

The Cuban Embargo *Part 1/2/74*

THE NIXON administration's struggles to maintain the embargo on Cuba have grown progressively more embarrassing over the years. Lately they have also become something of a threat to our real interests throughout the Western Hemisphere. Nothing better illustrates the problem than the U.S. government's decision a day or so ago to allow American-owned auto company subsidiaries in Argentina to sell cars and trucks to Cuba. The administration would have been entitled to modest credit and applause if this small step in the right direction had signaled the beginning of a relaxation of the embargo. But the State Department was quick and emphatic in describing the decision as a special exception to the continuing rule against doing business with Fidel Castro's government—an exception apparently made, what is more, out of squalid expediency, and in the face of ugly threats of reprisals by Argentina.

So the signal this country is now sending to the countries of the Western Hemisphere is that the United States will stick to its high principles and insist that they abide by their obligations to the Organization of American States to isolate Cuba—unless, like Argentina, they unilaterally choose to ignore their OAS commitments and trade with Cuba anyway. If they do that, and also threaten to punish uncooperative local subsidiaries of great American corporations with good connections in Washington—and perhaps threaten diplomatic revenge in other ways as well—then the United States government will cave in. It is hard to imagine a more demeaning manner in which to exert American leadership in the hemisphere, the more so since there will apparently be no abatement of the frantic American efforts, over the last several years, to prevent the foreign subsidiaries of American companies from selling to Cuba. One danger in these efforts to perpetuate the Cuban embargo is that they only further confirm the widespread suspicions in Latin America and Canada that our multinational corporations are an instrument of American national policy and therefore subversive to the economic independence of the countries in which they operate.

The whole idea of this trade embargo is, of course, the product of the coldest days of the cold war. China was utterly sealed off, Russian trade was a trickle conducted under the scrutiny of various intelligence agencies, and in this country conservative political organizations were picketing stores that sold Polish hams.

One of the benefits of a Republican administration is that the airlines now run package tours to Poland, the New York banks are opening permanent branch offices in Moscow, and a large American delegation is holding forth in the most optimistic tones at the current Canton trade fair. The exception to all of this business-like good cheer is, as always, Cuba.

Cuba has become another example of the present peculiar phase of Mr. Nixon's ideological politics. Having made large and desirable changes in American policy, he preserves a few small remnants of the old customs as an attempt to offer symbolic reassurance to that part

of his constituency which takes ideology seriously. It serves the national interest, according to the current definition, to trade with the Soviet Union and China but, in contrast, Cuba is a Communist country committed to world revolution. Therefore it is a manifest menace to international stability and requires in principle, to be kept firmly quarantined.

This policy has become a constant point of friction

with some of our closest friends abroad. In 1957, it came up when Canada began talking with China about a possible sale of Canadian-built trucks. The trucks would have been produced by the Canadian companies that are the subsidiaries of the big American automobile manufacturers. The matter never reached the point of a sale, but it went far enough that the companies were reminded that the United States government considered them to be bound by the Trading with the Enemy Act. Even at that time, the case seemed to many Canadians to represent an improper attempt to impose American policy on their country through the lines of corporate ownership.

In recent weeks the same issue has come up again in relation to Cuba, in a period when both Canadian and Latin sensitivity to American economic influence is rising. In Montreal, the Canadian subsidiary of Studebaker Worthington Inc. has been offered an \$18 million contract to build new locomotives and recondition old ones, for the Cuban railways. Apparently the sale is going forward although the subsidiary's American directors, with one eye on the criminal penalties in the American law, have avoided voting for it. The Canadians have been trying to get an unambiguous ruling from the State Department but the trouble, obviously, does not lie with the State Department. It is in the White House, where the President is more concerned with impeachment than with Canadian relations and trade.

Simultaneously, Argentina had an opportunity to sell Cuba 21,000 cars and trucks manufactured by American subsidiaries there. The vehicles are built with a few American-made components—three per cent of the car's value, in the case of Ford's Argentine-built Falcons—which provide the current legal handle by which this country had been impeding the sale. Argentina pressed U.S. Secretary of State Henry Kissinger on this issue in the recent foreign ministers' meetings at Mexico City and here. On Thursday the State Department announced that it would issue the necessary export licenses—as a special exception.

It is now pretty clear from soundings at meetings of the OAS in recent days, that at least a simple majority—if not the necessary two-thirds—of its members is ready to lift or relax the organization's trade restrictions with Cuba. The grave threat from Fidel Castro that was

thought to exist in the early 1960s no longer looks so terribly menacing. The sensible course of American diplomacy, it seems to us, would be to take the lead in acknowledging this reality, just as this country took the lead in imposing the embargo in the first place.

The very existence of these foolish rules, so thoroughly overtaken by events, is an affront to the principle of open world trade that Secretary Kissinger himself asserted in his speech a few days ago to the United Nations. When we seek to enforce them, we only reinforce the apprehensions of smaller nations that, in permitting U.S. companies to set up shop within their boundaries, they may be subjecting themselves to American political interference of the most arbitrary sort. And when we make an "exception" at the first application of economic and diplomatic pressures by a determined dissident member of the OAS we are actively inviting more of the same. Either way, the inevitable effect over time will be to encourage the very tendencies that constantly threaten the spirit of "good partner" which was recently proclaimed by Secretary Kissinger as the goal of American policy in this hemisphere.