

Post 8/22/64

Cuban Credit Crisis Halts Foreign Buying

NEW YORK, Aug. 21 (UPI) — Cuba has suspended purchases abroad and all letters of credit, including those for purchases already made, financial sources said today.

The sources said the orders were issued in Havana last week and addressed to Cuban foreign-trade representatives overseas. The stop-buy edict also ordered an end to all negotiations.

Exempted from the order were parts and supplies needed for the sugar and nickel industries and material for a medical research center.

The drastic cutback was interpreted to mean that Cuba has spent more than it has taken in and now must retrench. The latest development confirmed recent National Foreign Trade Council speculation based on reports from the Financial Times of London and the New York Journal of Commerce that near-chaos in its finances could force Cuba to suspend credit for foreign purchases.

It may also clarify recent shifts in top economic posts which resulted in the ouster

of Regino Boti from the Economy Ministry, Marcelo Fernandez as president of the Cuban National Bank and Maj. Alberto Mora as Minister of Foreign Commerce, and the establishment of a Ministry for Sugar Affairs.