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FOREIGN SERVICE DESPATCH

FROM AMEMBASSY, Habana

15

TO THE DEPARTMENT OF STATE, WASHINGTON

July 3, 1953

REF

41	ACTION	DEPT.			
For Dept. Use Only	ARA	REP	OLI	E	L
lr	July 6	CAB	COM		

SUBJECT: Compañía Cubana de Aviación and Pan American Airways to Separate Their Activities in Habana and Miami

According to announcements appearing recently in the local press, Compañía Cubana de Aviación, which in the past has operated as General Agents for Pan American Airways in Cuba, is separating its operations from those of its parent organization, PAA. In future, according to the report, Pan American Airways and Cubana will operate from separate offices, not only in Habana but also in Miami, where Cubana will open offices on August 15th at 100 Biscayne Boulevard, about one block from PAA's headquarters. It is understood that in Habana, Pan American Airways will continue to operate from its present luxurious offices on 23rd Street and that Cubana will find new quarters in the same neighborhood.

As the Department is aware, one of the conditions in Cubana's New York permit was that it shall separate its activities from those of Pan American Airways and it is believed that this latest move by Cubana presages the early inauguration of the Habana-New York route by this airline. It will be recalled that Cubana recently made arrangements with Pan American Airways to acquire four Constellations, one of which has already been put into service on the Habana-Madrid route. It is understood that within two or three weeks Cubana will obtain permission from the Mexican Government to fly between Habana and Mexico City and that when this is arranged, Cubana's flights from Madrid will stop at Habana and then continue on to Mexico City. A responsible Cubana official recently stated to an Embassy official that in the event the Mexican Government does not give Cubana permission to land in Mexico City, the Cuban Government will cancel the operating rights of Compañía Mexicana de Aviación, another PAA affiliate. Statements of this nature would appear to indicate that Cubana is no longer dominated by Pan American Airways, which at one time was reported locally as having taken the position - an unpopular one in Cuba - that the Habana-Mexico City route belonged exclusively to Compañía Mexicana de Aviación and was not to be shared with Cubana.

RIHarrell:eam

REPORTER

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ACTION COPY - DEPARTMENT OF STATE

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

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Cubana's second Constellation is scheduled for delivery about August 15; it will be put into operation on the Habana-Miami route, a move which will permit Cubana to advertise the only Constellation service between those two cities.

Cubana's third Constellation is expected in September and will probably be used on the Habana-New York route. A fourth Constellation is scheduled for delivery in December.

There is attached a copy of two articles from the July 2 and 3 issues of the Havana Post regarding the separation of Cubana and Pan American Airways.

For the Ambassador:

Raymond L. Harrell
Raymond L. Harrell
Attaché

Enclosures: *Att*
✓ Copy of two articles from
Havana Post.

Copy to Amembassy, Mexico City.

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HAVANA POST

July 2, 1953

PAN AMERICAN, CCA SEPARATE ACTIVITIES HERE AND IN MIAMI

Pan American World Airways, in keeping with its policy of turning over the operation of allied companies to national interests, announced yesterday that, effective immediately, Cia. Cubana de Aviacion will operate as a separate entity.

This announcement is the final step in the measure recently adopted by Pan American to transfer the majority of its shares in Cia. Cubana - a national company and one of the oldest and most progressive in the hemisphere - to a group of Cuban financiers.

In the reorganization of its activities, Pan American will begin with the supervision of its services at Rancho Boyeros airport and in the near future will maintain its own offices in Havana. Formerly these activities were carried on in conjunction with Cia. Cubana.

Similarly, Cia. Cubana will supervise its services at Rancho Boyeros as well as in Miami, where it expects to open new offices Aug. 15 at 100 Biscayne Boulevard.

July 3, 1953

PINE, PROENZA, SINCLAIR TO HEAD PAA OFFICE HERE

With respect to the separation of activities of the Pan American World Airways and Cia. Cubana de Aviacion, it was announced yesterday that the administrative staff of Pan American here will be comprised of Warren A. Pine, Jr., who will continue as special representative, Jose L. Proenza, who has been named traffic and sales manager; and Marshall Sinclair, who was appointed station manager at Rancho Boyeros airport.

These changes went into effect July 1.

Jose L. Proenza, a Cuban citizen, was formerly superintendent of sales of the Latin American division of Pan American, and Marshall Sinclair, also a Cuban, has held other important posts with the airline.

These two airlines which are now separating their operations are the senior companies in Cuba - Cia. Cubana among national companies and Pan American among foreign companies operating in Cuba, having commenced service between Havana and Key West in 1929.

The supervision of its services at Rancho Boyeros airport has already been taken over by Pan American and in the near future this line will open its own sales offices in Habana.

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