

In reply refer to:

PIN-C

Plancor 690

Nicaró Nickel Company

Nicaró, Oriente, Cuba

**WAR ASSETS ADMINISTRATION**

WASHINGTON 25, D. C.

SEP 13 1948

DIVISION OF ECONOMIC PROPERTY  
POLICY

SEP 10 1948

DEPARTMENT OF STATE

The Honorable Paul C. Daniels  
Director for American Republic Affairs  
Department of State  
Washington, D. C.

Attention: Mr. Charles W. Kempter  
Economic Property Policy Division

Dear Mr. Daniels:

This will confirm our telephone conversation with Mr. Kempter in connection with the War Assets Administration press release on the above subject, dated July 22, 1948, copies of which are attached for your information.

We regret that there has been a misunderstanding with respect to this release and assure you that if you were not informed of it, the failure to do so was an oversight. In accordance with its usual procedure after the advertising copy with respect to a property to be offered for sale has been prepared and approved, the War Assets Administration issues a press release with respect to the proposed sale as a matter of news. Such a release is not in any sense an offering of the property.

I am sure that you are now apprised of all the happenings with respect to this case subsequent to the issuance of the press release, namely (a) the meeting in Mr. Turner's office on August 2, 1948, (b) the decision of the Munitions Board to purchase certain minimum quantities of nickel oxide from the facility over the next three years for stockpiling purposes, (c) the withholding of mention of this Munitions Board proposal in sales advertising until formal notification of the proposal had been received, (d) the meeting in Mr. Kempter's office on August 17, 1948, and (e) our letter of August 26, 1948 to you regarding the possibility of a Cuban tax upon the recent transfer of operating assets from Nicaro Nickel Company to Cuban Nickel Company.

Nothing further of consequence in the case has transpired. It shall be our purpose to keep you informed of all future developments in which the Department of State may be interested.

Sincerely yours,

*M. L. Godman*

Enclosures (2)  
Press Releases

M. L. GODMAN  
Deputy Administrator  
Office of Real Property Disposal

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## WAR ASSETS ADMINISTRATION

FOR IMMEDIATE RELEASE  
Thursday, July 22, 1948

One of the world's largest nickel mining and processing plants, located in Cuba and built during the war by the United States Government, is being offered for sale or lease by War Assets Administration.

Known as the Nicaro Nickel Plant (Plancor 690), the property occupies 1,183 acres of land on Lengua de Pajaro Peninsula, Lavista Bay, Oriente Province, Cuba, and was erected by the Reconstruction Finance Corporation at a cost of approximately \$32,000,000. It was declared surplus in 1947.

Sealed bids are being invited by WAA for its purchase or lease in its entirety and for use on site. The sealed proposals received will be opened publicly in the Washington offices of WAA at a date in September or October to be announced later.

The property comprises rail and port terminals to world markets; mining facilities and metallurgical plant with some 30 industrial structures; a complete townsite with 400 buildings and utilities capable of serving 3,000 people; and mining rights on a royalty basis for 20 years.

The plant has a present capacity of 32,000,000 pounds of nickel per year and ore reserves estimated at nearly 35 million tons. It was constructed to supply complete facilities to the Nicaro Nickel Company, a subsidiary of the Freeport Sulphur Company, for mining and milling nickel ores owned in Cuba by the Nicaro Company. The latter company ceased operations at the plant last year when its contract expired. The capital stock of the Nicaro Company is jointly owned by the Freeport Sulphur Company and the government.

War Assets desires disposal of the property to effect resumption of production of nickel oxide for the steel industry.

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