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Cuba Reported Working On Shakeup in Economy

Reuters

HAVANA, Aug. 25 — Top Cuban officials were reported working today on a major economic shakeup for this island nation.

Supervised by President Osvaldo Dorticos, senior government officials are reviewing all commercial contracts under negotiation with Western nations as part of the shakeup, informed sources reported.

Premier Fidel Castro's regime was said to feel that it had been committed to a number of contracts with Western nations at disadvantageous terms. Alberto Mora was dismissed as Foreign Commerce Minister last month for this reason, the sources said.

Contract Talks Frozen

The sources said they understood that all negotiations on commercial contracts with the West have been frozen pending completion of the review.

Linked with the problem of assertedly disadvantageous contracts, it was said, was the reported sharp drop in Cuba's foreign reserves and the difficult situation the country faces in future trading operations as a result of the low world price of sugar.

The sources stressed that the review would have no effect on contracts already signed, such as the one for buses with Britain's Leyland Co.

Report Not Confirmed

The sources also said they had no confirmation of reports from outside this country that all Cuban letters of credit, including those for purchases already made, had been suspended.

In both government and foreign diplomatic circles there has been speculation about whether Castro might name a "czar" to run Cuba's economy as part of a shakeup.