

U.S. Move on Trade With Cuba Acknowledges Present Practice

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By H. J. MAIDENBERG AUG 22 1975

Washington's decision to allow foreign units of United States companies to trade with Cuba, which was announced by the Department of State yesterday, served to acknowledge openly a situation that has existed several years.

By lifting the 13-year-old sanctions against such business, the Administration also took notice of the changing roles now being played by United States companies that operate abroad, particularly in Latin America.

The Argentine subsidiaries of the "Big Three" United States auto makers—the Ford Motor Company, General Motors Corporation and the Chrysler Corporation—have been shipping vehicles from Buenos Aires to Havana since early last year.

At that time, a trade mission from Argentina, which included the representatives of Chrysler and General Motors there, concluded a \$1.2-billion trade agreement with Cuba. The deal included 44,000 autos made by the Big Three in Argentina as well as a wide range of other industrial goods, many from United States controlled factories there.

Canadian Subsidiaries' Role

Even before that it was widely known that Canadian subsidiaries of United States companies were selling an ever-increasing volume of goods to Cuba, ranging from pharmaceuticals to machine tools.

Although Washington professed public disapproval from time to time about such business, specialists in Latin American affairs maintained that the Government was more interested in weaning Havana away from dependence on the Soviet Union as its chief supplier of imported needs than in punish-

ing those breaking its economic sanctions against the island.

Cyrus Eaton, the prominent industrialist, has long held that the Administration's position against open trade with Cuba was aimed at pacifying domestic opponents of the Marxist Government.

Mr. Eaton, who regularly ships prime Canadian livestock for breeding purposes and other goods to the island, said recently: "If we can trade with Moscow and Peking, we can trade with Cuba."

'Operate Under the Laws'

But the official attitude of the United States auto makers and others selling products from Canada and other countries to Cuba was summed up by an executive of General Motors at the time of the Argentine deal:

"General Motors subsidiaries in Argentina," he said, "operate under the laws and policies of that country."

That is still the policy of United States companies in Latin America and elsewhere, because increasing nationalism is provoking more and more measures against multinational concerns.

The main barrier between Washington and Havana is the question of compensation for the estimated \$1.6-billion in United States property seized by the Fidel Castro Government since it came to power in 1959.

In 1958, annual trade between the United States and Cuba amounted to \$1.5-billion, which is the present level of trade between Havana and Moscow. But Cuba's population has grown from 6.5 million to more than 8 million since then. Most foreign trade specialists here believe that Cuba can now absorb much greater trade.