

RESTRICTED

American Embassy, Habana,  
March 11, 1948,  
Enclosure to Despatch No. 199.

Habana, March 8, 1948

MEMORANDUM

Negotiations for United Kingdom-  
Cuba Air Agreement

Mr. Towell:

I had a long talk last Friday with M.C.L. Byrde who came to Habana with Air Vice Marshal Willock last December to resume negotiations with the Cuban Government for a bilateral air transport agreement. According to Byrde, the Cubans have apparently agreed on full fifth freedom rights in the proposed new treaty. Air Vice Marshal Willock and his assistant have evidently done a fine job of salesmanship, because originally the Cubans did not want BSA to transport any fifth freedom traffic between Cuba and Portugal. AVM Willock pointed out to the Cubans that the British are primarily interested in operating all the way from London to Mexico City and it would be very difficult, if not impossible, to restrict capacity over part of the route. Provision is made in the annex to the treaty for the regular exchange of traffic information; if after six months or a year it is found that BSA is operating at eighty per cent capacity between Portugal and Cuba while a Cuban airline operating between these points is transporting only ten per cent of its capacity, then BSA would have to reduce the number of passengers it carries in order to favor the Cuban airline.

He also discussed with me the following points which will probably come up in the negotiations between the United States and Cuba:

(a) Privately owned airdromes: At first the British objected to the different landing fees paid by the various airlines. In the case of Cia. Cubana it was finally decided that this airline is entitled to lower landing fees because Pan American Airways and Cia. Cubana own the fields at Rancho Boyeros and Camaguey. The British made it very clear, however, that there should be no discrimination in the landing fees paid by BSA and all the other companies, such as National, Chicago and Southern, PIA, LAV, ~~KLM~~, etc. Provision was also made in the treaty that if the airports

in Cuba

RESTRICTED

RESTRICTED

American Embassy, Habana,  
March 11, 1948,  
Enclosure to Despatch No. 199.

-2-

in Cuba are over nationalized then BSA would expect to receive identical treatment with Cia. Cubana and the others.

(b) Military Airports: The British took exception to Aerovias "Q's" use of the fields at Camp Columbia and Varadero free of charge. The Cubans pointed out that in return for the free use of these fields "Q" provides the Cuban Government with certain concessions including free transportation, repair services, etc. Furthermore, these privileges are extended to "Q" because of the Government's desire to promote national defense. In view of these extenuating circumstances, the British finally agreed not to object to "Q's" use of military airfields without charge.

(c) Customs exemption for airlines with mail contracts: The British objected to the granting of customs exemptions and to sale of tax free gasoline to airlines with Cuban air mail contracts, but the Cubans pointed out that this was merely a device to provide for lower payments for the transportation of mail. The British gave in on this point also.

The only other important point of difference was the question of substantial ownership and effective control and this matter was solved by agreeing to the following statement in the appendix to the treaty: to be considered a Cuban airline the company must be "operated bona fide in the development of the interests of Cuban civil aviation." I copied the above quoted remarks from a copy of the treaty which AVM Willock has agreed to let me have when and if it is signed. The treaty also contains a statement that eventually Cuban airlines should be owned almost entirely by Cuban nationals.

R. L. H.

RLHarrell/elw