



CUBAN PREMIER FIDEL CASTRO GESTURING TO CROWD IN HAVANA

## CUBA

## Emerging from Quarantine

One by one, the nations of the Western Hemisphere that have boycotted Fidel Castro's Cuba for the past decade have been having second thoughts. In the past two years, official ties have been forged between Cuba and Peru, Argentina, Jamaica, Guyana, Barbados and Trinidad-Tobago.\* Last week Panama was added to the list when 30 jubilant Panamanian officials flew to Havana to sign a declaration restoring diplomatic, economic and cultural links between the two nations. Next in line are Ecuador, Honduras, Costa Rica, Venezuela, Colombia—and probably the U.S.

There has been as much economic activity as diplomatic. Cuba's trade with other Latin American nations may reach \$100 million this year, up nearly 500% since 1969. To symbolize the importance he attaches to the recently developed trade with Cuba, Brigadier General Omar Torrijos Herrera, Panama's strongman, now smokes nothing but long Havana cigars. Before his death, Argentina's President Juan Perón granted Cuba \$1.2 billion in credits to buy Argentine products, such as road-building equipment, mining machinery, textiles and household appliances. In July, at a trade fair outside Havana the Argentines sold the Cubans an estimated \$100 million in goods and agreed to help construct and equip 300 enterprises in Cuba.

These diplomatic and economic developments clearly flout the 1964 resolution of the Organization of American States that requires its members to break diplomatic relations and stop all trade (except humanitarian shipments) with

Cuba. But recent events have made the resolution something of an anachronism. Items:

► The resolution was originally proposed by Venezuela in protest against a militant program by Castro and his Minister of Industry, Ernesto ("Che") Guevara, of exporting Communist revolution throughout Latin America. Cuban arms and Cuban-trained guerrillas turned up in the 1960s in Venezuela, the Dominican Republic, Panama, Haiti, Guatemala, Nicaragua and Bolivia. But after 1967, when Guevara was killed in Bolivia, Castro muted his once proclaimed role as the "*Líder de las Américas*." Today few hemisphere leaders worry that the Cuban dictator will try to interfere in their internal affairs.

► The enormous jump in the world price of sugar—Cuba's main agricultural product—is at last providing Castro with a major source of foreign exchange. When he came to power in 1959, raw sugar was selling for 5¢ per lb.; it now sells for nearly 30¢ per lb. Even though Castro must deliver half of his nation's sugar to the Soviet Union in exchange for economic aid, he is still left with more than \$1.5 billion worth of sugar to sell on the world market.

► Castro's style of governing has changed. He still runs a police state that tolerates no dissent, but he has started to curb the whimsical use of power by institutionalizing government processes. The bureaucracy has greater authority, and instead of *ad hoc* economic decisions there is now a Five-Year Plan. These changes aim, in part, at improving living standards. Although Cubans now eat better, are healthier and claim the highest literacy rate in Latin America, there are still enormous shortages of all kinds of goods. Only through nor-

malized relations with other nations of the hemisphere can Cuba obtain the products and technological and managerial expertise its economy needs.

► Cuba's dependence on the Soviet Union, which has enabled Castro to survive the OAS embargo and gives the Soviets their only toehold in the Americas, is becoming increasingly burdensome to both Havana and Moscow. The Cubans owe the Russians at least \$4 billion, and the debt grows by about \$1.5 million daily. The Soviets would like to be rid of this economic drain, and now, in an era of détente with the U.S., they have apparently given up any hope—for the present at least—of turning Cuba into an offensive military base. Castro no doubt wants less reliance on the Russians and would probably welcome the departure of some of the Soviet "advisers" who help manage his economy.

By the beginning of next year, most Latin American countries will probably have recognized the Castro regime. The only diehards in the hemisphere are expected to be the rightist regimes of Brazil, Bolivia, Chile and Paraguay.

Washington, in recent months, has not tried to stop any nation from recognizing Castro. In fact, some observers believe that the U.S. is holding up recognition of Cuba out of a diplomatic concern for the sensibilities of the Latin-American states. Proud Latin governments want to re-establish Cuban ties before the U.S., not after, in order to avoid the appearance that they are slavishly following Washington. This spring the State Department went so far as to grudgingly allow Argentine subsidiaries of U.S. auto companies to sell 42,000 vehicles to Cuba, a clear violation of the trade embargo.

One major obstacle to improved Havana-Washington relations has already been removed: Richard Nixon. Castro hated the former President, blaming him for advocating the 1961 Bay of Pigs invasion, and the feelings were probably mutual. The Ford Administration is now expected to start reviewing its relations with Cuba. Secretary of State Henry Kissinger is already on record as saying that he has "an open mind" on the matter. So does Castro. Earlier this year he told Canadian officials visiting Havana that "time is the great healer. We could be doing business with the Americans again some day." That day may now be close at hand.

\*Mexico never cut its ties with Cuba. The leftist government of Salvador Allende Gossens in Chile re-established relations with Cuba in 1970, but they were severed again last year after Allende was toppled by a right-wing military coup.