

AIR POUCH  
PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, HABANA *JET* *435*

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 22, 1952

REF : Voluntary

For Dept. Use Only	ACTION	DEPT.	REF	OLD	ST
	REC'D	IN	OTHER		
	SEP 22				

SUBJECT: Decree Authorizes Payment of \$366,000 to British Firm on Behalf of Autobuses Modernos S. A.

Enclosed is a translation of Decree No. 3053 published in the Official Gazette on September 9, 1952, authorizing the Ministry of Finance to pay \$366,110.60 to Leyland Motors Ltd. on behalf of the nationalized bus company, Autobuses Modernos, S.A.

The payment due the British firm is to be deducted from the two million pesos' credit set up in the 1952-53 budget for the purpose of subsidizing public transport service, and, applies against the cost of 620 buses for which purchase was contracted in June 1950 by Mr. William D. Pawley, who was President of Autobuses Modernos S.A. prior to its nationalization on December 15, 1950. 1/ A down payment of \$850,000 was made at the time of signing this contract, and an unpaid balance of about \$7,750,000 was covered by promissory notes payable in 36 monthly installments.

Although several hundred workers and employees were dismissed from Autobuses Modernos S. A. in a surprise move by the Government last June, 2/ it appears that this bus line is still unable to operate on a self-sustaining basis and must continue to draw on the public treasury to meet current obligations.

For the Chargé d'Affaires, a.i.:

*David S. Green*  
David S. Green  
Commercial Attaché

Enclosure: 1  
✓ Translation.

- 1/ See Embassy Despatch No. 1318 dated December 21, 1950.
- 2/ See Embassy Despatch No. 2207 dated June 30, 1952.

HTAndersen/LHBerlin/jeb  
REPORTER

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

937.513/9-2252

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