

GU LEN NYK BAS

POL: CASTRO-AUSTERITY

CUBAN PRESIDENT ANNOUNCES AUSTERITY MEASURES FOR 1987:

BY LIONEL MARTIN.

HAVANA, DEC 26, REUTER - CUBAN PRESIDENT ANNOUNCED A SERIES OF SEVERE AUSTERITY MEASURES AS THE CUBAN NATIONAL ASSEMBLY OF PEOPLES POWER APPROVED A BUDGET AND ECONOMIC PLAN FOR 1987 THAT CALL FOR A TWO PERCENT OR LESS ECONOMIC GROWTH RATE, THE LOWEST TARGET BY FAR IN RECENT YEARS AND A BUDGET DEFICIT OF 141.5 MILLION DOLLARS (115 MILLION PESOS).

CASTRO TOLD THE ASSEMBLY THAT THE ECONOMY WAS THE MOST IMPORTANT PROBLEM FACING THE NATION IN 1987. HE SAID THAT HARD CURRENCY EARNINGS WOULD FALL FROM 1.2 BILLION DOLLARS IN 1985 TO ONLY 600 MILLION DOLLARS IN 1987. HE RECITED A LIST OF AUSTERITY MEASURES THAT WOULD GO INTO EFFECT NEXT YEAR WITH THE GOAL OF REDUCING HARD CURRENCY EXPENDITURES, INCREASING HARD CURRENCY EARNINGS AND BALANCING THE INTERNAL BUDGET WITHOUT DRASTICALLY SACRIFICING CUBA'S ECONOMIC AND SOCIAL DEVELOPMENT.

THE STEEP FALL IN CUBA'S HARD CURRENCY EARNING IS ATTRIBUTED TO LOW WORLD SUGAR AND OIL PRICES. CUBA SELLS PART OF ITS QUOTA OF APPROXIMATELY THIRTEEN MILLION TONNES OF OIL IT RECEIVES FROM THE SOVIET UNION ON THE WORLD MARKET. IN 1984 AND 1985 THE RESALE OF PETROLEUM BROUGHT CUBA MORE HARD CURRENCY THAN IT RECEIVED FROM ITS SUGAR EXPORTS.

AMONG THE MEASURES WHICH WILL BE IMPLEMENTED NEXT YEAR ARE A TWENTY PERCENT CUT IN GASOLINE CONSUMPTION BY GOVERNMENT AGENCIES, A RISE IN ELECTRIC POWER RATES FOR THE CONSUMER AND THE REDUCTION IN THE QUOTA OF KEROSENE FOR CUBANS WHO USE KEROSENE STOVES.

==MORE/LEM

NNNN

UU LEN NYK BAS

MIS:BUDGET 2HAVANA

DURING THE NATIONAL ASSEMBLY SESSION A LAW ON STATE ECONOMIC AND SOCIAL DEVELOPMENT FOR 1987 WAS ALSO APPROVED. THE LAW PROJECTED AN ECONOMIC GROWTH RATE OF BETWEEN 1.5 AND 2.0 PERCENT FOR 1987 AND AN OVERALL RISE IN EXPORTS OF FIVE TO SIX PERCENT. THE GOAL FOR THE ECONOMIC GROWTH RATE IS THE LOWEST IN RECENT YEARS.

IN HIS SPEECH TO THE ASSEMBLY FOLLOWING THE APPROVAL OF THE BUDGET AND THE ECONOMIC AND SOCIAL PLAN FOR 1987, CUBAN PRESIDENT FIDEL CASTRO MADE A LENGTHY SPEECH IN WHICH HE ANALYZED THE DIFFICULT ECONOMIC SITUATION OF CUBA. HE READ OFF A LIST OF AUSTERITY MEASURES THAT WOULD BE IMPLEMENTED NEXT YEAR WITH THE GOAL OF REDUCING HARD CURRENCY EXPENDITURES AND BALANCING THE ISLAND'S DOMESTIC BUDGET.

AMONG THE AUSTERITY MEASURES ARE A TWENTY PERCENT CUT IN GASOLINE CONSUMPTION BY GOVERNMENT AGENCY, A RISE IN PRICE OF GASOLINE, THE REDUCED USE OF GOVERNMENT OWNED VEHICLES FOR PRIVATE PURPOSES, A RISE IN ELECTRICAL POWER RATES AND IN LOCAL AND INTER-PROVINCIAL BUS FARES.

THE CUBAN LEADER ALSO ANNOUNCED THAT LESS IMPORTED SKIMMED MILK WILL REDUCE THE AMOUNT OF +LIQUID MILK+ DURING CUBA'S DRY SEASON WHEN NATIONAL MILK PRODUCTION GOES DOWN. HE ALSO SAID THE FREE LUNCHES AT WORKERS CAFETERIAS WOULD BE ENDED AND THAT THE SNACK BARS IN GOVERNMENT AGENCIES WOULD BE SHUT DOWN. IN THE PAST, CASTRO HAS OBSERVED THAT TOO MUCH TIME IS WASTED BY

OFFICE EMPLOYEES AT THE SNACK BARS IN DETRIMENT TO PRODUCTIVITY

==REUTER/LEM

NNNN

UU LEN NYK BAS

POL: CASSTRO-AUSTERITY 3HAVANA

FIDEL CASTRO SAID THAT CUBA COULD NOT DEPEND ON THE SOVIET UNION TO SOLVE ITS HARD CURRENCY SHORTAGE BECAUSE THAT NATION HAS BEEN HIT HARD BY THE FALL IN OIL AND NATURAL GAS WORLD MARKET PRICES. HE SAID THAT FOR THE FIRST TIME, CUBA WAS NOT ABLE TO MEET ITS PAYMENTS ON FOREIGN COMMERCIAL LOAN MATURITIES FOR 1986.

AS PART OF A CONTINUING CAMPAIGN FOR GREATER EFFICIENCY, CASTRO ANNOUNCED THAT ON THE JOB MEETINGS SHOULD BE REDUCED BY FIFTY PERCENT.

THE CUBAN LEADER TOLD THE DELEGATES TO CUBA'S PARLIAMENT THAT HE IS CONFIDENT THAT THE ISLAND WILL SUCCESSFULLY WEATHER THE CURRENT HARD TIMES. HE SAID THAT THE LEAN HARD CURRENCY YEARS COULD BE VERY USEFUL +IF THEY TEACH US TO BE MORE EFFICIENT, MORE THRIFTY AND MORE RESPONSABLE.+

==REUTER/LEM

NNNNN

*
28354 RESLDN 6

UU LEN NYK BAS

POL: CASTRO-AUSTERITY 2HAVANA

~~THE CUBAN LEADER SAID THAT THE SALE OF ELECTRICAL APPLIANCES THAT CONSUME LARGE AMOUNTS OF ELECTRICITY, LIKE STOVES, WOULD BE DISCONTINUED. HE ALSO PROJECTED THE EXPORTATION OF AN ADDITIONAL TEN MILLION SQUARE METERS OF CUBAN MADE CLOTH WHICH WOULD REDUCE THE QUANTITY AVAILABLE FOR DOMESTIC USE.~~

~~THE SIXTY YEAR OLD LEADER SAID THAT THERE WOULD BE LESS +LIQUID MILK+ AVAILABLE. DURING THE DRY SEASON, FRESH MILK PRODUCED IN CUBA IS MIXED WITH IMPORTED POWDERED MILK BOUGHT WITH HARD CURRENCY. THE IDEA, ACCORDING TO CUBAN OFFICIALS, IS TO CUT DOWN ON POWDERED MILK IMPORTS. THEY SAID THAT, AS IN THE PAST, ALL CHILDREN UNDER SEVEN AND ADULTS WITH DOCTORS PRESCRIPTIONS WILL BE GUARANTEED A LITER OF MILK A DAY.~~

~~DAILY ALLOWANCE FOR CUBAN OFFICIALS TRAVELLING WITHIN CUBA OR OVERSEAS WILL ALSO BE REDUCED UNDER THE NEW AUSTERITY PLAN WHILE LOCAL BUS FARES WILL GO UP FROM FIVE TO TEN CENTAVOS (6.1 CENTS TO 12.2 CENTS). IN ORDER TO CUT DOWN FURTHER ON EXPENDITURES, FREE LUNCHES WILL BE ELIMINATED AT WORKERS CAFETERIAS AND SNACK BARS AT GOVERNMENT AGENCIES WILL CLOSE DOWN. THE NUMBER OF HOURS OF TELEVISION PROGRAMMING WILL BE CUT BACK AND THE HOURS OF SPORTS EVENTS WILL BE CHANGED IN ORDER TO SAVE ELECTRICITY USED IN NIGHT LIGHTING.~~

~~PARTIES (FIESTAS) THROWN BY ANY GOVERNMENT ENTITIES WILL NOW HAVE TO BE SELF-FINANCING AND THERE WILL AN INCREASE IN THE PRICE OF SOME PRODUCTS AT STORES AND AMRKETS WHICH SELL NON-RATIONED FOOD AND OTHER ITEMS..~~

==MORE/LEM

NNNNN