



ince 2008, Cuban citizens have been once again prohibited from importing automobiles. It should be noted that since January 1, 1959 the Cuban government has imported cars, trucks and other vehicles from Russia, China and South Korea for government use.

Upon arriving at the airport in Cienfuegos, I was surprised at the number of late model taxicabs and the absence of the 1950s cars that I had expected to see. The reason was simple. The government owns the taxi companies and thus could

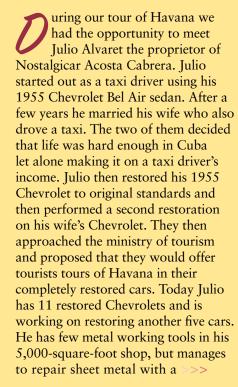
import as many vehicles as they sought necessary to support the recent tourism boom. It was not until I reached the city of Trinidad did I start seeing 1950s American automobiles, mostly Chevrolets.

Talking to their owners, I learned that most of the cars had been passed from generation to generation. Most of the drivetrains had been converted to diesel power and automatic transmissions. The primary reason for the conversions is that diesel fuel is not only less expensive than gasoline, but more efficient.

Cuba is an interesting country inasmuch as 100% of the adult population is employed, albeit at very low rates of income. The government owns all of the property, but allows its citizens to occupy homes and apartments at no cost. There is no income tax. Medical care is free as is education, Kindergarten through the highest level of graduate/ professional school.

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The Cuban's low income makes it difficult for them to afford many luxuries including the costs of repairing their aging automobiles. Therefore, when a car breaks down, it can take months to accumulate the money, find the part and then repair the car. Parts are primarily imported from the United States and Mexico. There is however an \$8/pound import tax. Thus, many of the cars are ghosts of their original selves. Many have been painted from spray cans, brushes and rollers. Interiors have been replaced with less than original materials and while chrome plating is available it is very expensive for the average Cuban car owner. As a result, a lot of the bumpers have been either painted or buffed to their original pot metal finishes. Many of the cars have an abundance of rust and most of the original wheels have been replaced with modern cast wheels to accommodate modern radial tires.



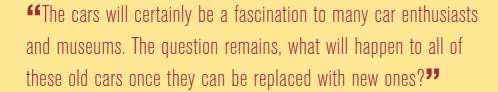












torch and some crude dollies. Parts are obtained in the United States however, payment is an issue. Julio can purchase the parts on the Internet but he needs a credit card to complete the transaction. Cubans have neither credit cards nor any consumer financing available to them. Thus everything that Julio has, has been paid for with cash. A friend of his living in Miami allows him to use his credit card to buy parts, but Julio must pay his friend a 20% fee

on every charge. Parts are shipped to Cuba via DHL and are subject to the \$8 per pound tariff.

Julio is quite famous. When President Obama visited Cuba, it was Julio who chauffeured Obama through Havana in a fully restored 1959 Chevrolet Impala. Several months later Julio was invited to come to Washington D.C. and talk to a group of Congressmen on the subject of entrepreneurship in Cuba.



When he completed his meeting, he was received at the White House by President Obama. Julio is definitely the exception of Cuban entrepreneurs.

Once in Havana, the number of 1950s American automobiles was profoundly abundant. The majority of the cars are Chevrolets with a few Pontiacs, Buicks, Oldsmobiles and a dearth of Cadillacs. On March 17, 2017 the Cuban government opened the doors for Cubans to both sell their existing cars and import new ones. The average Cuban makes only 400 pesos a month so one can only imagine the strenuous savings program one would need to import a modern car, new or used. The question is simply what will the international market pay for Cuban automobiles? While they have lost their originality, each car tells a story of both its owner and of Cuba. The cars will certainly be a fascination to many car enthusiasts and museums. The question remains, what will happen to all of these old cars once they can be replaced with new ones? Watch your favorite auction company catalog to find out!