

U.S. Is Seen Continuing Aid to Spain

Navy Base Activity Hints No Reprisal For Cuban Trade

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Spain yesterday appeared certain to escape the threatened loss of American aid in reprisal for its trade with Cuba, as the United States Navy demonstrated its high interest in Spanish base rights.

American naval officials confirmed that some units of a United States nuclear Polaris submarine squadron are now moving from Holy Loch, in Scotland, to the huge American naval base at Rota, on Spain's south coast.

The news came in the midst of negotiations over the continuance of United States military aid to Spain.

Spain receives United States military aid at the rate of \$31.8 million this year. On Tuesday the United States announced it was cutting off all remaining military assistance to Britain, France and Yugoslavia, and suspending all new aid to Spain and Morocco. The action was taken under the new Foreign Assistance

U.S. granted base for Polaris submarines at Rota, Spain; map. Page A11.

Act, which bars aid to nations that fail to take "appropriate steps" to prevent their ships and aircraft from engaging in trade with Communist Cuba. The assistance to Britain, France and Yugoslavia was relatively insignificant. State Department officials said they were awaiting "clarification" from Spain and Morocco to determine whether they had taken "appropriate" action to

cut their trade with Cuba.

High officials in the Defense Department denied yesterday that there was any prearrangement in the movement of the Polaris submarines to coincide with the dispute over Spanish trade with Cuba. The plans for the new squadron have been arranged "for months," officials said.

But the coincidence is obviously publicly convenient for Spain's cause.

Trucks Sold to Cuba

It was officially confirmed in Madrid on Thursday that Spain is selling 150 trucks to Cuba, and 18 of them already have been shipped there. There were reports that some were sent on British ships.

Under the Foreign Assistance Act, a nation receiving only American military aid, not economic assistance, can escape loss of that aid for trading with Cuba if its own ships and aircraft are not employed in the trade, provided that the sales do not involve "strategic" goods.

Spanish shipyards have been reported to be negotiating a multi-million-dollar contract to build ships for the Cuban "coastal trade."

In addition, several Spanish ships regularly engage in trade with Cuba, and the Iberia Airline runs weekly flights to Cuba. These are the

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only air links between Cuba and non-Communist Europe. Spain has stressed to the United States that there are about 400,000 Spanish nationals in Cuba, whom it cannot simply abandon, and that some of them regularly use the airline flights to leave Cuba as exiles. Madrid sources were quoted as saying on Thursday that "commercial relations with Havana . . . are not in contradiction to the bilateral agreements" on defense concluded last September between the United States and Spain. That agreement amounted to a consolation prize for Spain's inability to get into the North Atlantic Treaty Organization, where the regime of Generalissimo Francisco Franco is "blackballed" by Scandinavian members of NATO because of its dictatorial nature and its past.

Franco is unlikely to sever all trade or traffic with Cuba despite the Foreign Assistance Act; the newly demonstrated United States interest in the Rota base gives Spain high cards in the bargaining. Under the aid legislation, there are two ways out of the impasse. The Johnson Administration can rule that Spain has taken "adequate steps" to comply with the ban on Cuban trade, although that may require considerable stretching of legal interpretations. President Johnson can use his authority under the law to waive the aid cut-off for "national security" reasons. In either case however a decision favorable to Spain is likely to irritate nations that have been given less considerate treatment.