



EMBASSY OF THE  
UNITED STATES OF AMERICA

No. 862

Habana, January 9, 1946

CONFIDENTIAL

Subject: Army surplus automotive vehicles shipped to private parties in Cuba being taken over by the Cuban Government.

DIVISION OF COMMERCIAL POLICY

OFFICE OF  
AMERICAN REPUBLIC AFFAIRS

JAN 24 1946

The Honorable  
The Secretary of State,  
Washington, D. C.

Sir:

I have the honor to report that a number of automotive vehicles purchased in the United States from Army war surplus by private United States commercial firms and sold to Cuban importers for use in agriculture and for other purposes have been expropriated by the Cuban Government on the ground that they are armored vehicles whose importation without prior permit from the Ministry of War is prohibited.

The Embassy has received information concerning a number of cases of this type and reports to date indicate that some 37 vehicles have already been confiscated by the Cuban Government. In this category are 15 "scout cars" exported by Price & Company of Cincinnati to Cooperativa de Omnibus Aliados, S. A.; 8 scout cars exported by the Georgia Tractor Company to Benito REMEDIOS; and a command car, the property of the Aero Service Company of Philadelphia, which was brought into the country temporarily in connection with an aerial mapping survey that company had contracted to do for the Juragua Mining Company in Oriente Province. The latter automobile had already been cleared through customs on a temporary basis but was confiscated in Oriente Province while actually in use by the Aero Service Company in its mapping operations. This particular vehicle was subsequently released, partly as a result of the Embassy's representations. The Embassy is not in possession of any details regarding the other 11 vehicles reportedly taken over by the Cuban Government. The

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1/ See Embassy's restricted despatch No. 832 of January 7, 1946 entitled "Seizure by Cuban Government of Vehicle belonging to Aero Service Corporation, Philadelphia."

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figure of 37 vehicles mentioned was volunteered by General Genovevo PEREZ Damera, head of the Cuban Army.

The Embassy has been informed today that 3 more surplus vehicles, White scout cars, part of a total shipment of 6 sent by Brevaire & Company, 19 Rector Street, New York, N. Y. arrived on January 6, 1946 and were confiscated by the Government. The importer in this case, Mr. Gerardo VASQUEZ from Camaguey, took precautions to prevent Government seizure but to no avail. Having heard of the action of the Cuban Government with regard to other similar vehicles and upon investigation learning that the action of the Cuban Government was motivated by the fact that these vehicles were considered armored, Mr. Vasquez requested the United States exporter to remove the superstructures of the vehicles and to ship only the chassis.

Mr. Vasquez has informed the Embassy that the Cuban Government has stated it will take over all motorized equipment originally built for the United States Army which is exported as surplus to Cuba. It considers, according to Mr. Vasquez, all such vehicles bullet proof and subject absolutely to Ministry of War control. Even chassis alone, reportedly, are in the same category; the bullet proof aspect, so far as Government regulations are concerned, is not altered by removal of the superstructure.

Mr. Vasquez stated that General Perez Damera informed him that the Government did not wish trucks of the armored category to be used in Cuba by other than the Cuban Armed Forces and volunteered the statement that if persons not sympathetic to the present regime obtained possession of the numerous vehicles of the type under reference now being imported, it might facilitate the possible activities of subversive elements.

The Embassy has been requested in the case of the 15 scout cars shipped to Cooperativa de Omnibus Aliados, S. A., by Price & Company, of Cincinnati, to assist its local representative in collecting from the Cuban Government the value of the seized trucks. Cooperativa de Omnibus Aliados, according to its president, Dr. MORA MORALES, is reluctant to take steps to obtain payment from the Cuban Government because as an importer it might become subject to the penalties to which importers of seized merchandise are subject.

The Embassy is informed that Price & Company shipped these 15 cars to Omnibus Aliados against an

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irrevocable letter of credit but when it learned that the vehicles were taken over by the Cuban Government it applied the amount of the credit to other shipments to the local firm. This action was allegedly taken as a gesture to Omnibus Aliados which annually purchases about \$200,000 to \$300,000 worth of merchandise from Price & Company. The Embassy is inclined to doubt that the transfer of the credit covering the fifteen vehicles actually took place and it is inclined to believe that the statement made by Price & Company is merely an attempt to induce the Embassy to take steps to obtain payment for the vehicles from the Cuban Government, presumably on the assumption that any steps the Embassy might take in the premises would be more successful than those which might be initiated by Omnibus Aliados. In view thereof, the Embassy is reluctant to intercede with the Cuban Government in this particular case and therefore proposes to take no action unless otherwise instructed by the Department.

The problems which arise from the aforementioned developments are twofold: 1) the closing of this area as an outlet for some of the surplus army vehicles; and 2) the difficulties confronting American exporters who ship merchandise in the above category to Cuba except on a cash in advance basis.

The Embassy believes that publicity, through the Foreign Commerce Weekly and other media, should be given this matter so that American exporters entering into negotiations with Cuban importers may be fully aware of the possible consequences of shipping such vehicles here and may make suitable arrangements for advance payment for any such merchandise exported. Mr. Gerardo Vasquez, mentioned above, stated that he had discussed his own case, involving the six scout cars, with the head of the Cuban Army and was informed that the Government did not intend to make payment for any of the vehicles confiscated and that it would continue the policy of seizing all armored motorized equipment purchased from army surplus in the United States and exported to Cuba. Should its avowed intention be carried out, no surplus armored trucks, jeeps, scout cars, command cars or other similarly built vehicles could be shipped to Cuba, except in the case of sales to the Cuban Government, and the Embassy would appreciate receiving the Department's suggestions and comments with respect to this particular phase of the problem.

Respectfully yours,

For the Ambassador:

  
George C. Howard  
Commercial Attaché

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To Department in original  
and hectograph.

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To the

Officer in Charge of the American Mission,  
Habana.

The Secretary of State refers to the Embassy's despatch 862 of January 9, 1946, entitled "Army surplus automotive vehicles shipped to private parties in Cuba being taken over by the Cuban Government", and to Military Attaché Report MIG 302-100 of November 30, 1945 on the same subject.

Before considering the matter further, the Department would like the additional information asked for below.

What regulations were published by the Cuban Government that would inform importers in Cuba and exporters in the United States that U.S. Army surplus automotive vehicles would be considered armored vehicles the importation of which without prior permit from the Ministry of War is prohibited?

Has the Embassy received any information direct from responsible Cuban authorities that they have confiscated or intend to confiscate all such vehicles, and is the Cuban Government desirous of shutting out all imports of such vehicles by private individuals and firms?

Does the Embassy consider that there is any justification for the Cuban Government's fears that these vehicles will facilitate the activities of subversive elements, or does it consider that the Cuban Government merely wishes to obtain for itself all vehicles of this kind that can be imported at this time?

Before it considers giving publicity to this matter in the Foreign Commerce Weekly, as suggested in the last paragraph of the Embassy's despatch, the Department requests the Embassy, unless it perceives objection, to discuss the matter with the Cuban Government. The Embassy should point out that the Cuban Government's suspicions that all surplus army vehicles are armored equipment are unfounded. Any armored equipment that is offered for sale in the United States is expressly so designated, and the only equipment of this kind that has been sold in this country is the M41 scout car which has armor plate on hood, sides and roof. These scout cars were sold in this country with the

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express understanding that the armor plate would be removed from the sides and cowl before the cars were taken from the original purchaser's premises.

In addition, it might be pointed out that this Government is taking steps as fast as possible to eliminate its few remaining wartime export and import controls and to return all foreign trade to the hands of private traders, and it is hoped that Cuba will do likewise. If the Cuban Government still considers that it must control imports of the vehicles in question, the Embassy should urge that it give full and detailed publicity to this fact and also give the Embassy official notice in order that this Government may inform exporters in this country as soon as possible.

Moreover, if control by the Cuban Government of imports of these vehicles is to be continued, it should be made clear just what type of equipment is to be under control, and whether the Cuban Government is to be the only purchaser and consignee of such equipment or whether the applications for import permits will simply be screened to make sure that the vehicles are not destined for possible subversive elements.

The Embassy will recall that in order to assist the other American republics in the K group of countries to obtain such equipment, the OIT placed used U.S. Army surplus trucks, including jeeps, under general license and has been licensing freely new surplus automotive equipment. If the Cuban Government is to be the only importer of such vehicles, the matter can be simplified by announcements to that effect to importers in Cuba and to exporters in the United States. If Cuban importers other than the Government are to be allowed to import this type of equipment, but only under import permit, exports from this country would be indirectly controlled by such permits. In addition, in the case of the new surplus equipment under individual export license in this country, each application would be carefully screened by the OIT for end use. In the case of the surplus equipment under general license, the control exercised by the Cuban import licenses would undoubtedly be sufficient to control exports from this country after exporters have become informed. Should the Embassy and the Cuban Government consider such control insufficient, the OIT might, as a last resort, consider the possibility of reinstituting individual export license requirements for such equipment destined for Cuba. However, as stated in a previous paragraph, this Government is desirous of ending export control as fast as possible. In addition, it should be borne in mind that if an exception should be made for Cuba in the group K countries for which used surplus U.S. Army trucks, including jeeps, are under general license, the only other exception would be Argentina.

In the penultimate paragraph of its despatch, the Embassy mentions two problems: "1) the closing of this area as an outlet for some of the surplus army vehicles; and 2) the difficulties confronting American exporters who ship merchandise in the above category to Cuba except on a cash in advance basis." There is such great demand in this

country

country for these vehicles that comparatively few have been made available for export, and the problem seems rather to be that not enough will be available for export. The second point raised by the Embassy could be taken care of, in so far as the future is concerned, by giving the necessary publicity in this country as soon as the questions raised in this instruction are cleared up by the Embassy. In so far as payments for shipments already made are concerned, it would be appreciated if the Embassy would report fully to the Department if American exporters are still having difficulty in obtaining payment for vehicles which were confiscated by the Cuban Government.

With regard to the scout cars mentioned in the Military Attaché's report under reference, the Department requests that it be informed whether the proposed investigation has been completed, whether any of the scout cars were actually armored and, if so, who were the American exporters in each case.

Finally, it would be appreciated if an early reply could be made, preferably by airgram, to those parts of this instruction which indicate action or information needed here prior to any suggested publicity. In making the reply the Embassy should clearly indicate what part of the airgram is for publication.

The Embassy will appreciate the hesitancy of the agencies in Washington in issuing public statements on this subject until the official views of the Cuban Government, including perhaps the Ministries of Commerce and Foreign Affairs, have been obtained. The Cuban Embassy in Washington, for example, has several times in recent weeks, requested from the Department licensing and other assistance in obtaining surplus vehicles for export to the Cuban Government.

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*OIT (Commerce)*

*Cleared by telephone with Mr. Nelson*

Enclosure No. 2 to despatch No. 1101 dated  
February 15, 1946, from the Embassy at Habana

[TRANSLATION]

Carlos Mendieta y Montefur, Provisional President  
of the Republic of Cuba,

Hereby Makes Known:

That the Cabinet has approved and I have ratified  
the following:

Whereas: In view of the necessity of repressing  
those acts which tend to disturb the country, the Govern-  
ment is compelled to take all possible measures to main-  
tain national peace, assigning the punitive sanction  
appropriate to the penal infraction committed by elements  
that lurk in the shadows beset with the idea of carrying  
the nation toward anarchy and chaos.

Whereas: The Government, in a previous Decree-Law,  
established the standards that it believed proper in  
order to impose the most severe sanction on those who,  
cloaked in poorly understood politics, carry out vandalism  
against property and persons, and as a consequence it is  
necessary to nullify the means available to those guilty  
persons for impunity in their reprehensible designs.

Whereas: National interest and public welfare call  
for prohibition of the use and importation by private  
individuals of any kind of bullet proof vehicle that may  
be used without risk in carrying out the deeds referred  
to in the preceding paragraphs, and the raising to the  
criminal category, under the jurisdiction of the Summary  
Courts, the infraction of the provisions of the present  
laws.

Therefore: In use of the faculties conferred upon  
me by Joint Resolution of the Provisional Government,  
dated March 8, 1935, the Executive Power resolves to  
dictate the following:

Law No. 168

Article I- Any person introducing or attempting  
to introduce into the Republic of Cuba, without the  
corresponding permit from the Chief of the Constitutional  
Army, a vehicle of any kind, with armor-plate, regardless  
of the intended use thereof, shall be punished by a  
penalty of from two to five years imprisonment.

Cuban consuls abroad will refrain from authorizing  
the shipment to this Republic of vehicles referred to  
in this article, except those consigned to the Constitu-  
tional Army.

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The Customs administrators or their delegates shall not clear any vehicle of the type mentioned in this law unless the previous authorization referred to above has been presented.

An armored vehicle is one in the construction of which there have been employed steel plates or other metals which are bullet proof.

Article II- A sentence of five to eight years imprisonment shall be incurred by any person having, manufacturing or using vehicles described in the above disposition without the corresponding permit from the military authorities referred to.

Article III- The knowledge and resolution of the crimes created by this law shall be under the jurisdiction of the Summary Courts.

Article IV- This law shall be in force from the date of its publication in the Official Gazette of the Republic.

Therefore: I order compliance and execution of the present law in all of its parts.

Issued at the Presidential Palace, Habana, on the 21st day of the month of May, 1935.

Carlos Mendieta

Carlos M. de la Rionda  
Secretary of Agriculture and  
Acting Secretary of National Defense

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