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'Daring step' by Havana to lure investors

By **LIONEL MARTIN**
Reuters News Service

HAVANA — Cuba's national parliament on Monday was expected to approve a law that will give foreign capitalists the right to fully control business enterprises on the island.

The weekly *Juventud Rebelde* calls the new Law on Foreign Investments "a daring step."

The article in *Juventud Rebelde*, which ran Sunday, said the bill recognizes that investment by foreign capital is "no longer a transitory strategy" in the nation but has "become an everyday part of the Cuban economy."

The new law will allow foreign businesses that have the approval of the Cuban government to invest up to 100 percent of the capital in enterprises in which they have total managerial and economic authority.

Until now, business people had been restricted by a 1982 law to investing in joint enterprises with the Cubans, normally with a 51-49 percent ratio in favor of the government.

Cuban officials hope the new law will also make joint ventures with the Cuban government more attractive by considerably reducing the red tape that has driven some foreign business people into fits of frenzy. The law requires that the new Ministry of Foreign Investments give concrete replies to proposals by foreign business people within 60 days.

Prior to the 1982 law, no foreign investments were permitted. Fidel Castro's government showed little interest in attracting foreign business people to invest in the economy that was almost totally owned by the government.

It was the collapse in 1991 of the Soviet Union, the island's main benefactor, that forced the cash-starved government, gradually and somewhat reluctantly, to open its doors wider to foreign investments.

But unlike its former allies of Eastern Europe, Cuba has made clear that it will not renounce socialism nor its free, universal educational and health systems.

The new law stipulates that any person who resides in a foreign country will be able to invest in Cuba in all spheres except defense, national security, public health and education.

Foreign capitalists may win the right to fully control business enterprises in Cuba.
