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0710: financial times latin american markets (attn philip marvin)

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*On The Removal of Humberto Perez
Head of the National Planning
Commission*

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the replacement of several top government officials over past months and the postponement of the third communist party congress originally scheduled for december of this year has led to speculation by some cuba-watchers that a political upheaval is taking place in cuba flowing out of internal disagreements.

however, the most experienced observers here discount that interpretation favouring the view that while the changes do reflect serious administrative problems that act as fetters on the development of the cuban economy and other spheres, there has been no change in the power structure. while the changes have been much more than cosmetic, they have certainly not approached in the slightest radical plastic surgery.

the latest change, and perhaps the most significant, was the removal of humberto perez as head of the powerful national planning commissions. perez, a bright young economist trained in part in the soviet union, was considered by most as a man on the way upstairs.

before perez' sudden removal there had been a series of other axings: the chief of the communist party's revolutionary orientation commission, the president of the institute that runs the island's radio and television, the national director of sports, the director of the academy of sciences and the minister of transport who was one of cuba's leading revolutionary war heroes.

as for the postponement of the party congress from december to february of next year, some diplomats have said it is +unprecedented+ but inasmuch as there have been only two previous party congresses, there has not been much precedent to break.

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the postponement appears to be due principally to three factors.

first, it became apparent that the commissions charged with writing the reports and recommendation for the congress were far behind schedule and that because of the daily burden of practical problems, there would not be sufficient time to have them discussed thoroughly through the party before the congress.

second, it was felt important that the economic statistics for 1985 on the economy be known at the time of the congress.

third, cuba's leadership wants more time to put into effect the new economic strategy announced late last year by fidel castro.

it was precisely that announcement that presaged the downfall of humberto perez as cuba's planning chief. it came after an agonising reappraisal of cuba's economic strategy by an extraordinary commission, not under humberto perez, but rather under politburo member, osmany cienfuegos. following the announcement of the new policy decisions, humberto perez gave a long interview for a cuban magazine in which he heaped criticism on his own planning commission - criticism undoubtedly echoing that he received at the hands of fidel castro.

the new economic strategy calls for giving priority to the development of products for exportation, for ensuring fulfillment of cuba's commitments to the soviet union and the social bloc and for the substitution of imported items by nationally made items. it also demands draconian measures to ensure that sugar, nickel and citrus industries, cuba's big-three hard currency earners, would receive absolute priority in investments. perez' planning commission was also criticised for not battling hard enough against ministers and managers who think only in terms of their own sector rather than in the economy as a whole.

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each of the recent changes that have taken place have their own raison d'etre but all have something in common -- the booting out of men who have failed to produce sufficiently positive results and their substitution by cadres who, it is hoped, will do better. diocles torralba, who just led the sugar industry to a highly successful year, has become the minister of transport, a post that will require a good and energetic manager. the head of the animal science institute who achieved excellent results over the past decade, became the head of the academy of sciences. two young cadres, both of them former leaders of the young communist league and more recently members of president fidel castro's +work group+ (grupos de trabajo) were given challenging posts, one as the head of cuba's radio and television and the other as director of the newly created institute for civil aeronautics.

the key theme in all this is the search for greater efficiency at a time when sugar, cuba's principal export products, is selling at five times below the cost of production on the world market.

there are strong indications that new changes will take place soon. at least two members of the communist party's politburo might well be taken out of their current jobs as ministers (armando hart, minister of culture and sergio del valle, minister of public health) in order to have them devote full time to overall supervision, guidance and coordination. there is also the possibility that fidel castro will relinquish some of his present ceremonial responsibilities in order to concentrate on the most urgent tasks of foreign policy and the economy.

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