

Part 2/4/67

# British Continue Trade With Cuba, All Red Nations

## Johnson, Home Split on Issue As Talks End

By Lewis Gulick  
Associated Press

President Johnson and British Prime Minister Douglas-Home announced agreement yesterday on Southeast Asia policy. Their windup communique bypassed U.S.-British differences over trading with the Reds but the British leader made plain to newsmen that British trade will continue.

At a news conference climaxing his two-day visit, Britain will send no arms, aid or general-purpose loans to Cuba or strategic goods to Reds anywhere. But he said

*Text of communique on Johnson-Home talks.*

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*British Prime Minister shows competence and precision at press conference.*

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Britain opposes boycotting any business deals because of a country's political creed.

In his meeting with reporters, Douglas-Home said his two days of White House sessions dealing with issues around the world were harmonious except for the failure to agree on Cuban trade and the extending of long-term

credit to the Soviet bloc.

The United States opposes this as a form of aid but London disagrees and Douglas-Home outlined his views to newsmen this way:

Britain is a crowded island which must trade to live. "We don't believe in boycotts and therefore do not discriminate between one country and another according to its political creed . . .

"We have always felt the more comfortable one (a Communist) is the less likely he

See TALKS, A8, Col. 4

is to be a fanatical Communist."

Currently the target of U.S. criticism are Britain's sales of hundreds of buses to Havana in face of the U.S. embargo policy and British talks with the Soviets on selling chemical plants under credits of 10-15 years.

On Cuba, Douglas-Home noted that British exports had dwindled from \$42 million in 1959, the year Fidel Castro took over, to \$5.3 million in 1963. And he said Britain fully understands U.S. concern over Castro's Communist subversion in the Americas.

### Common Interests

As for the broad effort to ease cold-war disputes, the British chief listed possible disarmament agreements on exchanging observers against surprise attack and Mr. Johnson's proposal for a nuclear weapons freeze as offering the most promising prospects.

Informants on both sides rated as well worth while this first get-together by the two since becoming heads of their

respective governments. These sources said each acquired a better knowledge of, and friendship for, the other. The American and British chiefs normally maintain a close association.

The communique noted the wide range of issues around

the world in which the United States and Britain have common interests.

Douglas-Home, it stated, "re-emphasized the United Kingdom support for U.S. policy in South Viet-Nam" in the fight against Communist guerrillas. Mr. Johnson "reaffirmed the support of the United States for the peaceful national independence of Malaysia," where Britain is worried about possible Indonesian attack.

### Seek Lower Tariffs

On the forthcoming round of tariff negotiations, beginning in Geneva in May, the two pledged to seek expanding international trade and economic growth for all. Both Washington and London want the Geneva conference to lower the European Common Market's tariff wall.

And the two voiced unfaltering determination to pursue peace, called for further efforts at disarmament and easing of East-West problems, and supported U.N. improvement and a strong and united Western Alliance.

On Cuba, the communique said Mr. Johnson "stressed his concern at the present situation in the Caribbean area and the subversive and disruptive influence of the present Cuban regime." Douglas-Home, for his part, recognized the importance of Latin-American development "in conditions of free-

dom and political and economic stability."

Not mentioned in the formal statement, however, was the privately admitted continuing U.S.-British disagreement over trading with the Castro regime. Mr. Johnson wants to isolate the Castro economy. Douglas-Home says British sales, like the recent deal for British buses for Cuba, are all right, provided they do not include strategic goods.

#### **Disagreements Continue**

On extending credit to the Communist bloc—a topic also omitted in the communique—the Johnson view is that long-term credits amount to aid to the Reds. Douglas-Home sees an economically fat Communist world as less likely to be aggressive and favors long-term commercial credits for sales to the bloc.

Both U.S. and British sources see this old disagreement on these two points as continuing for an indefinite future period.

The State Department sought to dispel press speculation that the United States is planning to retaliate against British products because of British sales to Havana. Press Officer Robert J. McCloskey said the U.S. Government does not plan such retaliation, and stories so suggesting "are without foundation, and highly irresponsible."

# Text of Johnson-Home Communique

*Following is the text of a joint communique issued yesterday by President Johnson and British Prime Minister Douglas-Home at the conclusion of their discussions:*

On Feb. 12 and 13, the President of the United States and the Prime Minister of the United Kingdom met to discuss matters affecting the interests of their two countries and the welfare and security of free people everywhere. The United States Secretary of State, the Honorable Dean Rusk, and the Foreign Secretary of the United Kingdom, the Right Honorable R. A. Butler, also took part in the talks.

President Johnson and Sir Alec Douglas-Home welcomed this opportunity of holding their first working meeting since they assumed the leadership of their respective governments. Underlying their talks was the determination that the pursuit of peace should be unflinching maintained.

They consider this pursuit of peace with security, in cooperation with their allies, their primary task and responsibility. The conclusion of the partial test ban treaty in 1963 marked an advance on the road to the peaceful resolution of the problems which divide East and West. The President and the Prime Minister think it essential to go forward from there and continue with their friends the search for other ways of reducing tension, with its risks of war and its crushing burden of armaments. They hope that the Soviet Union will examine with the greatest seriousness the proposals put forward at the Geneva conference and elsewhere by the United States and the United Kingdom, aimed at bringing about effective and controlled disarmament. In particular, the Prime Minister welcomed the proposals made to the 18-nation disarmament conference by the United

States in President Johnson's message on Jan. 21.

## To Support U.N.

Both governments will continue to give their full support to the United Nations and will work in close step to enable it by statesmanship and institutional improvement to fulfill its responsibility and satisfy the hopes of mankind.

But each government recognizes that no progress can be made without a strong and united Western alliance prepared to defend its interests against threat and intimidation. The defense commitments which both countries share with their allies in NATO will be maintained. It is within the Atlantic framework that the United States and the United Kingdom are conducting their examination of mutual defense problems, including force goals and are also considering the proposal for a multilateral nuclear force. Similarly, the widest possible political and economic cooperation in Europe within a broad Atlantic partnership remains a common aim of United States and British policy.

The President and the Prime Minister reviewed the events of recent months during which sudden tensions in many parts of the world have made unforeseen calls on the resources of the United States and the United Kingdom. The two governments are responding to these calls whilst at the same time taking all political action that is open to them to diminish the causes of tension. Each government recognizes the value of the contribution that the other is making to the common task.

## Asian Matters Studied

The Prime Minister and the President gave special consideration to Southeast Asian matters and to the problem of assisting free states of the area to maintain their independence.

Both governments stressed the value of the defense agreements which they have concluded there, and of the establishments which they maintain in the area. The Prime Minister reemphasized the United Kingdom support for United States policy in South Viet-Nam. The President reaffirmed the support of the United States for the peaceful national independence of Malaysia. Both expressed their sincere hope that the leaders of the independent countries in the region would by mutual friendship and cooperation establish an area of prosperity and stability.

The President stressed his concern at the present situation in the Caribbean area and the subversive and disruptive influence of the present Cuban regime. The Prime Minister fully recognized the importance of the development of Latin America in conditions of freedom and political and economic

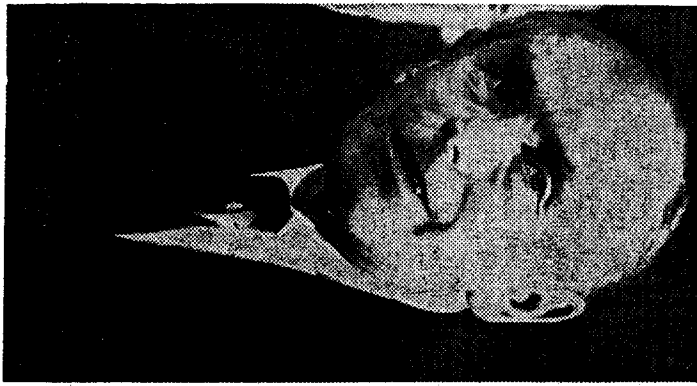
stability. Both expressed their belief that a valuable contribution can be made by Europe to this end.

Both governments reaffirm that in all these fields their aim remains solely to achieve and safeguard the integrity and stability of the countries of the free world on the basis of full independence. The President and the Prime Minister agreed that the task is, however, not only that of establishing and preserving the peace, but of expanding international trade and promoting economic growth for all. To this end, both pledged their governments to act affirmatively and decisively to promote the success of the forthcoming Kennedy round of trade and tariff negotiations.

In view of the importance that both the President and the Prime Minister attach to such meetings, they have determined to continue to maintain close and continuous personal contact.

**British Prime Minister  
Handles Press Well**

# *Douglas-Home Is Competent,*



British Prime Minister Alec Douglas-Home in action during the news conference he conducted yesterday at the British Embassy.

By Harry Nalichayam, Staff Photographer

# Discreet, Precise

By Chalmers M. Roberts  
Staff Reporter

Sir Alec Douglas-Home put his hands together, squeezed the knuckles white, leaned forward toward the microphone and said exactly what he was prepared to say and no more.

Dressed in funeral black—suit, tie, socks, shoes—the British Prime Minister spoke in precise tones and well-chosen words of his six hours of talks here with President Johnson, of where they agreed or disagreed and of the whys and wherefores of British policy.

There was none of the rounded oratory of Winston Churchill, the drawing-from-long-experience of Anthony Eden, the Edwardian elegance of Harold Macmillan, his three immediate predecessors.

But once again Washington saw a British Prime Minister who dealt with competence if not completeness when face to face with the massed American and foreign press, this time meeting at the British Embassy. Douglas-Home may not outlast the coming election but if so it won't be because he cannot handle the press questioners.

## Explains Policy

He himself brought up the issue of trade with Cuba "a country which pursues Communist policies." And when someone later asked whether it had been mentioned during the talks here that American exports to Cuba exceed British exports, he smilingly replied:

"I discreetly didn't say anything about it just now."

The Prime Minister explained that Britain believes in trading with Communist nations on the theory that "the more comfortable a person is, the less likely he is to be a fanatical Communist." Trade, he argued, helps raise living standards and thus lessens doctrinaire, militant communism.

When he was asked how President Johnson had reacted to this and similar views, Douglas-Home ducked neatly by replying that he realized that "in the United

## News Analysis

States there are rather different views."

### Cites Communique

And when he was asked how Britain was able to maintain diplomatic relations with Red China and still keep a consul in Taiwan (actually accredited to the provincial government) whereas France had to break with Taiwan in recognizing Red China, Sir Alec said, amid laughter, that British policy is "flexible" and "somehow we manage."

When an American newsman asked about British ideas on talk of neutralizing South Viet-Nam, he pointed to the Home-Johnson communique expressing "the United Kingdom's support for the United States policy in South Viet-Nam." That left open, of course, a British change of policy if and when there is an American change.

But when a Soviet newsman asked whether Britain would support a stepped-up American military effort in Viet-Nam, Sir Alec said he felt "every aspect" of U.S. policy there was "right." If it were not for the United States, he added, the South would have been overrun by now from the Communist North.

### Nuclear Force

Sir Alec held his own, too, on a couple of touchy questions.

Conscription is not necessary, though he "would like a few more recruits," to handle "police actions" around the world which have strained the small British armed forces.

And Britain must continue to have independent nuclear deterrent, not because of its military value, he intimated, but because Britain wants to sit at the council table when nuclear

peace is discussed and that requires "this card of interest and authority."

The aristocratic former 14th Earl of Home, a Scottish peer who gave up his title to become a commoner and one of whose ancestors was Scottish Ambassador to England in the 15th Century, closed yesterday's press conference with a sly joke.

Asked about the latest wave of British scientists moving to the United States, Sir Alec replied that "we've always exported a great many of our sons, particularly from Scotland."