

Shipments to Cuba Held Threat to U.S., Spanish Relations

The Manchester Guardian

MADRID — A critical dispute is developing in Spanish-American relations over the use of Spanish ships and planes to transport cargo to Cuba.

Five Spanish ships are now under charter to the Castro government and the Spanish airline Iberia provides the only scheduled European air service to Cuba with regular weekly flights.

Gen. Franco's apparent determination to expand his country's trade with Cuba is viewed with disfavor in Washington but it is the cargo-carrying assistance that has set the United States and Spain on collision courses.

Receives U.S. Aid

Spain receives American aid, but the Foreign Assistance Act of 1963 specifies that no aid shall be given "to any country which has failed to take appropriate steps, not later than 60 days after the date of enactment of the Foreign Assistance Act of 1963, to prevent ships or aircraft under its registry from transporting to Cuba . . . any items of economic assistance."

The Foreign Assistance Act was signed by President Johnson Dec. 16, which means that the deadline for compliance is Feb. 14.

The flow of non-military economic aid to Spain has virtually ceased, but General Franco's armed forces continue to receive military aid from the United States. This aid will be jeopardized, according to sources here, if Spain continues to give transport assistance to Cuba.

Suspension of United States military assistance would be certain to cause resentment here. The Spanish-American defense agreement of 1953 was renewed for five years on Sept. 26. It permits the United States to use air and naval

bases on Spanish soil. must be complete. But the blockade of Cuba decreed by Washington is not complete because the Communist countries are left out of it, and it is they who help Castro the most.

"Any country demanding the imposition of a blockade should lead the way by itself enforcing the blockade. Yet last year the United States sent \$65 million worth of medicines and food to Castro as ransom for the Bay of Pigs prisoners. Fidel gets another \$5 million annually by way of the wages paid to Cuban labor employed by the base at Guantanamo. Besides this, American goods reach Cuba via third countries.

"Why should the blockade be applied to Cuba but not to the other Communist countries? And what about commercial dealings with Cuba by various non-Communist countries? In Sept. and Oct. 51 non-Communist ships went to Cuban ports. One was Spanish, but several were British, four French, eight Greek.

"Recently Great Britain decided to sell buses to Cuba. The United States complained, but at the same time was exporting \$545,000 worth of cotton to Hungary and \$135,000 worth of cotton to East Germany."

Expansion Indicated

In spite of American disapproval, the indications are that Spain intends to expand its trade with Cuba, whatever it may decide to do—or not to do—about the transport of goods in Spanish ships and planes.

The United States expressed "serious concern" last December about a report that Spain was considering building fishing and cargo ships for Cuba. The ship deal is not settled, but it is significant that General Franco's authoritarian government has not told the shipyard representatives to break off negotiations. The project is reported to involve the building of a hundred 2000-ton trawlers and two 12,000-ton freighters in exchange for sugar imports over several years.

bases on Spanish soil.

Justification Claimed

Justification of Spain's trade with Cuba has perhaps been best expressed in "El Espanol," a weekly published by the Ministry of Information:

"To be effective, a blockade

Breakdown Expected In Credit Curb on Reds

The Washington Post Foreign Service

PARIS, Feb. 12—A well-informed French source said today that the Allies' tacit agreement to hold credits for Communist countries under five years' duration will break down soon.

He said this is because Britain already is breaching the understanding.

Britain's foreign secretary, R. A. Butler, admitted in an Associated Press interview last week that Britain was disposed to examine demands for credit from Communist countries in exactly the same light as demands from non-Communist countries, but maintained that, in fact, Britain has not yet granted long-term credits to any Communist countries. The French source says that she has.

"Short-term limits have

been exceeded in deals with Soviet Russia," it was charged. "If we follow suit, we can expect mass orders from the Soviet Union."

French industrialists and exporters are becoming impatient at a situation in which they are losing orders because of strict compliance with a policy they suspect others of breaking.

The French source also said that both Britain and Japan are believed to have gone over the five-year limit in sales to Communist China.

He said France had lost potential sales of airplanes to China because the British got in first with Vickers aircraft "offering medium-term credits."

The French suspect the Vickers were sold on credits exceeding five years, and are almost certain that this mark was passed when Great Britain built a fertilizer factory for China. Japan also was accused of having granted longer than five years credit for the construction of a textile factory.

Although France is not known to have breached the five-year understanding yet, she has always maintained the principle that she cannot formally accept a limitation unless all her competitors accept it as well. The charges against Britain would seem to indicate that this country is now considering a credit break-through.

Many of the items France hopes to sell China ordinarily require long-term financing, such as heavy industrial equipment, whole factories and ships.