

British Firm To Sell Cuba More Buses

Post 5/8/67
Leylands Negotiating
\$14-Million Contract
For Another 500

By Flora Lewis

The Washington Post Foreign Service

LONDON, May 7—Leylands Motor Co. said today it expects to sign a contract soon for the sale of another 500 buses to Cuba.

The company's spokesman said it had not yet received confirmation from Havana that the Cubans have definitely decided to take up their option for an additional 1000 buses, the option agreed to earlier this year when the first 450 buses were sold.

But negotiations were nearing completion, the spokesman indicated. Deliveries on the first sale, worth about \$12 million, are to begin in a few weeks. The added contract would be worth about \$14 million dollars.

Government sources made clear once more that there has been no change in Britain's determination to continue trading with Cuba "on a commercial basis." The bus sales have been financed by five-year credits insured by the government, and the Export Credit Guarantee Department indicated that further credit insurance at the standard 6½

See LONDON, A16, Col. 5

LONDON—From Page A1

British to Sell More Buses to Cuba

per cent "high risk" premium was available.

British diplomatic sources pointed out that over-all trade with Cuba has diminished steadily since Fidel Castro came to power in 1960. It used to run about \$40 million a year. Last year it was \$4.75 million.

But it will be well above that this year.

It was understood that the British have assured Washington that trade with Cuba would not climb back to old levels and would remain relatively small. So far as careful checking could ascertain, the government agencies directly concerned have not been advised of this assurance and continue to operate on the policy of backing trade with credit to the limit of sound commercial risk.

Government credit insurance also would be available, it was learned, if the Cubans decide to order earth-moving machinery worth about \$3 million, whose purchase is under discussion with the British firm of Aveling Barford.

Officials responsible for economic questions indicated that the fall in trade is mostly the result of small British firms pulling out of the Cuba market, not for political reasons, but because dealing with Havana had become more trouble than they felt it was worth. Their products were not, on the whole, the sort of things that the United States is interested in denying Cuba.

Official policy here, backed by intense and virtually unanimous public opinion, remains against any economic sanctions on Cuba except denial of goods on the strategic list.

[British Foreign Minister R. A. Butler told the Johnson Administration during his recent visit to Washington that there

might be another sale of British buses to Cuba, informed

sources in Washington said yesterday. That was one of the reasons, these sources said, that President Johnson expressed his strong displeasure over Britain's trade with Cuba, which the United States is trying to isolate economically.

[Butler, it was said, indicated to the Johnson Administration that British trade with Cuba would turn downward. Informed sources in Washington said they are waiting to see if that does occur.]

Butler, who returned to London today from his trip to Washington and Tokyo, said he thought he and Secretary of State Dean Rusk had reached agreement on policy in every part of the world during their Washington talks.

Butler did not mention Cuba, but said there was "absolute agreement" on Middle East policy.

Official sources said this meant Washington had fully endorsed Britain's determination to hold its Aden base, although there were still conflicting views on how to deal with Egyptian President Nasser.

Butler denied that he had asked the Americans to cut off aid to Egypt. "We are not seeking a quarrel or fight with Nasser," he said. "All we want to do is to defend our own in-

terests and see we are not overrun."

But British sources said London would like the U.S. to use its aid as leverage, either wielding the stick of reduction or offering the carrot of increase, to influence Cairo policy. And there was no attempt to deny that Washington did not agree.