Habana,

PAN REPUBLIC AFFAIRS

8549

Smuggling of Tires by Cuban Navy Subject:

CONFIDENTIAL

no

The Honorable

The Secretary of State Washington, D.C.

I have the honor to refer to my airgram No. 26/ January 3, 12:45 p.m., 1945, and to previous correspondence with respect to possible smuggling by the Cuban Navy during the period of the BATISTA Administration. In my telegram No. 9 of January 4, 1945. I have informed the Department of the statement made by the Minister of Defense, apparently out of dissatisfaction over his inability to see the President on matters relating to the Armed The Department will have observed from this telegram that the Minister ran afoul of Senator Eddy CHIBAS and that there now seems every possibility of the Minister being dropped from the cabinet.

Unfortunately, Commandante Menéndez VILLOCH gave a special interview on the evening of January 3 to a reporter of the Diario de la Marina and went into considerable detail with regard to the alleged smuggling activities of the Cuban Navy under the previous administration. He referred, in particular, to the tires which were smuggled on board the Gunboat Cuba in May of last year, to which reference was made in the Embassy's despatch No. 8340 of November 30, 1944. The Minister stated to the reporter that President GRAU had ordered a strict investigation after "the Government of the United States had inquired officially of the Government of Cuba with regard to the use of the Gunboat Cuba for smuggling tires from Miami." The Minister went on to say that the tires had been smuggled on board the Cuba in Miami with the collaboration of a high functionary of the Ministry of Hacienda. (Commander Villoch doubtless had in mind Dr. ABALO who was one of the close collaborators of Dr. MONTOULIEU, at that time Minister of Hacienda, and who was on board the Cuba

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at the time. The Embassy has no evidence that Dr. Abalo was in any way connected with this smuggling; in fact, there is reason to believe that the contrary is true.)

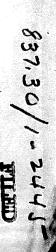
It is to be regretted that the Minister attributed to the United States authorities the initiative for this investigation of smuggling activities in the Cuban Navy. It is apparent that the Minister is still suffering under the delusion that a written request for such investigation was received by President Grau from our Government through the Cuban Embassy in Washington. I shall take occasion of my next conversation with President Grau to straighten out this matter and to assure him once more that it is not the desire or intention of my Government to interfere in any way with the internal affairs of his Government.

Respectfully yours,

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Original (Ozalid) to Department





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DEPARTMENT OF STATE

Dated: January 24, 1945

OFFICE OF
AMERICAN REPUBLIC AFFAIRS

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Secretary of State, Washington, D.C.

A-166, January 24, 9:4

Reference Minney's despatch Mq. 8549, January 5, 1945 regarding snuggling of tires by Cuban Mavy.

Embassy now in receipt of official communication from Ministry of State advising that Major Francisco José DE ARCE of the Cuban Army has been instructed by the Supreme Military Court to investigate tertain anuggling activities in Miami and requesting the co-operation of our authorities in that city. Major de Arce will be accompanied by two other members of the Armed Forces, Lieutenant Lucas G. C. LAMADRID 1074 and Sorgeant Andres LAMIGUEIRO.

Major de Arce had already approached the Naval Mission and the Naval Attache reducating their assistance in obtaining the collaboration of the United States Treasury representative in Mismi. As soon as the note from the Ministry of State was received, the Embassy telephoned Mr. Charles E. WYATT of the Mismi office of the United States Treasury and requested him to assist Major de Arce in carrying out his investigation. Mr. Wyatt said that a special investigator would be a maintain to Major de Arce and would place every presible factor at his disposition.

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