(Security Classification)

937.52/8-852 XR 911.5237

FOREIGN SERVICE DESPATOR

FROM

AMEMBASSY, HABANA

210

TO

THE DEPARTMENT OF STATE, WASHINGTON.

August 8, 1952

REF

Voluntary

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SUBJECT:

Airport Workers Petition Cuban Government For U.S. Permit for Cuba Aeropostal.

Airport workers of Cuba Aeropostal recently petitioned the Cuban Government to use its influence to obtain U.S. operating rights for their company which transports cargo between Habana and Miami. The workers maintain that if Cuba Aeropostal does not obtain a cargo permit from the U.S. Civil Aeronautics Board, the airline will go out of business and they will lose their jobs.

The workers point out that Compañia Cubana de Aviacion, a PAA subsidiary, has a U.S. cargo permit which it has not used in six years and that this license should be transferred to Aeropostal.

A copy of Aeropostal's petition, which was addressed to President Batista and the Minister of Communications and Transport, is attached.

Cubana officials promptly denied the report that it is not using its U.S. cargo permit. In a statement appearing in the local press, Cubana declared it transports cargo between Habana and Miami regularly in the Douglas DC-4 aircraft which it owns.

For the Ambassador:

Enclosure:

Aeropostal petition.

Raymond d Havell Raymond L. Narrell Attaché

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TRANSLATION/

## PETITION

Faced with the imminent danger that <u>Cuba Aeropostal</u> be forced to stop its operations on August 25, 1952, the workers of this Cuban airline are obliged for the first time since its establishment, to make the following declaration:

- l. Despite all the gestures made by this company since its establishment, it has not received the support of the Cuban authorities in its efforts to obtain a U.S. permit for regular cargo flights between Habana and Miami.
- 2. There are only two Cuban airlines that have such permits: Expreso Aereo Inter-Americano and Compañia Cubana de Aviación.
- 3. While Expreso flies regularly in accordance with its permit, Cubana does not do so, nor has it done so in the six years since receiving its permit; it transports passengers only.

If Cubana's permit for the transportation of cargo between Habana and Miami is cancelled, no harm will be done since its only interest is the transportation of passengers. On the other hand, the transfer of its license to Aeropostal will greatly benefit this latter company which has demonstrated its good service, safety, speed and efficiency for a number of years. Furthermore, the number of Aeropostal's employees will be increased if it receives the permit in question.

For the reasons stated above, we demand protection from the authorities for the eighty-nine Cuban employees that work for Aeropostal. If Aeropostal does not get Cubana's cargo permit, which Cubana does not use, this airline must close its doors and all the employees will be left without work.

José Nicasio Canterin Manuel García

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SUBJECT:

Cuban Government Intervenes in Expreso Aereo Inter-Americano

On August 5, 1952 the Cuban Government ordered the intervention of Expreso Aereo Inter-Americano, an air freight carrier operating between Habana and Miami, Florida. Captain Eduardo WHITEHOUSE, Inspector General of Airports, was named the official Government interventor for Expreso.

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In a statement to an Embassy representative, Captain Whitehouse declared that he would have the airline operating on a sound financial basis within a month at which time it would be returned to its present owners.

This move followed a Government order last week directing Expreso to suspend its operations for the second time in recent The first suspension, which was in effect for five days, was ordered last May (see Embassy despatch No. 1946, May 15, 1952) for alleged "irregularities." Last week's suspension, which was in effect for six days, as well as the present official intervention, was blamed on "labor difficulties," none of which has come to the attention of the Embassy.

It is reported in several quarters that this harassment of Expreso stems from a desire by the Government to close the airline and to transfer its U.S. operating rights to Cuba Aeropostal which does not have a U.S. permit for the Havana-Miami route.

It is understood that one of the reasons why the Government is opposed to Expreso is that its president and majority stockholder, Rafael "Pilin" MENDOZA, is an intimate friend of ex-President Prio. There have been rumors that Mendoza has been in frequent contact with Prio recently and it may be that the Government wishes to close Expreso as a precautionary move against any possible revolutionary activity by Prio and his associates, or it may be merely an attempt to embarrass Prio and Mendoza. In some circles it is believed that Prio put up the money for the Expreso stock which Mendoza has registered in his own name.

There is a belief in local aviation circles that if Expresolis

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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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forced out of business, Cuba Aeropostal will have no trouble in obtaining Expreso's U.S. operating rights. The employees of Aeropostal recently requested the Cuban Government to assist this airline to obtain a regular U.S. cargo permit, as otherwise the company would be forced to close and they would lose their jobs (see Embassy despatch No. 210, August 8, 1952).

For the Ambassador:

Raymond L. Harrell
Attaché

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