness of its historical significance and provide a support group for its continued maintenance.

Dade Heritage Trust is a non-profit Florida corporation founded in 1972 to promote the preservation of historic properties in Dade County. The Trust is headquartered in Miami and serves the community as a resource through its dedicated board of directors and staff, continuing educational projects and community outreach programs.

This publication was made possible by Dade Heritage Trust through the support of the Bureau of Historic Preservation, Division of Historical Resources, Florida Department of State, assisted by the Historic Preservation Advisory Council.

Specifications called for a "tower sixty-five feet high with a solid wall of brick, five-feet thick at the base, graduated to two-feet at the top" and included a brick dwelling for the keeper. The tower was illuminated on December 17, 1825.

In 1836 the lighthouse was attacked by Seminole Indians. Hundreds of bullet holes pierced the lighthouse's iron lantern and an explosion of gunpowder destroyed the lighthouse interior. The tower was completely rebuilt ten years later and relit in 1846, the year following Florida's entrance into the Union. The new tower was 65 feet and contained 17 lamps with 21-inch reflectors. It was constructed of brick and bathed with a whitewashed exterior. In 1855 its height was raised to 95 feet.

During the Civil War, the light apparatus was destroyed by Confederates and the entire coast blacked out. It was restored in 1867 and remained lit until an ironpile lighthouse was constructed on a nearby dangerous reef named Fowey Rocks. On July 15, 1878, Fowey Rock was lit and that same day, the Cape Florida light was extinguished and the property abandoned.

However, Cape Florida and Key Biscayne did not remain uninhabited for long. Prominent pioneer families, including the Deering and Matheson families, played important roles in the area's development with the construction of roads and the cultivation of coconuts. In 1946 Cape Florida was sold to José Alemán, a Cuban. And in the late 1950s, real estate speculators platted the Alemán property for housing and began to lure buyers with advertisements.

In 1965 after much public outcrry to preserve the lighthouse and a campaign spearheaded by *Miami News* editor Bill Baggs,

Florida Gov. Haydon Burns announced that the state would purchase the property belonging to Alemán's widow. The 510 acres were the first parcel of land that would eventually become the 900-acre Bill Baggs State Park.

In 1971 the lighthouse was listed on the National Register of Historic Places. The light was relit in 1978 after 100 years of darkness and today sends a flashing white beam (6 seconds on, 6 seconds off) seven miles across the sea.

NO LONGER LIT DUE TO DETERIORATION.

Today

TODAY, the Cape Florida lighthouse is endangered. Each year nearly one million persons visit the Cape Florida park and historic site, yet money to repair and restore the lighthouse falls far short of what is needed to sustain its existence. The preservation of historic landmarks, like the Cape Florida lighthouse, is not insured by federal or state conservation measures.

The physical condition of the Cape Florida lighthouse is rapidly weakening. The exterior brick surface of the lighthouse tower is severely deteriorated with large areas of brick missing from the surface. Years of neglect, vandalism and the salt water environment have eroded the surface and caused a 50 percent loss of the exterior bricks. The long narrow windows seen from a southeasterly approach are sadly dilapidated and in disrepair.

The lighthouse interior is no longer open to the public. The winding interior stair, once climbed by visitors and lighthouse keepers alike, is decayed and in danger of collapsing. The watchroom's steel components are corroded and show the ravages of time. Numerous glass window panes are missing from the lantern and the steel enclosure in the lens room has deteriorated.

The architectural and engineering work involved in restoring the lighthouse is estimated to cost approximately $750,000, according to a feasibility study conducted through the Florida Department of State and the Department of Natural Resources. The work will consist of carefully stabilizing and preserving the lighthouse.