

Air Pouch
PRIORITY

RESTRICTED
(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

837.2547/3-453

FROM AMEMBASSY, HABANA

1367

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON

March 4, 1953

DATE

REF : Embassy Despatch 1270, Feb. 13, 1953

MAR 5 1953

18 For Dept. Use Only ne	ACTION ARA REC'D MAR 6	DEPT. IN OTHER O	REP OLI E L GSA	INTER AMERICAN AFFAIRS MAR 5 1953 Cuba to Habana 3/9/53 NIEHAW
-----------------------------------	---------------------------------	---------------------------	--------------------	---

SUBJECT: Transmitting Copy of Draft of Proposed Decree Covering
Nicaro Operation as Amended by the Cuban Ministry of State.

The Ministry of State on March 3, 1953 delivered to the Embassy a draft for a proposed decree covering the Nicaro operation. This draft, a copy of which is enclosed, was based on the draft of a proposed law-decree submitted by the Embassy to the Ministry on February 11, 1953.

In delivering the Ministry's draft of the proposed decree, the Acting Chief of the Ministry's Economic Section, Dr. VARGAS GOMEZ, stated that it contained few substantive amendments as compared to the Embassy's proposed draft, but that a change of emphasis had been made in the Preamble. Dr. Vargas Gomez explained that this change consisted of lesser emphasis on the benefits to be derived by Cuba from the application of the proposed decree and greater emphasis on Cuba's contribution to the cause of the free world. The changed emphasis was accomplished principally by elimination of numbered subparagraphs 1 and 3 of the fourth "Whereas," as well as the entire paragraph following the above indicated subparagraph 3. A new fourth "Whereas" ("Por Cuanto") acknowledges, however, that the operation can be considered of great public utility.

It appears that the Ministry of State prefers the measure to be in the form of a decree rather than a law-decree as was envisaged in the Embassy's draft. In the past, measures affecting Nicaro have also been in the form of decrees rather than law-decrees.

In the substantive section, the third paragraph of the third "Therefore" is eliminated. This refers to procedural requirements in connection with tax-free importations.

The last two paragraphs under the fifth "Therefore" referring to applicability of tax exemptions to third parties are eliminated in the Ministry's draft. Minor changes of wording also appear in the seventh "Therefore."

ETCrain:ep
REPORTER

RESTRICTED

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

Page 2 of
Desp. No. 1367
From Habana

RESTRICTED

(Classification)

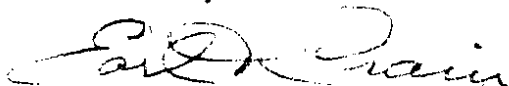
Page of
Encl. No.
Desp. No.
From

Dr. Vargas Gomez explained that amendments to the Embassy's draft had been made by the Ministry of State's technical advisers. He asked that the Embassy study the Ministry's draft for a proposed decree and inform him of the Embassy's views. He indicated that the draft had not yet been sent to the Ministry of Finance.

The Ministry of State's draft embodies, in its substantive section, the principal provisions desired by our Government. However, clarification of certain points and possible amendment of others through further negotiations will probably be necessary. The views of General Services Administration and the Department would be appreciated.

The Embassy has today delivered copies of the Ministry's proposed draft to Lazo y Cubas, attorneys for the Cuban Nickel Company.

For the Chargé d'Affaires, a.i.:



Earl T. Crain
Acting Counselor of Embassy

Enclosure

Copy of proposed decree

RESTRICTED