

PERU, REDS SIGN TRADE BARGAINS

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Also, Romania Will Open
Embassy in Lima

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(Copley News Service)

LIMA, Peru—The Russians are coming and trade missions from other Communist countries already have signed deals with Peru.

The military regime that deposed President Fernando Belaunde Terry on Oct. 3 seems to think just as he did about trade with the Reds.

Under Belaunde, a 15-man Peruvian trade mission visited Eastern Europe last July. They delivered glowing reports after talks in Poland, Soviet Union, Czechoslovakia, Hungary and Romania.

"The Socialist countries only want trade relations," Belaunde's finance minister, Carlos Morales, reported. "Political relations don't interest them."

They interest them now, though. The military junta has decided to initiate diplomatic relations with Romania, which should open an embassy here. The Czechs, Poles and Yugoslavs have had consulates here several months.

Traveling salesmen from Czechoslovakia, Hungary, Romania, Poland and North Korea paid calls on the military junta recently. They signed several trade agreements.

PROPAGANDA FOUND

Peru banned goods from Communist countries between 1953 and 1967, except under special conditions. Government agents once discovered propaganda inside crates of goods a Slavic country sent to a trade fair here.

Trade with the Reds has been small. Sales to them now run about \$29 million a year, and purchases around \$3 million. The new agreements should boost those figures, perhaps at the expense of U.S.-Peru trade.

The United States now buys about 41 per cent of Peru's \$815 million in exports, and

sells about 39 per cent of Peru's \$688 million worth of imports. West Germany comes second, with about 12 per cent of Peru's trade, followed by Japan.

"We are sure that by opening the doors to Socialist societies we defend the best interests of our economic freedom," Gen. Edgardo Mercado, foreign minister, says. "Economic freedom is the base of a country's political freedom."

Full terms of the trade deals were not disclosed. Poland, which signed a trade accord early in December, offered credits of \$25 million for its machinery, food, medicine and toys. Peru can sell Poland food, raw materials and some manufactured goods.

Hungary extended \$5 million credits for development of Peru's drug, food, mining, metal and electrical industries. This includes \$1.5 million for medical supplies.

CZECH TECHNICAL AID

Czechoslovakia offered \$6 million credits and signed an agreement for technical aid.

Romania and Peru signed a trade agreement whose amount was not disclosed, plus one for technical assistance. The Peruvians had visited the Ploesti oil fields and the agreement calls for supplying Romanian machinery for mining, the petroleum industry and farming.

With Peru's recent expropriation of an American oil company's refinery and hints that the structure of the oil industry will be changed, the Romanian offers could come in handy.

The North Koreans arrived with little fanfare or publicity. One observer termed them a "low-level trade mission that seemed to just wander through—no connection with the East Europeans." They made no agreements, but offered to sell Peru fishing boats and cannery gear in exchange for such things as human hair for wigs.

Leftist groups long have demanded relations with the Communist East. Nevertheless, the agreements were applauded in non-leftist editorials. The editorials, however, also cautioned against opening the doors to Red Trojan horses.

The conservative newspaper La Prensa said it did not think that Communist embassies, consulates or trade offices were necessary or wise, since they could shelter agitators.