

BONFIRE OF THE TECHIES

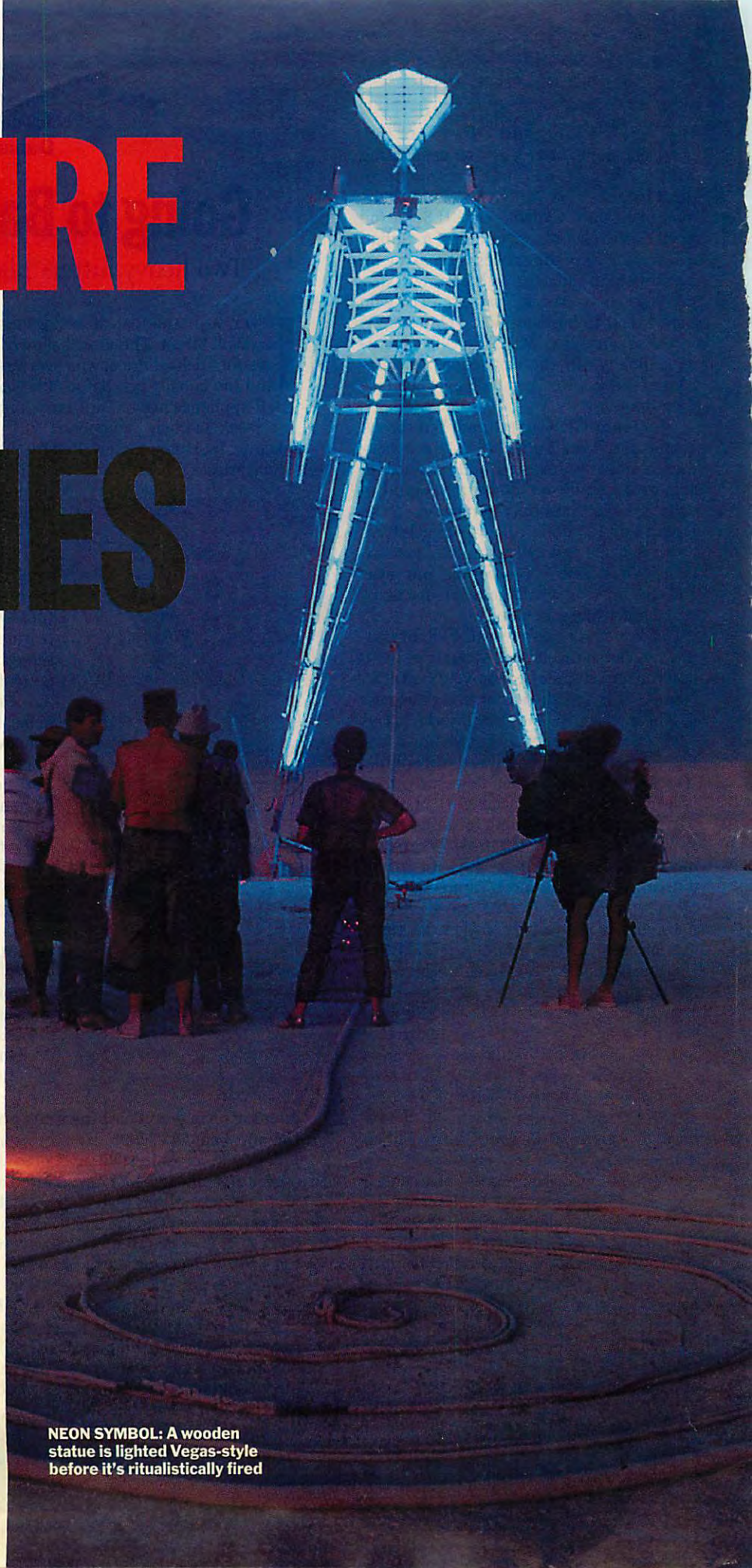
Hordes of playful digerati assemble for a hallowed annual rite

By KEVIN KELLY SAN FRANCISCO

ON THE LAST WEEKEND IN August, my two young daughters and I will pack our suburban minivan with 2½ gal. of water per person per day and head off to northern Nevada. There, in thousands of square miles of pure desert nothingness, 20,000 cheering, dancing celebrants will circle a towering, two-legged wooden sculpture and burn it to the ground.

It happens every Labor Day. Burning Man, as the festival is known, is an annual outbreak of techno-tribalism that has the makings of the next great American holiday. If this year's party is like past ones, the immense desert flats will be teeming with offbeat stunts, weird art, flamboyant performances and bizarre, gasoline-powered contraptions. When we pulled up to Burning Man for the first time several years ago, we were greeted by a fat guy riding a large, furry rabbit motor scooter. He sat behind the ears. Across the desert we could see a truck hauling a mattress behind it, stirring up a huge, blinding vortex of dust. Three passengers in gas masks were reclining on the mattress, waving insanely.

It gets even stranger. Each year a do-it-yourself city appears overnight. On one makeshift street, a three-story tower of scaffolding grows like a high-tech mush-



NEON SYMBOL: A wooden statue is lighted Vegas-style before it's ritualistically fired

11 luxury hotels in Cuba. "There are U.S. hotel companies too that are negotiating with us, and we will have an announcement [soon]," says Walter Berukoff, chairman of Leisure Canada. One U.S. casino giant is in talks about opening a Cuban resort. "We're in the process of making an investment in Cuba through a foreign partner right as we speak," says its CEO, who didn't want to be identified. "Everyone is interested in Cuba. When the U.S. government finally lifts the restrictions, the Bahamas and Puerto Rico may as well close their doors."

In June, GE Capital and Westbrook Partners, a New York real estate investment company, invested \$200 million to acquire a "significant" stake in Allegro Resorts, a large hotel operator based in the Dominican Republic. Allegro officials have flown to Cuba and looked at hotel properties. "We're definitely keeping our eyes and ears open on what's going on in Cuba," said a hotel spokesperson.

At last count there were 240 joint ventures in Cuba, involving 57 countries in 40 different areas of the economy, valued at \$5 billion. "It is actually easier to do business in Cuba than in the free world," says Nicholas Crespo, president of Miami-based Latin America Hospitality and Consulting. "Once you have the confidence of Cuban officials, you have easy access to Cuba."

The Cubans are trying to sound more and more like the Chamber of Commerce. "The return on investment in tourism in Cuba is more rapid than any other type of investment," says Ricardo Alarcon, head of Cuba's parliament and a top adviser to Premier Fidel Castro. "Business people going to Cuba are making money, making profits. American companies have begun and will continue seeking ways to protect their legitimate business interests." Cuba now permits outsiders 100% ownership of their investments and full repatriation of profits.

To be sure, any investment in Cuba inherently carries risk. Anti-Castro Cuban nationals argue that any investment now merely amounts to the support of an illegal regime and thus may not be honored if a new, presumably democratic, government takes over.

The big payoff really won't come until Americans are free to return to Cuba. It's a country with a strong American legacy. Ernest Hemingway lived there for 20 years, writing classics including *The Old Man and the Sea*. This was the hideaway for millionaires and the Mob, the Du Ponts and Al Capone. In fact, prior to the 1959 revolution, Cuba was the single biggest destination in the Caribbean for Americans. It may yet be again. ■

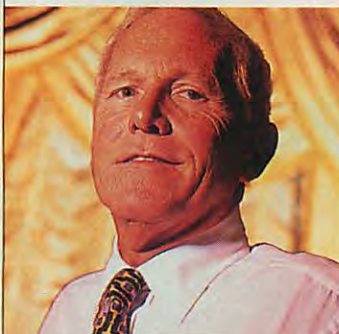
MONEY IN MOTION ■

Daniel Kadlec

Going to Bat Against ITT

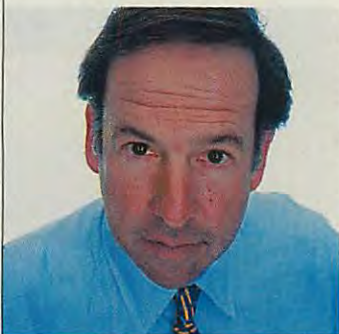
Two heavy hitters play hardball. Is this fair?

IF EGO AND ARROGANCE WERE VIRTUES, THERE WOULD BE A LOT OF SAINTS on Wall Street. The most hallowed of the lot would include the highly successful Michael Price, who oversees \$26 billion at Franklin Mutual Advisers, and the equally prosperous CEO-for-rent Al Dunlap, who is doing a tour at small-appliance maker Sunbeam Corp. In a brazen display of cronyism, the two last week publicly denounced ITT Corp.'s tactics in fending off a hostile takeover by Hilton Hotels. Picture that: Price, whom *FORTUNE* magazine calls "the scariest s.o.b. on Wall Street," linking with Dunlap, whose endearing nicknames include "Chainsaw" and "Rambo in pin-stripes." A formidable duo.



Sunbeam's Dunlap

CLAUDIO EDINGER—SABA



Franklin Mutual's Price

CHRIS BUCK—OUTLINE

The double-barreled assault from the s.o.b. and Chainsaw is a righteous battle. ITT's own saintly CEO, Rand Araskog, put himself squarely in the line of fire by dismissing Hilton's overtures without so much as a meeting, and he is tearing apart the company in an effort to preserve his own job. The Price-Dunlap sound off is great news if you own ITT stock and don't like the way the company has been run. The two make for powerful allies, and investors have done well by them. As their nicknames suggest, Price and Dunlap don't get pushed around a lot. But their cozy relationship is worth a look. It demonstrates how influential people scratch one another's back in ways not always brought to light. I should note here that both Price, who owns \$63 million of ITT stock, and Dunlap, who has no financial stake in either Hilton or ITT, strenuously deny any tag-team effort. "I didn't even know Michael owned the stock," Dunlap protests. The Price camp calls any alleged teamwork "pure fiction." But if nothing else, as Humphrey Bogart told Claude Rains in the famous last line of *Casablanca*, "Louis, I think this is the beginning of a beautiful friendship."

Let's just follow the bouncing ball. Price is an activist investor who has made millions buying large chunks of companies and then fomenting change to boost the stock price. He forced the merger of Chase and Chemical banks in 1995. He is currently engaged in a public battle with Dow Jones & Co. as well as ITT. And, oh, yes, little more than a year ago, Price, a 21% owner of Sunbeam, got Dunlap hired as CEO. The pay was right: Dunlap got 2.5 million stock options that, if all could be exercised today, would bring him \$70 million. So when Dunlap and Price sent ITT's board separate letters on the same date, Aug. 8, demanding the same action—to let ITT shareholders vote on Hilton's \$70-a-share bid—it raised a few eyebrows. Not that anything illegal had been done. But just how cozy have the two become? Remember, Dunlap has no stake in ITT. Yet his involvement is a huge boost for Price's cause. Dunlap is a lightning rod for publicity, which is one way of pressuring a board to act. Yes, it may be that Dunlap and Price just think alike. If it is more than that, we'll find out soon enough. Chainsaw's work at Sunbeam, where the stock has quadrupled, could be over soon. Will Price do a job search for him, looking no farther than his own portfolio of stocks? Now, that would be a beautiful friendship. ■

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room; draped with a parachute, it becomes an instant café. At a table, generous folks with a spare gallon of blue body paint offer to turn you into an alien. Behind them, two guys have built a house out of old wooden doors hauled in on a yellow rental truck. Inside you hear hypnotic techno music. The house will be gone 48 hours later, as will the rest of the instant city.

This premillennial Woodstock got started 12 years ago when an unknown artist, Larry Harvey, built a wooden statue on a foggy beach near San Francisco and then set it on fire. For Harvey it was a catharsis to heal a broken relationship. For his friends it was a soul-energizing blast, and Harvey decided it should be an annual ritual. He cast a single brilliant rule: no spectators. What he wanted, he said, was to create "a Disneyland in reverse." Everyone had to be a participant and march in the electric-light parade.

In succeeding years, Harvey's wooden statue became a 40-ft.-high man; the flames leaped higher, and the crowd grew ever more animated and theatrical. The intensity eventually taxed even the beatnik-and hippie-hardened San Francisco police, who asked Harvey and his acolytes to move off the beach. The Zen of the desert beckoned.

Once on the public lands of northern Nevada, where the rules are few and the possibilities infinite, Burning Man blossomed into a full-fledged happening. By word of mouth, via friend of a friend, with photocopied flyers posted in music stores, Burning Man quietly gathered a tribe of hundreds each summer to partake in the meaningless but mesmerizing ritual. And there, in its seclusion, it might still be, if it weren't for cyberspace.

News spreads quickly and efficiently via E-mail, and when the digerati got wind of Burning Man, something clicked. The pierced and tattooed young Netizens of Silicon Valley and the Bay Area spend their workdays and worknights making little decentralized theaters of do-it-yourself creativity on the World Wide Web. Burning Man and its temporary city are material manifestations of the same creative urge. It was a perfect fit, a perfect way to celebrate a year of laboring on the Internet.

And so the Netizens flocked to the desert, where Burning Man's neo-tribal vibes were amplified with the technology of the digital revolution. They set up Burning Man Web pages and E-mail lists.



NEW AMERICAN HOLIDAY: A star-spangled admirer pays tribute as Burning Man bites the dust for another year

They started two Burning Man radio stations, broadcasting live from ground zero in the desert. From a laptop they produced a daily Burning Man paper.

If you build it, they will come—and they have. The population of Burning Man doubles every year. Last year it was just shy of 10,000. Its cheery inventiveness pulls in mid-40-year-olds like me, who load up the family minivan and find a spot—any spot!—in the vastness to camp and cavort.

I would make the trek just to see the guy whose obsession is a jet engine the size of a truck muffler bolted to go-cart wheels; he sits in front of the glowing, screaming toy and zips across the alkali flats. It's nothing like piloting a computer. And there's the elaborate camera obscura some thoughtful person usually sets up, big enough to walk into and see the desert upside down. And this year, if my girls can be talked into it, we'll squish in the mud of nearby hot springs and wander around as dried-mud people, just like everyone else.

Burning Man almost did not rise from its last pile of ashes. Two of the key organizers quit last year after one young man died in the chaos and dust storm churned up by

thousands of vehicles driving every which way on the roadless flats of Black Rock Desert. The karma of mayoring such a bohemian city was more than they bargained for. But Larry Harvey, a visionary in the classic sense of the word, is undaunted. "They told us it would fall apart at 1,000 people," he says. "Then at 5,000. But we could have a million people and still make it a positive, uplifting experience."

He may yet get his wish. The location is kept vague, and tickets (to pay for portable toilets and the like) are best found via the Web. By not advertising the event and making finding it a rite of initiation, Harvey gets his crowds and his harmony. By now, it's self-feeding, bigger than Harvey or anyone else. Its main draw seems to be its utter lack of meaning.

Anything lacking meaning will be assigned one. My bet is that Burning Man will be the holiday for deskbound, no-collar workers. Not only does it offer the usual American pastimes—fast cars, parades, costume balls, picnics and all-night music—but it also provides the more contemporary attractions of survival camping, neon lights, nudity, performance art and staged extravaganzas. It's got the sun-dried culture of postmodern road warriors: deep ritual without

religion, community without commitment, art without history, technology without boundaries. As essayist Bruce Sterling writes in the only book about the event, *Burning Man* (HardWired; 1997), which I and others at *Wired* magazine had a hand in producing, "It's just big happy crowds of harmless arty people expressing themselves and breaking a few pointless shibboleths that only serve to ulcerate young people anyway. There ought to be Burning Men festivals held downtown once a year in every major city in America."

Why? It's hard to say, precisely. Even after a day spent visiting the various tribes at the event—the pyromaniac camp, the rave camp, the wind-surfers camp, the rainbow camp—and then standing before the terrible heat of the very big fire of the neon-lit man, the answer is not any easier to articulate. Harvey, in the sly coyote logic of a true desert mystic, puts it this way: "If we didn't burn it, we wouldn't be able to burn it again next year." ■

Kevin Kelly is executive editor of Wired magazine and the author of Out of Control: The Rise of Neo-Biological Civilization



DESERT BATH: After a night of revels, a techno-tribesman takes to the hot springs.



DIGI-ECCENTRIC: A charoteer who calls himself Java Cow rides the alkali flats at sunup.