

aircraft in the Caribbean area was in line with similar U.S., and U.K. policies. It appears, however, that the U.S. is making a distinction between planes for military purposes and planes for "other than military use" and is selling and delivering planes of the latter type to Cuba.

3. Under these circumstances I now understand more clearly the bewilderment of the Cubans over our refusal to sell one Beaver aircraft for non-military purposes. I am attaching a copy of the memorandum which the Commercial Secretary wrote yesterday to his own Department in Ottawa. Is it possible that this U.S. policy was not known to the Cabinet when the decision regarding the sale of the Beaver was made? In the event that it was not, and in the light of the continuing interest expressed by Cuban authorities, you may wish to consider whether you should recommend reconsideration of their decision. Continued refusal to consider this application could result in public criticism in Cuba, which would be unfortunate in view of Canada's present good relations with the new government.

ALLAN ANDERSON

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire commercial au Cuba
au chef de la Direction de l'Amérique latine,
ministère du Commerce*

*Commercial Secretary in Cuba
to Head, Latin American Division,
Department of Trade and Commerce*

CONFIDENTIAL

[Havana], January 5, 1960

BEAVER AIRCRAFT FOR CUBA

For several months the National Agrarian Reform Institute (INRA) has been attempting to obtain a Canadian export permit for one Beaver aircraft. This aircraft has already been manufactured by de Havilland Aircraft of Canada Limited to Cuba's specifications. The sales agent in this transaction is Air Carrier Service Corporation, 1744 G Street N.W., Washington, D.C.

2. This Embassy has received requests for assistance in this matter from the local agent of Air Carrier Service Corp., from the Director of INRA and, just this morning, from the Inspector General of the Cuban Air Force. So far, all enquiries sent to the Department of External Affairs have met with the reply that the export permit could not be granted in view of Canada's present policy of not allowing any shipments of aircraft or military equipment to the Caribbean area.

3. The Ambassador is writing a separate letter on this subject to the Department of External Affairs today. I think the Department of Trade and Commerce should support this request for an export permit. There are two good reasons for this. One is that the National Agrarian Reform Institute (INRA) has become the most important government body of Cuba, with wide powers over Cuban agriculture and industry, and is in a position to direct a major part of the imports of Cuba. Canadian export trade would benefit from any goodwill we can build up among the INRA officials.

4. The second reason for supporting this request is that, according to the Air Attaché at the U.S. Embassy, INRA in recent months has been importing from the United States Cessna aircraft and light helicopters for crop dusting, fumigation and executive transportation. The amphibious Beaver required from Canada, according to the Cubans, is to be used for transportation of Prime Minister Castro and other high officials, and to move personnel and supplies to the sites of several government development projects in the Cienaga de Zapata