UU LCF LCT GMW BAS 1984
FIN:DEBT
CUBA TO REQUEST FRESH MONEY IN UPCOMING MEETING WITH CREDITORS: RR 86-57 (1)
BY LIONEL MARTIN

HAVANA, NOV 7, REUTER -- CUBA WILL REITERATE ITS REQUEST FOR THREE HUNDRED MILLION DOLLARS IN FRESH MONEY IN ORDER TO PAY ITS 1986 MATURITIES ON ITS SHORT TERM COMMERCIAL DEBT WHEN ITS MEETS IN PARIS ON NOVEMBER 18 AND 19 WITH REPRESENTATIVES OF CREDITOR BANKS LED BY THE CREDIT LYONNAIS, A CUBAN CENTRAL BANK SOURCE TOLD REUTER.

THE SOURCE SAID THAT BECAUSE OF CUBA'S CRITICAL SHORTAGE OF HARD CURRENCY +WE NEED THE SUPPORT OF THE MAIN CREDITOR BANKS IN THE FORM OF FRESH MONEY TO OVERCOME OUR TEMPORARY LIQUIDITY PROBLEM.+

THE CREDITOR BANKS WERE TOLD LAST SUMMER THAT CUBA WOULD HAVE TO FALL IN ARREARS ON ITS PAYMENTS OF THE 1986 MATURITIES ON ITS SHORT TERM LOANS OF UP TO TWO YEARS BUT THAT HAS NOT INTENTION OF DEFAULTING.

CUBA'S MAIN PROBLEM, ACCORDING TO THE OFFICIAL, IS THE EXPECTED DROP OF SIX HUNDRED MILLION DOLLARS IN HARD CURRENCY EARNINGS DURING THE CURRENT YEAR. HE ATTRIBUTED THE SHORTFALL TO ROCK-BOTTOM CRUDE SUGAR PRICES, THE DECLINE OF THE DOLLAR, THE DROP IN OIL PRICES AND THE DRAMATIC DAMGE TO AGRICULTURE OF LAST YEAR'S HURRICANE KATE AND A FOUR YEAR DROUGHT.

ALTHOUGH CUBA PRODUCES LITTLE PETROLEUM, ITS EARNED FORTY-TWO PER CENT OF ITS HARD CURRENCY BY RE-EXPORTING ABOUT THREE MILLION TONNES OF OIL IN 1985 SAVED FROM ITS CONSIGNMENT OF THIRTEEN MILLION TONS IMPORTED FROM THE SOVIET UNION. THEREFORE, THE STEEP DECLINE IN WORLD OIL PRICES HAS HIT THE CUBAN ECONOMY SO HARD.

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57(2)

UU LCF LCT GMW BAS
FIN:DEBT ZHAVANA

IN JULY, THE PARIS CLUB AGREED TO THE OFFICIAL DEBT RESCHEDULING IUNDER TERMS SIMILAR TO 1985 WITH REPAYMENTS OVER A TEN YEAR PERIOD WITH FIVE YEARS OF GRACE. BUT THE PARIS CLUB REFUSED TO MOVE THE CUT-OFF DATE, AFTER WHICH NEW DEBTS WERE INELIGIBLE FOR FINANCING, FROM SEPTEMBER 1, 1982. IT ALSO REFUSED CUBA'S REQUEST FOR FRESH MONEY AND SUGGESTED IT TURN TO THE PRIVATE COMMERCIAL BANKS.

CUBA HAS TOLD THE PARIS CLUB AND ITS COMMERCIAL CREDITORS THAT IT WOULD TAKE UNILATERAL MEASURES TO GENERATE THREE HUNDRED MILLION DOLLARS OF THE SIX HUNDRED MILLION DOLLAR 1986 HARD CURRENCY SHORTFALL BUT THAT THE ADDITIONAL THREE HUNDRED MILLION DOLLARS SHOUL
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COME FROM FRESH MONEY PROVIDED BY THE CREDITOR BANKS.

AS PART OF ITS EFFORTS TO IMPROVE ITS BALANCE OF PAYMENTS SITUATION, THE CUBAN GOVERNMENT AGREED TO CUT HARD CURRENCY IMPORTS FROM 1.1 BILLION DOLLARS IN 1985, TO 970 MILLION DOLLARS IN 1986 TO 900 MILLION DOLLARS IN 1987. THIS MEANS THATCUBA'S TRADE WITH THE MARKET ECONOMY NATIONS IN TERMS OF VALUE SHOULD DROP FROM 14.6 PER CENT IN 1985. OVER PAST YEARS, CUBAN OFFICIALS DECLARED THAT IN ORDER THAT CUBA HAVE A HIGHLY VIABLE ECONOMY ITS NEEDS TWENTY TO TWENTY-FIVE PER CENT OF ITS TRADE WITH THE WEST, JAPAN AND OTHER HARD CURRENCY AREAS.

CUBAN OFFICIALS HAVE SAID THAT THE CARIBBEAN ISLAND ALSO PROJECTS AN INCREASE IN ITS HARD CURRENCY EARNINGS BY SELLING MORE TRADITIONAL AND NEW, NON-TRADITIONAL PRODUCTS ABROAD AND BY GREATER TOURISM.

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FIN:DEBT 3HAVANA

57 (3)

ONE WESTERN DIPLOMAT COMMENTED THAT +CUBA HAS AN INCREDIBLY SOUND RECORD FOR DEBT PAYMENTS ANDONE FINDS HERE IN HAVANA THAT THEY CONSIDER REPAYMENT A MATTER OF HONOR.+

ACCORDING TO WESTERN EMBASSY SOURCES, ALMOST ALL SOURCES OF MEDIUM AND LONG-TERM LOANS FOR CUBA HAVE DRIED UP AND IN SOME CASE, SUCH AS CANADA, GOVERNMENT INSURANCE AGENCIES HAVE LIMITED THEIR GUARANTEES ON SHORT ERM LOANS TO BUSINESSMEN WHO WANT TO TRADE WITH CUBA..

THE CUBAN NATIONAL BANK IN ITS PERIODIC REPORTS TO CREDITORS HAS INSISTED THAT THE CREDITOR NATIONS HELP THEM FIND MARKETS FOR THEIR GOODS. A CUBAN BANKING SOURCE LAUDED THE INITIATIVE OF GREAT BRITAIN'S LORD SELSDON WHO VISITED HAVANA LAST JANUARY AND PROJECTED THE IDEA THAT BRITISH BANKS AND COMPANIES SUPPORT CUBAN EXPORTS OVER A FIVE YEAR PERIOD IN ORDER TO GENERATE HARD CURRENCY FOR CUBA SO THAT IT CAN BUY BRITISH PRODUCTS.

WHILE CUBAN BANKING OFFICIALS REFUSE TO PREDICT THE FUTURE, THEY EXPRESS THEIR HOPE THAT SUGAR AND OIL PRICES WILL RISE. CUBAN PRESIDENT FIDEL CASTRO, WHILE VISITING A TRADE FAIR IN HAVANA ON NOVEMBER 5 TO INSPECT MACHINERY AND OTHER PRODUCTS FROM HARD CURRENCY NATIONS OBSERVED THAT THE FAIR +COINCIDES WITH OUR CRISIS IN HARD CURRENCY.+ HE ADDED, +IT IS NOT THE BEST MOMENT BUT THERE WILL BE BETTER ONES.+ (NO ES EL MEJOR MOMENTO PERO HABRA UN OMOMENTO MEJOR+)

PART OF THE BLAME FOR CUBA'S DIFFICULT HARD CURRENCY SITUATION HAS BEEN PLACED AT THE DOOR OF THE UNITED STATES BY CUBANOFFICIALS. CUBAN VICE-PRESIDENT CARLOS RAFAEL RODRIGUEZ, SPEAKING AT A MEETINGOF COMECON IN BUCAREST ON NOVEMBER 3 SIAD: +THE UNITED STATES, INCAPABLE OF WINNING ITS OBJECTIVES BY MILITARY THREATS AGAINST CUBA...CONCENTRATES ITS EFFORTS ON THE ECONOMIC SPHERE AND WORKS UNDERHANDEDLY SO THAT CUBA WILL NOT RECEIVE FRESH MONEY WITH THE REFINANCING OF ITS DEBT SO THAT IMPORTANT TRADITIONAL IMPORTERS OF CUBA CANCEL THEIR PURCHASES OF SUGAR.+ HE ALSO ACCUSED THE UNITED STATES OF +HARASSING CUBAN NICKEL SALES OVERSEAS.+ (LOS ESTADOS UNIDOS, INCAPACES DE CONSEGUIR SUS OBJETIVOS CON LA AMENAZA MILITAR A CUBA..CONCENTRAN SUS ESFUERZOS EN EL TERRENO DE LA ECONOMIA Y TRABAJAN SINESTRAMENTE POR QUE CUBA NO RECIBA DINERO FRESCO CON EL REFINANCIAMIENTO DE SU DEUDA PARA QUE LOS IMPORTADORES TRADICIONALES DE CUBA CANCELEN SUS COMPRAS DE AZUCAR+ FEVUU LCF LCT GMW BAS
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