

## Office Memorandum • UNITED STATES GOVERNMENT

CCA - Mr. Barber

~~Mr. Anderson~~

DATE: 7/25/45

~~Mr. Cochran~~TO : AFA - ~~Mr. Lockwood~~

Mr. Warren

FROM : CCA - Miss Krantzler

SUBJECT: Establishment of a Cuban Merchant Marine

On June 22 President Grau in an address before the Congress of the National Federation of Maritime Workers promised that Cuba would have its own merchant marine within two years.

A "Research Committee for the Promotion and Defense of the Merchant Marine" has submitted a project to the President which provides for the acquisition of 24 vessels, to be subsidized by the Government to the extent of equalizing their operating expenses with those of vessels of other countries. The Committee estimates that such a merchant marine would enable Cuba to recover annually about \$10,000,000 of the amount paid to foreign companies for transportation of its imports and exports. This project embodies certain provisions which point toward discrimination against foreign-flag vessels.

In a conversation with an Embassy officer, Juan Arévalo, Cuban labor leader felt that there was little chance for this project to materialize, as it was opposed by U. S. maritime interests, who fifteen years ago succeeded in blocking the establishment of a Cuban merchant marine. But even more important, operating costs under present conditions are so high that it would cost as much to operate a 1,000 ton Cuban flag ship as it costs to operate a 4,000 ton United States flag vessel.

Despatch no. 9577; June 30, 1945; Habana

Despatch no. 9586; July 3, 1945; Habana

CCA:RMK



EMBASSY OF THE  
UNITED STATES OF AMERICA

Habana, July 3, 1945

No. 95860

AIR MAIL

Subject: With further reference to the proposed  
establishment of a Cuban Merchant Marine

*Handwritten initials and marks*

RESTRICTED

*noted file mje  
12/6/45*

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

Sir:

Supplementing the Embassy's air mail despatch  
no. 9577 of June 30, 1945 (File no. 885) and pre-  
vious correspondence in the subject matter, I have  
the honor to enclose a copy of a memorandum of July  
2, 1945, prepared by an officer of the Embassy on  
his conversation with Señor Juan AREVALO, a local  
labor leader, in which the subject of a Cuban  
merchant marine was discussed.

It will be noted that Señor Arévalo seriously  
doubts that the plan to create a Cuban merchant  
marine will be successful and that he cites among  
the obstacles to its execution the "veiled oppo-  
sition" of vested United States maritime interests  
which, he claims, succeeded (allegedly with the help  
of our Government) in blocking a similar project  
about fifteen years ago and the high cost of operat-  
ing Cuban-flag vessels.

Respectfully yours,

For the Chargé d'Affaires a. i.:

*Albert F. Nufer*  
Albert F. Nufer  
Counselor of Embassy  
for Economic Affairs

Enclosure:  
Copy of memorandum  
dated July 2, 1945.

File 885  
AFN/ew  
To Department in original  
and hectograph.

*Handwritten initials: E.M.S.*

DEC 7 1945

837.85/7-345

CS/MAJ

837.85/7-345

Enclosure to despatch no. 9586 dated July 3, 1945  
From the Embassy at Habana.

C O P Y

CONFIDENTIAL

Havana, July 3, 1945

MEMORANDUM

Conversation with Juan Arévalo  
Cuban Merchant Marine

In discussing the recent Congress of the Maritime Federation I asked Arévalo whether he felt progress had been made toward creation of a Cuban merchant marine. He said a plan had been drawn up in detail and there had been a lot of "talk", including speeches by the President, by Rentería, et cetera, but he (Arévalo) felt that there were still some very tough obstacles to overcome and that realization of the plan was still far off. Among the obstacles, he cited the "veiled opposition" of vested United States maritime interests who, he said, had succeeded in blocking the project before. He recalled, he stated, that about fifteen years ago, when a similar project was being considered, United States maritime interests had obtained the support of the United States Government, which had sent the Cuban Government a strongly worded note which effectively put an end to the whole thing. Another obstacle, he said, which is just as great if not greater, is the question of costs. He said it would cost as much, under present conditions, to operate a 1,000 ton Cuban flag vessel as it costs to operate a 4,000 ton United States flag vessel. This difference is enough to doom the Cuban merchant marine even before it gets started. He himself has been trying to do some propagandizing among maritime labor groups to point out that unless something is done to correct this, it's no use talking about a merchant marine. He doesn't feel that he has been very successful, and he wasn't even able to get this point on the agenda of the Maritime Federation Congress.

While on the subject of high labor costs, he said Aracelio Iglesias had agreed with him that some port workers had made as high as \$50. in a 24 hour period. Arévalo said that he had indications that port workers might be willing to consider a reduction in rates (as a postwar plan) for the handling of Cuban goods, but not for incoming cargo.

E. D.

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