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The Secretary of State,  
Washington, D. C.

A-2103, November 14.

Reference Embassy's despatch No. 448 of November 6, 1945 regarding intervention in Havana Electric Railway Company.

Frank STEINHART, President of the Company, has furnished Embassy copy of letter addressed to him on November 8 by Sergio CLARK, Minister of Communications acting as interventor, directing Steinhart to pay wages at the increased rates ordered by the National Commission for Social Cooperation and at the same time not to make any payment save for salaries, for the purpose of complying with social and fiscal laws, for the purchase of indispensable materials, and for other necessary minor expenses, without his authorization.

Steinhart has also furnished a copy of his reply of November 9 listing the principal debts of the company which include an item of some \$1,900,000 to the Compania Cubana de Electricidad, which Clark's ruling prevents him from paying off in current instalments in the absence of special authorization; and pointing out that under the moratorium law only 1 percent is paid on bonds and obligations instead of 5 and 5-1/2 percent, respectively, but that if the company fails to meet the 1 percent payments, the higher percentage rate will fall due and claim for immediate payment of the principal may also be made. Bonds total nearly \$6,500,000 and obligations total \$5,500,000.

Clark has of cou. not flatly prohibited any payment under these headings but has signified that his authorization in each case will be required.

DCR: ITP Unit

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DEPARTMENT OF STATE

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DIVISION OF  
INTERNATIONAL LABOR, SOCIAL  
AND HEALTH AFFAIRS - ILH

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