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Latin America Review

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19 June 1987

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Col	lombia: ˈ	Working	
To	Sustain	Growth	

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Despite the drop in international coffee prices since mid-1986, Colombia's economy continues to perform well, and GDP growth this year may come close to matching the 5.3-percent rise in 1986. President Barco's efforts to reduce Colombia's dependence on coffee, to give the private sector a greater role in shaping economic development, and to increase foreign investment in the energy sector are keeping the economy moving forward. Although insurgents have temporarily disrupted the flow of oil through the country's major pipeline this year, foreign investor and lender confidence remains high. Bogota successfully issued \$50 million in floating rate notes in the London market recently, and the government is likely to gain up to \$800 million in commercial bank loans this year.

Laying the Groundwork

Barco, who took office last August, inherited an economy strengthened by nearly two years of domestic stabilization efforts and increased revenues from coffee, oil, and coal exports. Tight limits on government spending set by Barco's predecessor and new taxes had cut the public deficit in half by 1985; last year, it fell further, to 1.5 percent of GDP. Major Colombian firms were able to refinance their foreign debts in 1985, halting the erosion of foreign exchange reserves. A reform begun in 1982 of the ailing domestic financial system—which had suffered from a lack of liquidity, widespread corruption, and insider loans made by the banks—has left the banking sector in its best shape in a decade.

Real GDP grew 5.3 percent in 1986, up from 2.3 percent in 1985, with the mining sector—mainly oil and coal—leading the way. Increased oil production from the Cano Limon field made the nation self-sufficient by March 1986, and total production increased 70 percent to an average of 300,000 barrels per day. Coal production from El Cerrejon project increased by 51 percent and gold production by 12 percent.

Coffee was also a major contributor to growth in 1986, with total sales of more than 10 million 60-kilo bags—up 15 percent over 1985. The textile industry, which began to revive in 1985, showed improved performance in 1986—growing by 40 percent. Contraband textiles from Panama and East Asia had captured almost 30 percent of the local market during 1980-82, but this second-most important industry (next to foodstuffs) was reinvigorated through financial infusions, changes in market strategies, and new technology.

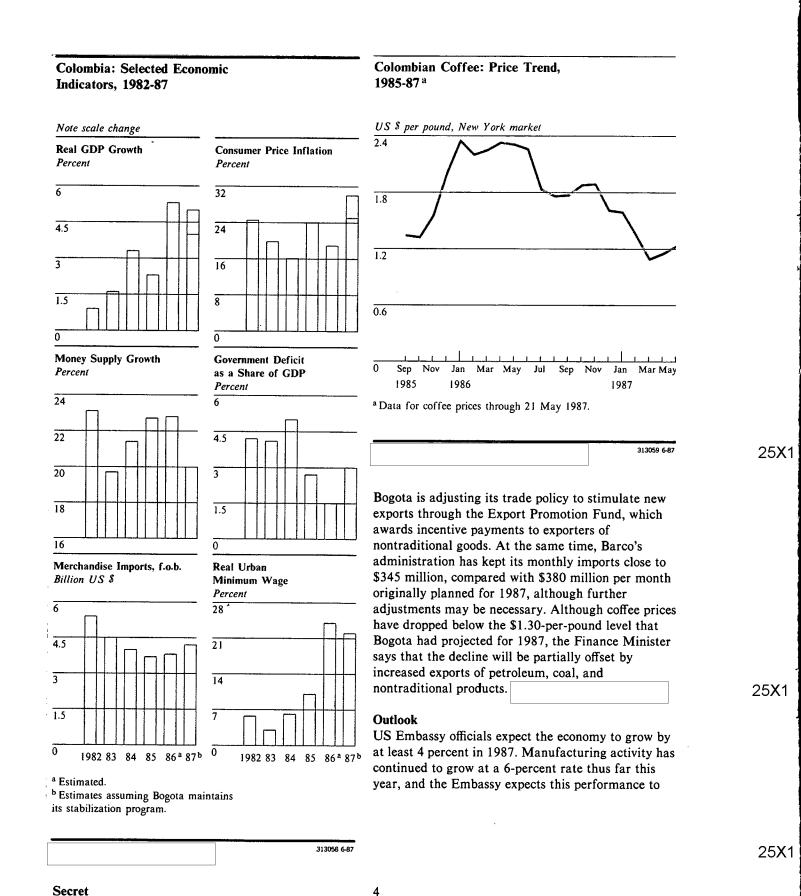
In 1986, soaring coffee prices, increased energy exports, and lower world interest rates improved Colombian external accounts, leading to the first current account surplus since 1979. Coffee, which led export gains, accounted for more than 50 percent of total foreign sales.

Coping With Declining Coffee Earnings

This year, however, coffee prices have been cut nearly in half. Combined with a falling volume of coffee exports, the lower prices have caused earnings in the first quarter of 1987 to drop more than \$200 million below the same period last year. Foreign exchange reserves fell \$211 million during the same period, but the Finance Minister has stated that the country's current \$2.7 billion in reserves are adequate to sustain GDP growth of 4 to 5 percent this year, and that Colombia will continue to service its \$13.5 billion public-sector debt as long as commercial banks keep their credit lines open. Nonetheless, in a precautionary move, the Central Bank reportedly has sold some of its gold holdings to increase the liquidity of its reserves. Business and opposition leaders are pressing Barco to review his debt policy, with an eye to obtaining a debt rescheduling with lower interest rates.

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Colombia: Balance of Payments, 1982-87

Million US \$ (except where noted)

	1982	1983	1984	1985	1986 a	1987 b
Current account balance	-3,055	-3,003	-1,401	-1,220	597	-575
Trade balance	-2,244	-1,494	246	149	1,838	990
Exports, f.o.b.	3,114	2,970	4,273	3,883	5,638	5,130
Coffee	1,577	1,536	1,799	1,712	2,973	1,620
Oil	279	378	445	410	604	1,375
Coal	0	0	0	121	212	280
Imports, f.o.b.	5,358	4,464	4,027	3,734	3,800	4,140
Net services and transfers	-811	-1,509	-1,647	-1,369	-1,241	-1,565
Interest on debt	988	937	.940	1,234	1,222	1,300
Debt amortization	336	636	704	645	908	1,000
Financial gap	-3,391	-3,639	-2,105	-1,865	-311	-1,575
Direct investment	337	514	561	728	679	500
New medium- and long-term capital inflows (net)	1,322	983	1,278	1,330	1,751	1,900
Short-term capital and errors and omissions (net)	1,732	2,142	266	-193	-2,119	-825
Other financial items						
External debt (yearend)	9,528	10,554	11,611	12,847	14,989	15,513
Short term	3,109	2,872	2,230	1,966	2,000	2,000
Debt service ratio (percent)	32	29	33	34	37	. 45
Foreign exchange reserves at end of year d	3,861	1,901	1,364	1,595	2,696	2,300

a Estimated.

d Excludes gold.

competitive. Combined crude oil and coal exports are expected to double to \$1.7 billion this year, overtaking coffee in the export earnings rankings.

continue. Lower coffee prices have not yet resulted in a real drop in income in the coffee-growing areas because the government is supporting the domestic producer price. Funded by Coffee Federation levies made in years when prices were high, this pricing policy will help keep production as well as the domestic purchasing power at relatively high levels this year.

Prospects for nontraditional exports are generally good. Peso devaluations are making Colombian manufactured goods, shrimp, and tobacco more

To attract investment and technology in the computer and related services sector, the government has decided to make patent and trademark legislation more effective. The Finance Minister told international bankers this past spring that a bill with eased terms for foreign participation and for debt-forequity swaps in the banking sector—an area

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^b Projection-assumes Bogota maintains its stabilization program.

c As a share of exports of goods and services.

Jamaica: A PNP Without Manley		25X1
This article analyzes the near-term prospects for the opposition People's National Party (PNP) in the evenits leader, former Prime Minister Michael Manley, is unable to resume his responsibilities because of illness. The article speculates about the course that a future PNP government might take without Manley at the helm. The question of whether Manley will return to effectively lead the PNP into the national election and beyond hangs over the party's future and is certain to have a major impact on political events in Jamaica.	Michael Manley, leader of People's National Party	25X1 25X1
	Camera Press ©	25 X 1
many PNP officials fear Manley will not have recovered sufficiently to undertake the kind of rigorous campaign they think will be needed to ensure victory over Prime Minister Edward Seaga and his Jamaica Labor Party (JLP). Should Manley return to power and become incapacitated or resign at some point, we believe his departure could seriously threaten the dominance of PNP moderates and possibly lead to a resurgence of the party's radical leftist wing.	Manley's prolonged political inactivity or death almost certainly would trigger debilitating party infighting. PNP chairman P. J. Patterson—a political moderate—has temporarily consolidated his position as acting party leader, but the party would not replace Manley unless he died. We believe Manley's continued absence or inactivity, however, could prompt radicals to make strong bids for key party positions at the PNP annual conference scheduled for September. In Manley's absence, Patterson reportedly calculates he would have the support of roughly 1,400 of the 2,000 voting delegates at the conference.	25X1
The Campaign Period Although reliable polls indicate the PNP is likely to win the next election—which must be called by December 1988—by 10 to 15 percentage points, Manley's inability to return as a vigorous party leader	Nevertheless, leftists probably sense an opportunity to regain influence lost following the party's massive defeat in 1980. Many rank-and-file leftists reportedly are backing Patterson's chief rival, Portia Simpson, as	25X1
could, in our view, jeopardize the opposition's bid to defeat Seaga. According to the US Embassy in Kingston, infighting occurs typically in the PNP even when Manley is fully in charge, but the party tends to become badly divided and much less effective politically when his firm leadership is absent.	successor to Manley. some prominent leftists grudgingly assess Patterson as more competent than Simpson and would support him until they rebuild their own power bases in the party.	25X1 25X1 25X1 25X1 25X1

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	2	25X6 25X6 25X6 25X1 25X1 25X1
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A PNP Government

Even if Manley leads the PNP to victory in the election, there is a reasonable chance that health and other personal reasons might prompt him to step down as Prime Minister before his five-year term ends.

moderate party leaders and prominent leftists believe that a reelected Manley, having achieved vindication for his electoral loss to Seaga in 1980, would resign within two years. Patterson no doubt would look for Manley to clear the way for him to lead the party into the next election by retiring at least a year before his term ends. Although Manley favors Patterson as his eventual successor, many party insiders believe that Manley's

endorsement is not enough to fend off strong challenges from other contenders or radical factions,

As Prime Minister, Patterson would, in our view, attempt to maintain the relatively moderate image and policies developed by Manley in opposition.

Patterson's power base in the party is the moderate wing of Manley loyalists who reject the radical ideology adopted by the PNP in

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the 1970s.	Patterson would	We also believe that the PNP would scale down the	25X1
have difficulty changing politi risking the support of this key		close cooperation with Washington in	0EV4
risking the support of this key	group.	counternarcotics efforts pursued by the Seaga government. Although the PNP and JLP probably	25 X 1
Despite the moderates' domin	ance of the party we	both receive some funding from drug traffickers,) OEV4
believe that a PNP government		drug kingpins	25X1
Manley—would adopt a more		have increased their support to the opposition because	25 X 1
policy. On the one hand, the l		of the government's aggressive marijuana eradication	
does not want to antagonize t		program. In our judgment, the PNP is unlikely to see	
United States and would not	-	any political advantage to be gained at home by	
ownership or nationalization of	-	maintaining the momentum of the widely unpopular	
hand, the party is on record a		eradication efforts begun by Seaga. The result, in our	
Caribbean Basin Initiative and		view, would be a rebounding of Jamaica's drug	
policy in Central America.		industry and an increased flow of marijuana to the	25X1
		United States regardless of who would lead a PNP	20/()
Moreover, even though the cu	rrent PNP leadership	government.	25X1
understands the importance o	f friendly relations with		
the United States, Embassy			
reporting indicates a PNP gov	vernment would]
reestablish diplomatic ties to	• •		25X1
in 1981—and allow Havana t		25V1	20,71
Kingston. The PNP and Cuba	=	25X1	
be more cautious and subtle the			
relationship, which would nev			
	Should the radicals at		25X1
some point regain positions of			
a distinct possibility in the ab	▼		
charismatic leadership—we b			
relationship with Cuba would			
and more open while relations			OEVA
would be correspondingly coo	ier.		25 X 1

Brazil-USSR: Growing Efforts at Technological Cooperation

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Soviet efforts to increase scientific and technological cooperation with Brazil have gained momentum during the past year. Exchange visits by scientists are increasing and Moscow shows mounting interest in acquiring Brazilian fiber optics and microcomputers. Brasilia is responding cautiously, in the face of bureaucratic disagreements and financial constraints. We believe Brazil will continue to move carefully in expanding technological cooperation, but increased friction with the United States would strengthen Brazilian nationalists, who advocate accelerating scientific dealings with the Soviets.

late February assessed the possible installation of Brazilian research equipment on the Soviet orbital station MIR and Brazilian participation in the manned Soviet space mission to Mars in 1992.

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Fiber Optics. The Soviets are demonstrating a growing interest in acquiring fiber-optic technology, and two Brazilian companies are negotiating possible sales agreements with the USSR. One firm is negotiating the sale of terrestrial and submarine cable. The

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deal is reportedly languishing because, in order to fulfill the contract, the Brazilian company would need to purchase fiber-optic cable in the United States or elsewhere. The second company, ABC X-TAL, sells telecommunications equipment to several East European countries and is discussing the sale of single-mode optical fiber to the Soviets. Although the company is unable to export optic fibers, it is expanding its domestic production capability to begin exporting to the USSR and other foreign purchasers,

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according to Embassy reports.

25X1 Computer Technology. The USSR has encouraged the Brazilian computer industry to participate in Soviet-sponsored, high-tech expositions. The Soviet Ambassador recently acknowledged his country's intention to purchase Brazilian-made microcomputers. Nevertheless, a push by the Soviets for programs to promote an exchange of computer

technology has been unsuccessful, Although the Soviet Union is a potentially large market for Brazilian computers,

security and commercial considerations are likely to impede Brasilia's willingness to authorize future equipment sales by Brazilian businessmen.

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New Soviet Overtures

Moscow stepped up its drive to promote a bilateral exchange of technology in a meeting of the Brazilian-Soviet Mixed Commission in Brasilia last April

Soviet Interests

Although the Brazilians seem to favor restricting technological cooperation to pure science, the Soviets are interested in applied technology, especially fiber optics and computer hardware.

Space Cooperation. Moscow continues efforts, begun in 1984, to build ties to Brazilian space scientists. The Brazilian press reports that two Soviet space scientists visited Brazil last year and offered to supply rockets for Brazilian telecommunications and research satellites. According to the same press account, the Bilateral Mixed Commission meeting in Moscow in

The Future Brazilian Response

Brazilian self-interest will be the primary factor guiding the pace and scope of future technology transfers with the Soviet Union. We judge that, for Brazil, the search for lucrative new export markets and the desire to acquire inexpensive technology will be the main factors in establishing parameters for governing the exchange of applied technology with the Soviets. Pure scientific cooperation so far has been limited to a fairly small number of academic exchanges. Financial constraints and a desire to evaluate the findings from recent exchanges will probably work to slow the future pace of scientific cooperation.

Although most of the key Brazilian scientific decisionmakers seem willing to move forward cautiously, we believe the stridently anti-Communist Brazilian military, through its representatives on the National Security Council, will weigh in forcefully against the transfer of what it deems sensitive technology. The National Intelligence Service, for example, reportedly favors restricting exchanges with the Soviet Union to the pure sciences. We doubt the military high command will authorize exchanges in the area of applied science because of their potential military or industrial application

The Ministry of Science and Technology, under the direction of Renato Archer, will probably take the lead in promoting increased cooperation. Archer, an ardent nationalist and opponent of US efforts to alter Brazil's market reserve policy on informatics, probably supports increased cooperation with the

Soviets partly to underscore Brazil's sovereignty in deciding technology transfer issues. His trip to Moscow last November was probably meant to signal Brasilia's willingness to acquire technology worldwide, despite ideological differences. Press reports suggest that the leadership of the National Council for Scientific and Technological Development shares this motivation.

Implications for the United States

The likelihood of a visit to Brazil later this year by Soviet Foreign Minister Shevardnadze will provide additional opportunities for the USSR to push for expanded scientific and technological cooperation. Shevardnadze may find a more receptive ear should tensions between Washington and Brasilia heighten over trade disputes and Brazil's foreign debt. In this event, we believe chances are good that nationalistic elements in the Brazilian Government, supported by jingoistic sectors in the Congress, would press hard for accelerating technological trade with Moscow, and that the ability of military leaders to act as counterweights would be reduced. Moreover, the country's businessmen would have a freer hand in negotiating new deals. In such an environment, the SNI could eventually face increased difficulty in trying to monitor and prevent the trade diversions of sensitive, applied technology.

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Dominica: New Opportunities and Risks for Leftists	25)
The leftist-dominated Labor Party of Dominica (LPD) is gaining popular support and may turn the momentum of a recent string of local election victories into the stiffest challenge Prime Minister Eugenia Charles has faced since assuming office in 1980. In our view, aside from Michael Manley's People's National Party in Jamaica, the LPD—which won 43 percent of the vote in the general election in 1985—has the best chance of any leftist party in the Caribbean region to come to power in the next few years. The possible revelation of the party's close ties to Libya and the Prime Minister's efforts to placate organized labor, however, could jeopardize its popularity. Opposition Strategy Since ending an 18-month boycott of parliamentary sessions last December, the LPD has focused its efforts on winning seats on local councils as a first step in its push toward the next general election, mandated to be called by July 1990. Although the five-member councils have little power, the US Embassy in Bridgetown, Barbados, reports that the results of local elections are often an indicator of the popularity of a political party. The Embassy reports that popular dissatisfaction with high rates of	Although Portsmouth has been the principal power base of Dominican labor parties for over 25 years, Embassy officials report that a realignment of voting districts in April, undertaken at Charles's instruction, was designed to concentrate the voting strength of the ruling Dominica Freedom Party (DFP) supporters. 25) Potential Pitfall Despite the LPD's recent gains, the party's close links to Libya pose a serious threat to continued popular acceptance of the LPD. ties to Libya are at the center of a tactical struggle between the party's radical and dominant moderate leftist wings. The US Embassy reports that LPD moderate leftists, led by Michael Douglas, believe the best path to electoral victory is to avoid alarming the traditionally conservative Dominican populace. Michael Douglas's faction
unemployment—estimated by the Embassy at between 20 and 25 percent—has helped LPD candidates to sweep the seats in several local contests since January. In view of the Prime Minister's recent efforts to outmaneuver the LPD, the opposition's strategy to challenge her through local elections faces a crucial test in July in Portsmouth, the hometown of brothers Michael and Roosevelt (Rosie) Douglas, LPD leaders. The LPD was formed in 1985 by the merger of the former ruling	reportedly is concerned—correctly, in our view—that closer relations with Libya would alienate many voters. In an effort to limit potential damage to the party's image, the LPD executive committee has attempted to rein in Rosie.

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Dominica Labor Party and the United Dominica Labor Party

The LPD's near-total dependence on foreign funding constrains the party's moderate leftists from forcing Rosie to sever ties to Libya.	Outlook Disclosure of the placement of a permanent representative in Libya, a distinct possibility, in our view, would seriously harm the LPD's ability to moderate its leftist image. Within the LPD, we believe the revelation of Rosie's unilateral action	

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oppos	ould strike a serious blow ition party if she reveale ion with the police again	d Michael Douglas's
party.		
distric	dition to realigning the I	taking other measure

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to counter the LPD's recent gains and may be laying the groundwork for an early election, according to the US Embassy. Although relations between public employees and the government—Dominica's largest employer—appeared headed toward a confrontation earlier this year over layoffs and salary issues, the Embassy reports that the Prime Minister in April announced a wage plan to regain civil servant votes. Embassy reporting indicates that, in the months ahead, Charles will be cautious about adopting any austerity measures that would jeopardize employment. The Prime Minister reportedly will have some added leeway to try to alleviate the rate of joblessness by implementing a number of small-scale public works projects with new funds obtained from the IMF and the World Bank.

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Latin America Briefs

Venezuela	Major Oil Find	25 X 1
	The discovery of a large oilfield in eastern Venezuela may double that nation's reserves of relatively valuable light crude and will probably enhance creditworthiness, but Organization of Petroleum Exporting Countries (OPEC) constraints will limit near-term export prospects. Venezuelan petroleum officials believe, on the basis of preliminary assessments, that recoverable crude could total as much as 10 billion barrels, which would increase the nation's total proved reserves by one-fifth.	25X1
·	The discovery provides Caracas a psychological lift at a time of economic stagnation and balance-of-payments difficulties, but Venezuela is unlikely to realize immediate financial benefits. Caracas is constrained under its OPEC agreement to limit output below its existing production capacity. The find, however, will bolster Venezuela's role as a major oil producer well into the 1990s and could improve the confidence of international creditors in Caracas's economic prospects.	25X1
	p. soperis.	20/1
Cuba	New Hard Currency Restrictions	25X1
	Cuba has introduced new measures requiring residents to trade in their foreign exchange for government vouchers, according to press reports. Cubans use hard currency acquired through remittances or foreign travel to buy consumer goods at special hard currency stores or on the black market. The government vouchers will be accepted at the hard currency stores; it is unclear if they will hold their value in the underground economy. The government's acquisition of private hard currency holdings will marginally improve Havana's reserve balances, and may also enhance monitoring of black-market activity. Cuban citizens will almost certainly see the new measure as yet another bureaucratic intrusion on their daily lives.	25X1
Bolivia	Maneuvering for Succession	25X1
	Rumors that President Paz has colon cancer are prompting several ambitious opposition and ruling party leaders to begin maneuvering to succeed him. If Paz were to depart the scene, Vice President Garrett would be first in the official line of succession. His leftist leanings have made him unpopular with the military and his own party, however, lessening his chances of serving as more than a stand-in president.	25X1

	both Garrett and Planning Minister Sanchez de Lozada—one	25X1 25X1
	of Paz's most trusted advisers—have been seeking support in Congress and the Cabinet,	25 X 1
		20/(1
	If Paz leaves office suddenly, Garrett's lack of popularity makes a smooth transition unlikely. Banzer, who provided stability and prosperity from 1971 to	
	1978, has support within the military and private sector. He would most likely be	
	the choice of the military if it had to step in and appoint a civilian president or call an election. Bedregal, who has devised and implemented unilateral foreign policy	
	initiatives, often without Paz's knowledge, has backing from the left and labor that	05)//
	could give him a chance at the presidency.	25 X 1
Dominican Republic	High-Level Military Corruption	25X1
	Widespread, high-level corruption in the Dominican military threatens to	
	undermine its ability to maintain civil order despite recent efforts to remedy this problem by the country's most senior officer.	25X1
	skimming and other corrupt practices in the military continue to occur while	23/1
	President Balaguer's administration levies highly publicized charges of graft	
	against the previous government. Press reports say Balaguer openly sanctions the traditional practice of officers accepting a 10-percent commission on military	
	purchases as long as the bidding occurs openly.	25 X 1
	continue to receive excessive benefits and	25 X 1
	payoffs even though Secretary of State of Armed Forces Lt. Gen. Antonio Imbert Barrera is refusing to sign routine requests for expenditures believed to be	
	fraudulent.	25X1
	Imbert most likely is following Balaguer's instruction to proceed cautiously	
	because the President believes that graft is so deeply ingrained that any sudden change may be too disruptive.	0EV4
	officers are withholding information from Balaguer, suggesting to us that	25 X 1
	corruption in the military is even more rampant than Balaguer believes. We judge	
·	that Imbert's hesitancy to report fully, combined with budgetary constraints and the dearth of well-trained officers, will substantially limit efforts to root out the	
	corruption.	25 X 1
	If the graft remains unchecked, the armed forces, in our view, will have difficulty	
	improving their limited capability to respond effectively to the periodic civil disturbances that are likely to ensue as popular discontent with the economy grows	
	in the coming months. Corruption and concern with personal gain have helped to	
	create inertia at the highest levels of the Dominican military and have deterred it	
	from putting much-needed effort into increasing professionalism in the officers corps,	
	at the top in the armed forces has made the military ill prepared to handle	_25X1
	protracted urban unrest or acts of terrorism.	251

Cuba Chronology

March 1987

1 March

Soviet CPSU Politburo member B. N. Yel'tsin heads a delegation that arrives in Havana en route to Nicaragua. He is met at the airport by Carlos Rafael Rodriguez. Fidel and Raul Castro discuss social and economic developments with Yel'tsin.

Soviet Army General A. D. Lizichev, chief of the main political directorate of the Soviet army and Navy arrives in Havana on a working visit. He meets with division Gen. Ulises Rosales del Toro.

Pravda reports that V. K. Gusev, First Deputy Chief of the CPSU Central Committee for Trade and Consumer Services, headed a delegation of party workers visiting Cuba from 18 to 27 February to discuss social problems and party leadership.

2 March

Cuba and Canada sign a fishing agreement that will keep the fishing quota Canada assigns the Cuban fleet unchanged from last year.

3 March

Vice President of the National Assembly Severo Aguirre del Cristo heads a delegation of the People's Government departing for P'yongyang to attend a consultative meeting from 6 to 10 March.

Politburo member Jorge Risquet receives Silvet Frichot, a member of the Seychelles People's Progressive Front, to discuss the international situation and bilateral relations.

4 March

Havana Radio Reloj reports a low rate of sugar production in Matanzas Province during February. Yields diminished, losses increased, and sugarcane harvest is late.

Havana Radio Reloj reports that audits by the State Committee for Finance show low productivity, singling out the Ministry of the Steelworking Industry.

Interior Ministry Brig. Gen. Luis Felipe Denis Diaz dies at age 53. He was the former Deputy Chief of the Central Committee of the Military Department of the Cuban Communist Party.

Dr. Herbert Weiz, Deputy Chairman of the East German Council of Ministers, receives Ismael Clark, head of the Cuban delegation to the 18th session of the subcommission for scientific-technical cooperation.

Vilma Espin, president of the National Social Prevention and Attention Commission, reports a gradual decrease in crime in 1986. Recreational options for youth will include opening 3,000 dance locations and nine video halls.

5 March

Soviet CPSU member Yel'tsin arrive, back in Havana from Nicaragua and is greeted at the airport by Fidel Castro. Members of his delegation tour Havana and later depart for Moscow.

At the UN meeting in Geneva, Raul Roa Kouri, head of the Cuban delegation to the 43rd session of the UN Commission on Human Rights, says the US never respected human rights in its international relations and even in its own territory.

At a news conference in Havana, Minister of Construction Levi Farah says that 60,000 tons of white cement—which is currently imported—will become available annually when a production line in Siguaney, Sancti Spiritus, becomes operational.

Uruguayan Foreign Minister Enrique Iglesias arrives in Havana and is greeted at the airport by Foreign Minister Malmierca and Deputy Foreign Minister Alarcon. Malmierca and Iglesias discuss bilateral relations.

National Coordinator of the Committees for the Defense of the Revolution Armando Acosta arrives in Berlin to discuss bilateral relations.

6 March

Vice Minister of the Fishing Industry Enrique Oltuski reports that Mexico and Cuba are conducting negotiations to maximize exploitation of their common fishing waters.

Uruguayan General Director of Foreign Trade Isidoro Onara heads a special mission to Havana to explore mutual exchange possibilities.

Foreign Ministers Malmierca and Iglesias sign an economic, industrial, scientific, and technical cooperation agreement. The Cuban-Uruguayan protocol has a five-year term, which can be extended without another agreement.

Carlos Rafael Rodriguez receives Uruguayan Foreign Minister Iglesias to discuss bilateral relations and economic matters.

Fidel Castro presides over the honorary committee for the Third International Medical Technology Fair: Health for All. The fair will take place from 23 to 30 April and will inaugurate the Palace of Conventions exhibit hall.

7 March

Raul Castro and Div. Gens. Rogelio Acevedo Gonzalez and Sixto Batista Santana meet with Soviet General Lizichev, who visits Guantanamo and Holguin.

Soviet General Lizichev and Division General Rogelio Acevedo exchange views on the Communist party's political work in their respective armed forces, stressing the importance of political work in combat readiness.

8 March

Uruguayan Senate Vice President Jose Battle expresses his satisfaction with a meeting with Fidel Castro in which they exchanged views for more than four hours.

Havana Radio reports that Uruguayan legislators and their Cuban counterparts reached significant agreements with Flavio Bravo on the Latin American foreign debt, the need for a new international economic order, and the Central American crisis.

9 March

Dominican President Joaquin Balaguer, speaking with agricultural producers in Palmar de Ocoa, expresses his admiration for Fidel Castro and announces his country will continue in cultural and sports exchanges with Cuba.

Havana Radio Periodico del Aire reports that Uruguayan Foreign Minister Iglesias said he and Fidel Castro discussed the foreign debt, economic problems, and the Central American situation, on which they have similar positions.

Vice Foreign Minister Raul Roa Kouri reports to the Spanish press EFE that Cuba is confident that Latin America will not yield to US maneuvers and pressures to approve an anti-Cuban resolution at the UN meeting on human rights in Geneva.

Foreign Minister Malmierca delivers a message of greetings from Fidel Castro to Guyanese President Desmond Hoyte.

The Uruguayan trade delegation signs a declaration with Cuba. Cuba will import Uruguayan canned meat, frozen poultry, and PVC compound, and a joint project is planned in 1987 between the Cuban and Uruguayan tobacco enterprises.

10 March

The Politburo of the Communist Party approves a national nutrition program to promote an adequate diet for the people. The Ministry of Public Health is the program coordinator.

Politburo member Jorge Risquet represents Cuba at the Soviet-Angolan-Cuban meeting in Moscow during which the international situation, particularly South Africa, is discussed. Unconditional solidarity with the ANC and SWAPO are expressed.

11 March

The Interior Ministry reports the attempted hijacking to the United States of Cubana Airlines Flight 706 departing from Rancho Boyeros Airport to Nueva Gerona, Isle of Youth. The would-be hijacker, Juan Carlos Jimenez Gonzalez, is killed.

Politburo member Jorge Risquet meets in Moscow with Anatoliy Dobrynin to discuss the international situation and Soviet-Cuban cooperation.

23

12 March

Culture Minister Armando Hart meets in Havana with Italian Under Secretary for Foreign Affairs Agnelli, who is in Cuba presiding over the Italian delegation to the fifth Bilateral Economic-Industrial Meeting.

Vilma Espin, Jaime Crombet, and Fidel Castro Diaz-Balart attend the opening of a food radiation plant, the only one of its kind in Cuba and in the Caribbean. Cuba is the 10th country in the world capable of radiating goods at a commercial level.

13 March

Fidel Castro visits the Camaguey School of Medical Sciences, where he receives a report on the progress of the educational center and the Carlos J. Finlay detachment. He speaks with a variety of students attending the institute.

In Guyana, Foreign Minister Malmierca speaks on behalf of Latin America and the Caribbean, calling on the United States to give due respect to the peoples who struggle for their total independence, and to cease its policy of hostility toward Nicaragua.

Cuban Ambassador to Ankara, I. Tapanes Vento, says "There are no Cuban soldiers or advisers in Syria. If any, there may be Cuban personnel such as doctors, engineers, or nurses."

Havana Radio Progreso reports that representatives from the USSR, Poland, Czechoslovakia, and Cuba have signed in Havana a cooperation agreement for the steel industry.

14 March

North Korea's Foreign Minister Kim Yong-nam meets with ICAP President Rene Rodriguez Cruz.

15 March

Fidel Castro tells *Veja* reporters that present-day Latin America is different from that of the 1960s because it is no longer dragged along by the United States.

16 March

On Uruguayan TV, Fidel Castro underscores the enormous importance of the Soviet peace program, stressing that CPSU General Secretary Gorbachev is being especially responsible, as the leader of a great nation should.

A cooperation agreement between the state arbitration organs of Cuba and Bulgaria is signed at the Bulgarian Embassy in Havana. The agreement will strengthen the juridical system in the two countries' socialist economies.

On Uruguayan TV, Fidel Castro speaks of the Third World's unpayable and irrecoverable foreign debt and he reiterates his support for Brazil's decision to suspend interest payments on its foreign debt for an indefinite period of time. Brazilian Foreign Minister Roberto de Abreu Sodre visits Cuba. Sodre is the first Brazilian Foreign Minister to make an official visit to Cuba since relations were broken in 1964.

Foreign Ministers Malmierca and Sodre discuss bilateral relations, the international situation, the foreign debt, and the Central American conflict.

Jozef Czyrek, member of the Politburo and Secretary of the Polish United Worker's Party, arrives in Havana and is welcomed by Politburo member Jorge Risquet.

Foreign Minister Malmierca and Minister of External Relations and Cooperation of Burkina Leandre Bassolet meet in Havana to discuss bilateral relations, the activities of the Nonaligned ministerial meeting held in Guyana, and the international situation.

17 March

Foreign Trade Minister Cabrisas meets with Brazilian Foreign Minister Abreu Sodre to discuss topics of mutual interest and expanding ties between the two governments.

Fidel Castro, accompanied by Brazilian Foreign Minister Abreu Sodre, lays the cornerstone for the future Brazilian Embassy, located in Miramar. The ambassador's residence will be in Cubanacan.

Carlos Rafael Rodriguez receives Abreu Sodre, who conveys a message from President Jose Sarney. Sodre says his trip to Cuba is characterized by a feeling of reencounter between the two peoples.

Fidel Castro and Zimbabwean Foreign Minister Mangwende discuss the situation in southern Africa, reaffirming Cuba's and Zimbabwe's determination to step up the struggle against the apartheid regime.

Havana press reports that a thermoelectric plant being built on the outskirts of Matanzas with the cooperation of French experts is nearing completion. The plant will be the largest one in Cuba, costing nearly \$200 million.

Ethiopian Foreign Minister Berhanu Bayih is met at the Havana airport by Politburo member Jorge Risquet. Berhanu and Foreign Minister Malmierca discuss bilateral relations, Central America, and international affairs.

Cuban scientists visit Brazil for the first time to tour facilities that manufacture vaccines and serums. The Cuba Scientific Investigations Center is preparing to supply Brazil with immunological material.

Cuban Ambassador to Ankara Israel Tapanes Vento terms the allegations in publications, especially in *Tercuman*, of Cuban trainers in Syrian terrorist camps as nonsensical and entirely false. He says there are no Cuban soldiers or advisers in Syria.

Fidel Castro receives Burkinan Foreign Minister Bassolet to discuss the international situation, the results of the ministerial meeting in Guyana, and the evolution of relations and cooperation between the two countries.

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18 March

Isidoro Malmierca and Abreu Sodre sign an agreement for scientific-technical and technological cooperation and a memorandum for the establishment of an ad hoc commission to review standing legal documents pertaining to Cuba and Brazil.

Havana Radio Reloj announces that Cuba has donated 18 tons of foodstuffs to the 75,000 Ecuadorean people left homeless as a result of the earthquakes that struck two weeks ago.

Fidel Castro receives Ethiopian Foreign Minister Berhanu Bayih. Berhanu conveys a message to Fidel from President Mengistu Haile-Mariam.

Div. Gens. Senen Casas, Sixto Batista, and Rafael Valdes chair the first national meeting on the methods of the new military recruitment system in Ciego de Avila Province.

Jesus Escandel, secretary for international relations of the Central Organization of Cuban Trade Unions, meets in Mexico City with Mexican trade union leaders to discuss bilateral cooperation.

Foreign Ministers Malmierca and Bassolet sign a protocol for 1987-89 that will provide increased cooperation in culture, education, and sports. The agreement includes resources to establish a field school to train young Burkinan students.

The joint Spanish-Cuban Economic and Industrial Commission begins its third round of talks in Havana at the Sierra Maestra Hotel. Miguel Angel Fernandez Ordonez of Spain and Ernesto Melendez preside.

19 March

Fidel Castro meets with Brazilian journalists in Havana. He tells them that his ties to Soviet leader Mikhail Gorbachev are excellent, but that the road chosen by Gorbachev does not necessarily apply to Cuba.

Fidel Castro tells Brazilian journalists that the Third World as a whole, not only Latin America, is in no condition to pay its foreign debt. He also says there are no dissidents imprisoned in Cuba.

Politburo member Jorge Risquet meets North Korea's Foreign Minister Kim Yong-nam to discuss bilateral relations, the international situation, and the recent meeting of the Cooperating Bureau of the NAM on Latin America and the Caribbean in Guyana.

Vice Foreign Minister Mazola accompanies Ethiopian Foreign Minister Berhanu Bayih to Santiago de Cuba, where they visit the Siboney farm and Moncada Barracks as well as the 300 Ethiopian students studying at Oriente University and the Higher Institute of Medical Sciences.

Julius Nyerere, former President of Tanzania and President of the Chama Cha Mapinduzi Party (Revolutionary Party of Tanzania) visits Cuba and is greeted at the airport by Fidel Castro.

East Germany's Minister of Foreign Trade Gerhard Beil receives Deputy Foreign Minister of Foreign Trade Jose de la Fuente to discuss the commodity exchange in 1987 and the implementation of cooperation projects in the field of light industry.

20 March

Fidel Castro and Kim Yong-nam discuss economic cooperation and preparations for the meeting of representatives of nonaligned countries to be held in P'yongyang in June.

The delegation of the State Planning Commission, headed by Polish Vice Premier Manfred Gorywoda, ends talks with the Central Planning Board. Economic cooperation and trade exchange in the years 1986 to 1990 were discussed.

Vice Premier Gorywoda is received by Carlos Rafael Rodriguez and Vice President of the Council of Ministers Osmani Cienfuegos to discuss deepening economic cooperation.

President of the opposition Dominican Revolutionary Party Dr. Jose Francisco Pena Gomez heads a 111-member delegation that arrives in Havana to visit areas of economic, social, and historic interest.

Havana Tele-Rebelde reports that a French construction firm will begin building a deepwater harbor at Matanzas Bay that will have a capacity to service ships of 150,000 tons.

21 March

Politburo member Jorge Risquet and Yasin al-Basri, head of the Ba'th Party National Command Foreign Relations Bureau, sign cooperation accords for 1987 and 1988 between the PCC and the Iraqi party.

Mohamed Cherif Messaadia, member of the Politburo of the National Liberation Front Party of Algeria, arrives in Cuba for an official visit and meets with Raul Castro to discuss the current international situation and bilateral relations.

Soviet Foreign Minister Shevardnadze receives Deputy Foreign Minister of Cuba Jose Viera in Moscow to discuss international issues of mutual interest and bilateral relations.

Radio Progreso reports that the 1986 mortality rate caused by infectious and parasitic diseases has dropped to 1.5 percent. The infant mortality rate was 13.6 percent per every 1,000 live births—a 50-percent drop in the last 11 years.

22 March

Minister of Higher Education Fernando Vecino Alegret receives Jose Francisco Pena Gomez. Alegret explains that Cuba has 14 higher education centers and 32 other organizations and approximately 300,000 university students.

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Foreign Trade Minister Ricardo Cabrisas meets in Havana with Beergoonath Ghurburrun, Mauritian Trade and Navigation Minister, to discuss establishing trade relations.

23 March

Fidel Castro presides over the opening session of the Sixth Conference of the Latin American and Caribbean Planning Ministers and Chiefs.

Foreign Minister Malmierca and PLO official Faruq Qaddumi discuss the Nonaligned Movement, the meeting of the Committee of the Nine for Palestine to be held in April, and the Central American situation, particularly US aggression toward Nicaragua.

Fidel Castro and Julius Nyerere examine Third World problems, particularly those in connection with industrialized countries, and Castro reiterates that Cuba supports everything involving the work of the South-South Commission.

Raul Castro receives a delegation headed by Petr Slezko, Soviet CPSU member and First Deputy Chief of the Propaganda Department, to discuss ideological work.

Minister President of the State Committee for Economic Cooperation Ernesto Melendez arrives in Georgetown to attend the 12th session of the Cuba-Guyana Intergovernmental Mixed Commission meeting being held from 18 to 25 March.

Carlos Rafael Rodriguez and Pedro Miret greet Gunther Kleiber, Politburo member of the German Socialist Unity Party. Kleiber will visit places of economic and social interest while in Cuba.

24 March

Chief of the PLO Political Department Faruq Qaddumi lectures at the African and Middle East Center, demanding that a UN-sponsored international meeting be held to solve the Palestine problem.

Transport Minister Diocles Torralba Gonzalez arrives in Brazil for a nine-day visit, meeting with his counterpart Jose Reinaldo. Torralba says his visit may pave the way for the purchase of \$15 million in equipment.

Algerian official Mohamed Cherif Messaadia and Jorge Risquet begin official talks on the international political situation. Messaadia visits the Hermanos Ameijeiras Hospital and the Nino Lopez National School of the Communist Party of Cuba in Havana.

Cuba and the USSR sign a 10-year intergovernmental agreement for the exploitation of the Yavarov forests in the Soviet Union. Cuban construction workers are living in the area of Yavarov.

The Cuban delegation to the first Latin American and Caribbean Interparliamentary Conference on the Environment condemns the arms race. Blanco Fong Lam, head of Cuba's delegation, reports Cuban life expectancy is 74.2 years.

Fidel Castro meets with the heads of the delegations attending the Sixth Conference of the Latin American and Caribbean Planning Ministers and Chiefs to discuss economic problems and Cuba's economic and political development.

25 March

Vice Minister of Communications Manuel Garcia Fernandez tells journalists in Brazil that Brazil will participate with the USSR, East Germany, Yugoslavia, and Hungary in installing 130,000 new telephone lines in Cuba.

First Vice Minister Jose Viera meets with his Soviet counterparts Yuriy Volskiy and Anatoliy Kovalev to discuss strengthening cooperation. Viera also meets with Deputy Foreign Minister Loginov and Collegium member Vladimir Petrovskiy.

PLO official Faruq Qaddumi meets with Carlos Rafael Rodriguez, Interior Minister Abrantes, and ICAP President Rene Rodriguez. At the end of his visit to Cuba, Qaddumi describes PLO-Cuba ties as solid.

A 1987-88 protocol is signed in Havana by Jorge Risquet and Mohamed Cherif Messaadia in order to expand Cuban-Algerian ties and provide for the exchange of expertise.

CEMA support to the industrial development of Vietnam, Cuba, and Mongolia represents one of the main topics on the work agenda of the CEMA Machine Building meetings. Fidel Castro meets with the delegates attending the meetings.

Fidel Castro meets with the Director of the Pan American Health Organization, Dr. Guerra de Massedo, to discuss the family physician program.

The presidents of the Cuban-Bulgarian Intergovernmental Commission for Economic, Scientific, and Technical Cooperation Antonio Esquivel Yedra and Andrey Lukanov meet in Havana to discuss cooperation in the field of machine building.

26 March

Fidel Castro and Mohamed Cherif Messaadia, member of the Politburo of the National Liberation Front Party of Algeria, meet.

Fidel Castro receives East German official Gunther Kleiber who conveys a personal message from Erich Honecker, General Secretary of the SED Central Committee. Domestic and foreign policy issues were also discussed.

Fidel Castro, Carlos Rafael Rodriguez, and East German official Gunther Kleiber attend the inauguration of a knitting mill in eastern Havana. Fidel talks with workers and leaders of the mill.

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27 March

Soviet CPSU Politburo member Viktor Chebrikov, who is also chairman of the USSR Committee for State Security, arrives in Havana and is met at the airport by Raul Castro and Div. Gen. Jose Abrantes Fernandez.

Soviet CPSU Central Committee member Carlos Rafael Rodriguez meets in Havana with Aleksey K. Antonov to exchange opinions on several matters related to multilateral cooperation among CEMA countries.

Carlos Rafael Rodriguez and Gunther Kleiber sign an economic protocol on further instances of cooperation, such as the setting up of a brewery and a plant for the production of basic materials for chipboard manufacture in Cuba.

Raul Castro, Jorge Risquet, and Jozef Czyrek, member of the Political Bureau of the Polish Communist Party, exchange views on the international situation and express satisfaction over the development of Polish-Cuban relations.

Economic Cooperation Minister Ernesto Melendez signs a new trade agreement with Guyana at a joint commission meeting in Georgetown. Cuba will also increase the presence of its medical personnel.

Fidel Castro meets in Havana with Dominican Technical Secretary of the Presidency Guillermo Caram to discuss the international economic situation, especially in Latin America.

Fidel Castro meets in Havana with Andres Franco Montoro, former governor of Sao Paulo, Brazil, to discuss the international economic situation, especially in Latin America.

28 March

UNITA rebels say they attacked and destroyed a Cuban military base near the central city of Huambo on 16 March, killing 15 Cuban soldiers, according to a statement distributed in Lisbon.

Guyana's President Desmond Hoyte says in Caracas that his country has had cordial economic, diplomatic, and political relations with Cuba since 1972, and adds that these will increase.

29 March

Soviet official Viktor Chebrikov explains to Fidel Castro the restructuring process that is taking place at all levels in the USSR. Relations between the US and the USSR and the situation in Latin America are also discussed.

President of the South-West African People's Organization Sam Nujoma arrives in Havana and is welcomed by Jorge Risquet. Nujoma says South Africa has heightened actions against Namibia by using biological warfare.

Foreign Minister Malmierca greets Olympic Committee Chairman, al-Shai Jabat Radmud. A sports agreement is signed to assist Kuwait in basketball, water polo, volleyball, and boxing.

Nairobi press reports that Ugandan President Museveni is looking to Libya and Cuba for arms and military assistance. A first group of 50 to 100 Cuban advisers is said to have arrived recently, according to reliable sources in London.

30 March

Politburo member Jorge Risquet welcomes Yugoslav Central Committee member Marko Orlandic. They discuss the need to further strengthen Communist party and political relations, international issues, and the Nonaligned Movement.

31 March

Deputy Foreign Minister Alarcon complains at a news conference of the US refusal to grant visas to Cubans who were invited to participate in the Antillean meeting marking the 84th anniversary of the founding of the University of Puerto Rico.

Jorge Risquet reiterates Cuba's decision to remain in Angola as long as the Government of Angola considers it necessary, at a ceremony commemorating the 11th anniversary of the Angolan victory over South Africa.

Fidel Castro accompanies Viktor Chebrikov on a tour of the Institute of Genetic Engineering and Biotechnology, the Institute of Tropical Medicine, the Exact Sciences Institute, and the Los Naranjos Genetic Enterprise.

Sam Nujoma visits the Isle of Youth. He is greeted by almost 1,200 Namibian children studying there.

UN Secretary General Javier Perez de Cuellar reports that Cuba is appointed, among other countries of the international community, to compose the intergovernmental group in charge of monitoring the South African oil embargo.

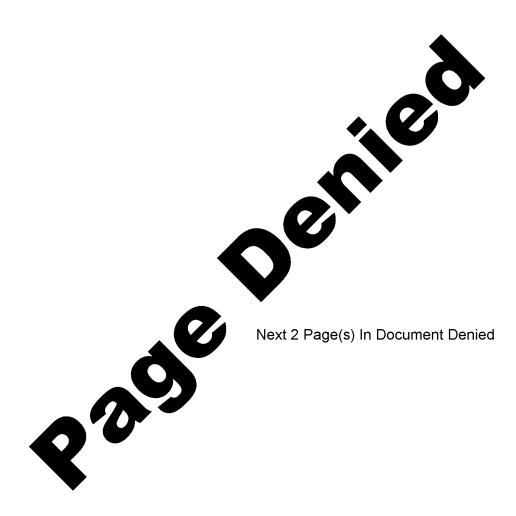
The sixth meeting of the joint CEMA-Mexico Cooperation Commission is held in Havana for the first time. Cooperation in agriculture, fisheries, industrial development, and foreign trade is discussed, and a cooperation agreement is signed.

Cuba and Cape Verde sign a trade protocol on goods and services for the period from 1987-90. The agreement includes partial compensation and a memorandum of understanding.

Some 100 Cuban fishermen, technicians, and operators return home from Peru after a long stay. Cuba sent boats with full crews to Peru to carry out the social project resulting from an agreement.

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