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F750004-1862

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FROM AMEMBASSY, HABANA

1385  
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 9, 1953  
DATE

REF : ---

41 For Dept. Use Only hm	ACTION ARA REC'D MAR 11	DEPT. I N F O OTHER CAB COMM	DEPARTMENT OF STATE BUREAU OF INTERAMERICAN AFFAIRS MAR 11 1953
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SUBJECT: Cuban Views Regarding Proposed  
Bilateral Air Transport Agreement

The Cuban Delegation which was appointed to study the Draft Bilateral Air Transport Agreement submitted by the United States has held several meetings and has prepared its report. The Embassy has obtained a copy of this document informally from one of the members of the delegation; a translation of it accompanies this despatch.

It will be noted the report contains the statement that the United States proposals are unacceptable to Cuba. The delegate that made this document available to the Embassy declared that he did not agree with this unfavorable report, that he had not signed it, and that consequently it had not yet been submitted to the Ministers of State and of Communications and Transport. He indicated that he would make an attempt either to have its terms modified or else submit a minority report.

The Embassy is of the opinion that the report reflects the views of two Cuban airlines, Aerovias Q and Compania Cubana de Aviacion, both of which are opposed to the signing of the Air Agreement as now drafted. Aerovias Q is against a treaty because it would probably subject this small Cuban airline to the overwhelming competition of an American airline on the Habana-Key West route. Cubana objects to the agreement because it would permit National Airlines and Pan American Airways to operate between Miami and Varadero, a route which Cubana hoped to develop by itself.

In addition, there is a possibility that PAA might sell its interest in Cubana to Cuban citizens who would then demand that the airline be permitted to operate between Habana and New York without the restrictions that are in Cubana's present New York permit. If the company is sold, it has probably occurred to Cubana officials that the best way to get these restrictions lifted would be during the negotiations for an Air Agreement and they probably hope to delay the bilateral conversations until PAA's arrangements for the sale of its

RLHarrell:ecv  
REPORTER

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interest in Cubana have been completed.

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From several sources it has been learned that negotiations are actually in progress for the sale of PAA's interest in Cubana to Cuban nationals, possibly to the group headed by José LOPEZ Vilaboy that recently purchased the airport at Rancho Boyeros from PAA. The name of Transocean Air Lines has also been linked with the deal; it is probably interested in Cubana because of its route to Madrid.

It would appear to the Embassy that if the United States expects to conclude an air agreement with Cuba, a treaty that is desired by the American carriers that operate in Cuba, it will be necessary to overcome or clarify most of the Cuban objections which appear in the attached report and to accede to the demands of one of the two Cuban airlines that are opposing the proposed treaty. If the United States agrees to Q's request that it be allowed to exploit the Key West route without competition from an American carrier, it will support the treaty, and with its assistance and that of Cuba Aeropostal, the Embassy is of the opinion that a satisfactory agreement on the United States proposals can be reached, especially if Cubana is allowed to serve Miami and New York, and possibly Washington, on the same flight. The Embassy does not consider Cubana's opposition to the inclusion of Varadero in the United States route schedule will be decisive one way or the other in the negotiations. If the United States is genuinely interested in this stop, the Embassy does not believe that the Cuban Government will allow Cubana's objections to stand in the way of a treaty.

For the Ambassador:

*Raymond L. Harrell*  
Raymond L. Harrell  
Attaché

Enclosure:

✓ Translation of report  
on proposed Air Transport  
Agreement.

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