

1. Cuban Foreign Exchange Reserves  
Reportedly Exhausted

The Cuban Government's foreign exchange reserves are almost exhausted, and finance officials were forced on 18 November to cancel orders for urgently needed materials—such as sugar bags, according to a source believed reliable by the American Embassy. Fidel Castro himself was not immediately informed of the situation for fear of his reaction. The National Bank's account with one of the two principal Canadian banks in Cuba is overdrawn, and there can be no normal significant replenishment of the Cuban reserves until the new sugar crop is exported, beginning in January.

Cuba is still dependent on Western sources for some materials not available through present Sino-Soviet barter deals. Continued inability to purchase such goods, particularly food and consumer goods and materials for the critically important petroleum industry, would pose grave problems for the regime. Cuban banking officials reportedly doubt that relief will be forthcoming from the Soviet Union.

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