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937.513/9-150

TO : Department of State

937.513/9-150

FROM : HABANA 506 September 1, 1950

XR 811.05137

REF : HABANA'S 209 of July 28, 1950

SUBJECT : PAWLEY REPORTEDLY PLANNING TO BUY CAMAGUEY STREET CAR SYSTEM AND INSTALL BUSES

William D. PAWLEY reportedly is contemplating buying the antiquated street car system in Camaguey, Cuba's third largest city, and substituting the rickety trolleys with modern buses, probably U. S.-built.

Camaguey, like Habana and Santiago de Cuba, has both trolleys and buses that largely compete with each other in the downtown area for passengers and for space in the inevitable one-way streets. Probably not more than 40 to 50 buses would be needed to replace Camaguey's trolleys.

The estimate of the possible number of buses that might be purchased is based upon a recent report (Trade Opportunity) that a newly organized company, capitalized at \$300,000, is buying about 50 U.S.-built buses to replace the street cars at Santiago. The new company, Autobuses Modelos, is said to have purchased the Habana Electric Railway Company's property in Santiago, Cuba's second largest city. So far as is known there is no connection between Autobuses Modelos, headed by president Ariel FIALLO, and Autobuses Modernos in Habana, headed by Mr. Pawley.

Credence is given to the allegation that Mr. Pawley is interested in the Camaguey utility by press reports in the last couple of days saying he, Prime Minister DE VARONA, and Minister of Communications CLARK are together in Camaguey on business.

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Meanwhile, Autobuses Modernos, Mr. Pawley's company now in the process of replacing street cars in Habana with buses, have occupied offices on six floors of Miralda Building, at the corner of Galiano and Concordia Streets, one of the most modern buildings in Habana that has been built in the last year.

Buses have replaced street cars now on eight of the principal routes in Habana. However, the change over has in the last 10 days been featured by a newspaper controversy between Mr. Pawley and the Secretary General of the National Federation of Transport Workers.

Mr. Pawley charges (the press reports) that within only a couple of months 75 buses have had to be repaired because of negligent driving; that 48 bus and street car conductors have been caught stealing fare; that the union refuses to let the culprits be discharged or otherwise disciplined; that the union is not cooperating in instructing motormen in the arts of driving buses, as it agreed to do; that the union is obstructing the further replacement of street cars with buses; and that the union is not assisting in eradicating Communists from among the utility's employees, as it agreed to do.

The Secretary of the Transport Workers denies all of these accusations.

The length of some of the new buses of the other Habana company, Cooperativa de Omnibus Aliada (COA), has caused changes in routings in Old Habana so that the vehicles can turn corners without running up on sidewalks, and get by parked vehicles.


R. M. Connell
First Secretary of Embassy.

Sources: 1. Press
2. Observation
3. Files
4. Inquiries