

DEPARTMENT OF STATE  
INCOMING TELEGRAM

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INTER-AMERICAN AFFAIRS

JAN 25 1959

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Action: ARA

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FROM: Habana

TO: Secretary of State

NO: 43, January 24, noon

Honorable William D. Pawley called on me today and informed me that yesterday he presented President Cuba a plan reorganize Habana transit system using 620 British manufactured busses.

He informed me his proposed sale British equipment in Cuba resulted from failure obtain from US private banks the World Bank or Export Import Bank assistance to purchase American equipment for which he negotiated during past year. Pawley says Export Import Bank after many months consideration refused loan.

Mr. Pawley obtained British credit for this transaction without necessity of presidential decree or Congressional action on part Republic Cuba.

In interest American business Department may feel it desirable reopen matter with Export Import Bank which I would heartily approve.

BUTLER

RJM:EGB

*Handwritten notes:*  
1-25  
Cuba  
Pawley  
1/25/59

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X/R  
537.10

*Handwritten:*  
Program  
D. E. Downing  
1/25/59

937.513/1-2450  
DC/R Central Files

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# Department of State

CONFIDENTIAL

Washington,

NO. \_\_\_\_\_

1637

AMEMBASSY,

HABANA.

A--56, Feb. 15, 1950

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*857,110*

Reference Embassy's telegram No. 43 of January 24, 1950.

The Export-Import Bank has given full and careful consideration to the application submitted by Mr. Pawley for bank financing of certain transportation equipment under a plan reportedly approved by the President of Cuba for the reorganization of the Habana transit system. The Bank's decision against financing of the project is based principally on the conclusion that the equity in the new company and proposed guarantees are inadequate to justify such financing. The Department, therefore, does not feel that it can appropriately request reconsideration of the case in the absence of new facts which would tend to meet these objections.

Moreover, arrangements which reportedly have been made for the purchase of British equipment, in view of the inability of Mr. Pawley's principals to obtain the necessary financing in the U.S., would appear consistent with recommendations approved by the recent Conference of U.S. Ambassadors in Habana regarding maintenance of a satisfactory flow of trade between Latin America and Western Europe.

937.513/1-2450

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