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Country: Cuba

Subject: General Business Conditions/Money and Banking/Foreign Exchange/
Sugar/Political/Money Supply/Government Revenue

Place Acquired by Source: -----
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Date Acquired by Source : [Redacted]

Date of Information : Feb 52 - Mar 53

Source Description: [Redacted]

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1. General Business Conditions: There has been some further deterioration in the business situation during March 1953. The expected improvement that usually occurs during this season from the activity of the sugar crop has not yet developed and collections from the interior have shown no improvement. Department store sales have been lower than a year ago and sales of automobiles and trucks, gasoline and oil, as well as textiles, have declined. In hardware and agricultural machinery lines sales have been especially weak. The provisions trade reports satisfactory business with inventories on the short side. Most merchants are watching their credits carefully. Foreign bills are being paid fairly promptly, although requests for extensions have been more numerous.
2. Money and Banking: Bank deposits increased about P.8,000,000 during the month Feb-Mar 1953 and totalled P.719,500,000 as of 9 March. Loans increased about P.7,000,000 to a total of P.435,300,000, reflecting the financing of the sugar crop. Bond portfolios increased P.4,700,000 to P.69,700,000. Advances and rediscounts at the Banco Nacional de Cuba as of 5 March were P.39,192,783, a decrease of about P.3,700,000 since 12 February. The demand for loans has been active and money rates continue firm. Bank clearing for the month ended 13 March were P.353,529,322 compared to P.317,908,884 for the month ended 13 February.
3. Foreign Exchange: Dollars are still readily available for all requirements at the usual rate. The monetary reserves of the Banco Nacional de Cuba are reported as of 10 March at US \$486,516,120 compared with US \$467,508,104 on 10 February, the improvement being due to larger offerings of sugar export bills.
4. Sugar: The harvesting of the sugar crop is proceeding normally and production to 14 March is reported at 1,850,000 long tons compared with 2,290,000 long tons on the same date last year. Weather conditions have been favorable and yields are generally satisfactory. At the present rate of production, most mills will have finished their grinding quotas by the middle of next month. Inasmuch as 30% or more of the cane crop will be left standing in the fields,

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expenditures for cultivation and replanting will no doubt be held to a minimum and unemployment during the dead season will be higher than usual. Although the outlook for the sugar industry is not promising at the moment, Cuba is observing strictly the program for crop restriction and for the orderly marketing of last year's carry-over, now reduced to 1,400,000 tons. The success of these plans for bringing the industry into balance will depend in large measures upon the results of the International Sugar Conference which will probably be held in London next August.

5. "Political: The Cabinet has postponed indefinitely the presidential elections that had been scheduled for November of this year. Elections for senators, representatives, governors, etc., have been postponed until 1 June 1954. The congress elected at that time will determine the length of the president's term of office and set the date for the next presidential election.

6. "Money Supply (Mil. Pesos):

	Deposits at Banco Nacional			Treasury Notes and Notes of Banco Nacional	Grand Total
	Peso Dep.	Dollar Dep.	Total		
Feb 1952	179	25	204	393	597
Feb 1953	163	15	178	419	597

7. "Government Revenue (Mil. Pesos):

	<u>1 July to 31 January</u>	<u>February</u>	<u>1 July to 28 February</u>
Fiscal Year 1951-1952	193	25	218
Fiscal Year 1952-1953	189	21	210"

- end -

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