

# U.S. Business Lines Up for Cuba Trade

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American businessmen have been traveling to Havana as guest of Cuban President Fidel Castro to line up deals in anticipation of the lifting of the U.S. trade embargo.

Informed sources said a steady stream of U.S. companies such as Boeing, PepsiCo, Abbott Laboratories and Great Western United have sent representatives to Cuba with an eye to what some observers expect to become a \$750 million market.

A few of the companies are reported to have reached the point in negotiations with Cuban foreign trade officials that contracts can be entered into as soon as U.S. law permits.

Sales to Cuba by foreign subsidiaries of U.S. companies appear to have already exceeded the value of Cuban imports from any countries except the Soviet Union and Japan.

In the first nine months that it issued licenses for foreign subsidiaries to make sales to Cuba — from October 1975 to June 1976 — the Treasury Department permitted sales totaling

\$295.5 million. According to U.S. Commerce Department figures, only Japan and the Soviet Union exported goods with more than \$300 million to Cuba in 1975.

Because of its closeness to U.S. shores and its distance from the Soviet bloc, Cuba is seen as a good market for many U.S. businesses.

Former Secretary of Agriculture Orville L. Freeman, who now heads a business research company called Business International estimated in congressional testimony that if conditions remain as they were in 1975, "U.S. companies can contemplate a market of around \$750 million annually" in Cuba.

Arthur T. Downey, deputy assistant secretary of Commerce for East-West trade, testified, however, that the figure might be only half that projected by Freeman. Based on Cuba's 1975 imports, he said, American exports to Cuba could reach \$650 million, but the drop in price of sugar could drive that figure down to \$300 to \$350 million.

Businessmen and others who hope for better relations with Cuba are waiting for some sign of what policy

will be adopted by President-elect Jimmy Carter. The Commission on U.S.-Latin American Relations, many of whose members have ties to Carter, recommended recently that the 16-year-old embargo be lifted, but neither Carter nor Secretary of State-designate Cyrus Vance has commented on the issue.

Although U.S. restrictions on travel to Cuba remain unchanged formally, a large number of Americans have gone there in the past year. A delegation from the Ripon Society, a group of liberal Republicans, has visited the island, as have movie stars Harry Belafonte and Candice Bergen, and numerous congressional aides and journalists.

Most of the visitors do not use their passports. They get a Cuban visa on a separate sheet of paper. The State Department will authorize travel to Cuba only by journalists, scholars, medical personnel, Olympic class athletes and people with special humanitarian problems.

Kirby Jones, whose company Almar Associates has taken representatives of 11 U.S. companies to Cuba, says it is legal for a U.S. citizen to travel to Cuba without a passport as long as he or she does not spend any money there.

Since the Treasury Department will not authorize most Americans to spend money in Cuba, the groups who travel there with Jones must accept the hospitality of the Castro government once they are there.

Jones said his groups usually travel by chartered plane from Montego Bay, Jamaica, to Havana. They stay at the Riviera Hotel, built in the Miami Beach style by U.S. interests before Castro came to power.

He added that most of the time during the two- to four-day trips is taken up with business meetings, but there are also lunches and dinners at some of Havana's good restaurants. Most of the visitors are taken to the Tropicana nightclub to see a lavish, Las Vegas-type stage show.

Jones said that if the embargo is lifted, Cubans are most likely to want to buy foodstuffs, livestock feed and drugs and pharmaceuticals.

The most important sales to Cuba by foreign subsidiaries of U.S. companies have been agricultural commodities, mostly grain from Canada, according to the Treasury Department. The department has also licensed the sale of a wide range of manufactured goods, including brake fluid, ice machines, plumbing equipment, sausage casings and traffic light relays.