

Sanitized Copy Approved for
Release 2010/03/05 :
CIA-RDP85T00875R00170002

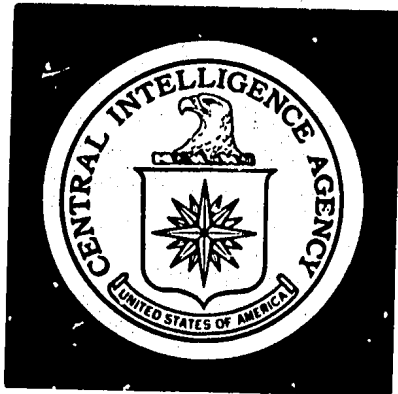
Sanitized Copy Approved for
Release 2010/03/05 :
CIA-RDP85T00875R00170002

Dr/De

Secret

CIA/OER / IM 71-214

25X1



**DIRECTORATE OF
INTELLIGENCE**

Intelligence Memorandum

Cuba: Expanding International Civil Air Service

Secret

ER IM 71-214
November 1971

Copy No.

54

WARNING

This document contains information affecting the national defense of the United States, within the meaning of Title 18, sections 793 and 794, of the US Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law.

GROUP 1
Excluded from automatic
downgrading and
declassification

SECRETCENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
November 1971

25X1

INTELLIGENCE MEMORANDUM

**CUBA:
EXPANDING INTERNATIONAL CIVIL AIR SERVICE**Introduction

1. Until LAN-Chile began monthly service to Havana last summer, Cuba was served by only four scheduled airlines – the Soviet state airline (Aeroflot), the Czechoslovak state airline (CSA), the Cuban national airline (Cubana), and the Spanish airline (Iberia). The pattern of service – currently 12 flights a week linking Cuba with the USSR, Czechoslovakia, and seven non-Communist countries – is basically unchanged since 1963, when the last of 11 foreign airlines serving pre-Castro Cuba was withdrawn. During the past three years, however, there has been some expansion of service and an improvement in its quality. This memorandum examines the changes since 1968, the volume of traffic in 1970, and the prospects for further change.

DiscussionPassenger Volume, 1970

2. Sixty-five thousand passengers traveled to and from Cuba on scheduled air service in 1970. This is less than half the passengers handled annually by some small US airports. Even so, the 1970 volume was about 10% above a year earlier and 35% more than the average annual volume during 1965-68. Almost 35,000 passengers carried in 1970 moved between Cuba and the non-Communist world (25,000 between Havana and Madrid and 10,000 between Havana and Mexico City), and 30,000 passengers traveled between Cuba and the USSR/Eastern Europe (see Table 1).

Aeroflot's Expanded Service

3. During the last three years, Aeroflot increased the frequency of its Moscow-Havana flights, changed routing, and introduced the long-range

Note: This memorandum was prepared by the Office of Economic Research and coordinated within the Directorate of Intelligence and with the Department of State.

SECRET

25X1

SECRET

IL-62 jet. As a result the number of seats on this service in 1970 had increased by over 60% since 1968, although the estimated number of passengers carried had risen only about 20%.

4. The route change from the long over-water flight to Havana via Murmansk to a more direct one via Algiers and Rabat reduced the longest non-stop leg of this flight from 5,000 to 4,000 miles and made possible the introduction of an IL-62 configured to carry 122 passengers. As shown in the tabulation below, this raised the number of passenger seats available in 1969 by 6,000 with virtually no increase in flights, and by another 7,000 seats in 1970 by virtue of a third weekly flight during the summer months.

<u>Year</u>	<u>Round Trip Flights</u>	<u>Passenger Seats Available</u>	<u>Total Passengers Carried a/</u>
1963	88	11,440	7,531
1964	102	13,260	9,890
1965	120	15,600	10,644
1966	148	19,240	13,549
1967	153	19,890	13,900
1968	125	21,780	15,250
1969	127	27,964	16,778
1970	143	34,892	18,214

a. The figures for total passengers carried from 1963 through 1966 are firm. The years 1967 through 1970, however, are CIA estimates.

5. The 18,000 passengers carried by Aeroflot in 1970 marked the highest traffic since Aeroflot began its Moscow-Havana service in 1963. On flights originating in Moscow, an estimated 80% of the passengers were Soviet nationals, 15% Cuban nationals, and 5% nationals of other countries. On Aeroflot flights out of Cuba, Soviet nationals generally accounted for only about 65% of the total. While few Aeroflot flights have carried military personnel exclusively, in most instances small numbers of Soviet armed forces personnel, usually in mufti, were carried on regular civilian flights.

CSA's Renewal of Havana Service

6. CSA resumed its Prague-Havana flights in November 1969 following a suspension of almost a year. The suspension was attributed to a decline in the number of Czechs in Cuba following the Soviet invasion of Czechoslovakia. The renewed service began on a monthly basis with a

SECRET

SECRET

Soviet IL-62 and required only one stop en route - a technical one* at Gander, Newfoundland. This service enabled the Czechs to gain experience in flying IL-62s across the Atlantic prior to CSA's inauguration of Prague-New York flights in May 1970.

7. In mid-1970 CSA began a twice monthly service with occasional supplementary flights. The 21 round-trips flown in 1970 carried some 2,200 passengers to Cuba and an estimated 1,300 from Cuba. The average load factor was 70%, compared with 57% in 1968 when the Bristol Britannia was used. About one-half of the passengers in 1970 were Czechs; the remainder were mostly East Germans and Bulgarians, along with a few West European and Latin American businessmen. The net inflow from Prague in 1970 probably reflects renewed Czech economic and technical aid following a low point in late 1968 and 1969.

8. Apparently encouraged by the high load factors, CSA began a weekly service in April 1971 and added an intermediate stop at Brussels (see the map), where the Belgian government had granted CSA passenger rights. Also, the technical stop at Gander was replaced by one at Montreal. CSA added a second weekly flight on this route for the summer - 5 June to 29 August. CSA may eventually press for passenger rights to and from Montreal on its Prague-Havana flight.

Cubana's Prague Service

9. Cubana's Havana-Prague flights, in operation since 1963, experienced a higher load factor in 1970 than CSA, although Cubana carried fewer passengers. As shown in the accompanying tabulation, however, the load factors for both airlines exceeded 50% -- sometimes considered the break-even point for international flights.

<u>Route</u>	<u>Cubana</u>		<u>CSA</u>	
	<u>Average Number of Passengers</u>	<u>Load Factor</u>	<u>Average Number of Passengers</u>	<u>Load Factor</u>
Havana-Prague	81	88	64	52
Prague-Havana	75	82	106	87

* A technical stop is made for refueling or other servicing and does not involve loading or discharging passengers.

SECRET

10. In 1970, Cubana operated 55 round-trip flights and carried 8,600 passengers. This was a sharp decline from the 85 flights and 11,500 passengers carried in 1969, when Cubana benefited from the suspension of CSA service. Cubana flights to Prague were routed via Gander while the return flights stopped at both Shannon and Gander. In 1970 an estimated 70% of the passengers carried were Cubans and 10% to 12% were Czechs. The remainder were mostly government officials and technical aid personnel from Eastern Europe and a few Western businessmen. Cubana has used only Britannias on this route except for a few months in 1967 when the airline experimented with IL-18s.

Civil Air Service Between Cuba and the Non-Communist World

11. The 35,000 passengers carried in scheduled air service between Cuba and non-Communist countries in 1970 (see Table 2) was a 17% increase over 1969 and the highest volume in at least seven years. The imbalance in traffic flow -- about 10,000 passengers arriving in Cuba and 25,000 departing -- reflected an exodus of refugees leaving Cuba, particularly via Madrid.

Havana-Mexico City Flights

12. Cubana flights between Havana and Mexico City, in operation for almost a decade, were nearly terminated following two hijackings of Mexican aircraft to Cuba in the summer of 1970. One aircraft was hijacked by Mexicans and the other by nationals of the Dominican Republic; in both cases Mexican authorities demanded extradition. Cuba refused, claiming the right of asylum, and further angered Mexico by presenting a bill for the hijacked aircraft covering landing fees, fuel, and food at Havana. Mexico retaliated on 28 July 1970 by abrogating its bilateral air convention with Cuba. The Cuban government did not respond during a 14-day period provided for in such cases; and a one-year grace period, authorized in the convention, allowed flights to continue until August 1971.

13. During most of the intervening year neither Mexico nor Cuba seemed inclined to negotiate a new treaty, and it appeared that Cubana's service to Mexico would expire. About six weeks before the end of the grace period, however, Mexico apparently decided to improve relations and sent Marxist Jorge Leonides Tamayo to Cuba for informal discussions on Mexican-Cuban relations, including the air agreement. Mexico's initiative spelled a victory for Cuba's wait-and-see attitude and, as more formal negotiations continued in June and July 1971, the Mexican government even withdrew its demands that any new agreement provide for extradition of hijackers.

SECRET

14. After many contradictory statements by Mexican officials, Cuba and Mexico on 2 August 1971 jointly announced the signing of a new air agreement that increases both the frequency of flights and the size of aircraft used in the Havana-Mexico City service. As many as four flights per week would be permitted for either Cubana or a Mexican airline, with plane capacities of up to 250 passengers, compared with 125 passengers in the old agreement. This provision is academic at the present time, since no service by a Mexican airline is anticipated, and no Cubana aircraft can carry more than 110 passengers. The new agreement is to last three years and may be renewed for an additional two years.

15. The Havana-Mexico City flights remain the most frequent and expeditious route to Cuba for most persons traveling from the Western Hemisphere. Passengers on these flights during 1970 included writers, correspondents, and members of the "Venceremos Brigades" -- mostly leftist students from the United States performing agricultural chores in Cuba. Other travelers were Cuban diplomatic and trade officials catching connecting flights in Mexico City for West European and Latin American countries. Moreover, Latin American nationals -- primarily from Nicaragua, Guatemala, and Uruguay -- have occasionally used this route to fly to Cuba for training in guerrilla warfare.

Havana-Madrid Flights

16. The Havana-Madrid route continues to provide egress for Cuban refugees who debark in Spain and scatter throughout Europe. In 1970, almost 25,000 passengers were carried in both directions on this route, nearly 40% more than in 1969. The net outflow, mostly refugees, was 12,000, compared with 8,000 in 1969. The additional traffic was made possible by an increase of Cubana flights from 60 in 1969 to 89 in 1970 and by Iberia's introduction in June 1970 of a stretch DC-8 in its weekly service, which raised passenger capacity per aircraft from 165 to about 210.

17. Early in 1971, Iberia requested permission to add a second weekly flight. Initially it appeared that the request was approved, and Iberia began second weekly flights in February. After three weeks, however, the flight was dropped, possibly because of continuing difficulties between Havana and Iberia over money.

The New Havana-Santiago Air Link

18. Cuba and Chile signed a bilateral civil air agreement on 25 February 1971, following the restoration of diplomatic relations in November 1970. The agreement provided for reciprocal service between Havana and Santiago by Cubana Airlines and by Chile's international airline

SECRET

LAN-Chile. However, a shortage of suitable aircraft on the part of both airlines and LAN-Chile's concern about possible low load factors prevented immediate inauguration of service.

19. After several trial flights, Cubana inaugurated scheduled service to Santiago on 26 June 1971, using Bristol Britannias on the 3,500-mile flight. The flights operate on alternate Saturdays and return the following day. The aircraft makes a technical stop in Lima, Peru (2,170 miles from Havana), apparently under the authorization of an earlier Cuba-Peru air agreement which was not renounced when the two countries severed diplomatic relations. Although international aviation guides and Cubana timetables show Lima as a technical stop, a few passengers and a small amount of cargo have been handled there.

20. The first indication that LAN-Chile would start service was an article in a Chilean newspaper suggesting the inclusion of Havana as an intermediate stop on LAN's existing service to Miami and New York. This trial balloon floated by the Chilean government provoked a negative response in the United States. LAN then began considering stopping at Havana on one of its flights to Western Europe. However, short on aircraft and unable to fill existing schedules, LAN found the prospects of a new route via Havana too burdensome. Finally, on 18-19 July, LAN operated a flight between Santiago and Havana that was variously billed as an "inaugural flight" and as "experimental." The initial flight, by a Boeing 707, made a technical stop in Panama City, stopped in Havana, and continued on to Madrid. Subsequent flights occurred in August and September. The Cuban government attempted to assuage LAN's concern over the profitability of the flight by guaranteeing the Chilean airline at least 40 passengers on the leg from Havana to Madrid. LAN officials recently claimed, however, that Cuba was not fulfilling this commitment. If the Chilean airline is not allowed to share in the lucrative flow of refugees to Madrid - all of whom must pay hard currency for their tickets - LAN may suspend its flight to Havana.

21. The new Havana-Santiago route gives Cuba two scheduled air links with Latin America - the other is Mexico City. The use of Cubana on this route also gives Havana a more secure means of transporting revolutionaries between Cuba and Latin America. The Mexico City route is subject to close surveillance by Mexican officials.

Non-Scheduled Air Service

22. Approximately 45,000 passengers were carried out of Cuba in 1970 on the United States refugee airlift from Varadero to Miami. On 31 August 1971, the airlift was suspended by Havana after carrying about

SECRET

245,000 refugees (3,000 to 4,000 per month) since its inauguration in December 1965. At the time of the suspension the Cuban government stated that the airlift could be resumed after a short interval to permit the departure of a final group of some 1,000 persons. Subsequently, the United States forwarded to Cuba additional names of persons now approved for entry into the United States whose names had been previously submitted by Cuban authorities on one of the Cuban-originated lists. Some of this group are now exiting on the airlift which was temporarily resumed on 27 September. If, despite US appeals, the airlift is terminated as Cuba has indicated, many who registered for it will be left behind. There are still some 30,000 names on the list of those who enrolled to leave before Castro closed the list in 1966. This number is probably somewhat inflated since many have died, changed their minds, or left by other means. Cuba has also indicated that another 94,000 Cubans who have been sponsored for entry to the United States by relatives already here will not be authorized for exit, except for a few "humanitarian" cases.

23. In addition to the US airlift, other Western carriers operated non-scheduled air service to Cuba in 1970, including:

a. Mexicana de Aviacion operated 18 flights between Havana and Mexico City in 1970 carrying mail, cargo, and a few passengers.

b. Bahamas Airways, Ltd., made 49 flights carrying about 500 passengers between Nassau and Havana in 1970 before going bankrupt in mid-October 1970. The passengers were mostly Cuban government officials, as well as foreign embassy personnel and trade delegations in Havana seeking connections from Nassau to Western Europe.

c. Air Canada operated 15 flights in 1970 and seven during January-April 1971 to carry swine to Cuba. This was a part of the continuing effort by the Cuban government to improve the quality of livestock on the island.

d. Air Caicos, Ltd., began service between Nassau and Havana on 17 November 1970, about a month after the demise of Bahamas Airways' service, and made five round-trip flights during the remainder of the year. During 1971, flights have generally been operated on a weekly basis.

25X1

British interests apparently own the major share of the firm. The management, however, is American, and the DC-4 used in this service bears a Canadian registry. The headquarters of

25X1

SECRET

SECRET

this small airline is on South Caicos islands, although the ABC World Airways Guide places it in Sarasota, Florida.

Cubana Service

24. During 1970 the government-owned Cubana Airlines carried almost 31,000 passengers on scheduled international service, about the same as in 1969. Despite severe equipment limitations, Cubana fulfilled most of its scheduled flights to Prague, Mexico City, and Madrid throughout the year in addition to frequent non-scheduled operations. All flights were by Cubana's four Britannia aircraft and three Soviet-built IL-18s. At any one time, one and frequently two of the Britannias were out of operation, either in the United Kingdom for overhaul or down in Cuba for lack of spare parts.

25. There have been persistent rumors and some negotiations since 1967 concerning Cuban acquisition of Soviet IL-62 aircraft. As early as the spring of 1970, Cubana pilots and crews were reportedly training in the USSR on the IL-62. The most recent Soviet-Cubana discussions were held in Cuba in March 1971 to complete the sale of an unspecified number of IL-62s for delivery in late 1971 or 1972. This aircraft would enable Cubana to improve existing service and inaugurate some new routes. The current Havana-Prague flights could be made faster, and one of the two intermediate stops on the return trip could be eliminated. With a more competitive aircraft, Cubana might also attempt to negotiate with one or more West European governments or with Canada for an intermediate stop with traffic rights.

Conclusions and Prospects

26. The pattern of scheduled air service to Cuba has not changed much since 1963, although there has been some expansion in the last two years. The addition of LAN-Chile in 1971 brought the number of airlines providing scheduled international service to Cuba to five. The number of weekly international flights has increased from nine to 12 as a result of an additional flight to Moscow, another to Prague, and the inauguration of service between Cuba and Chile. Moreover, Brussels was added as an intermediate stop on CSA's regular weekly flight to Havana. Current scheduled services link Cuba with the USSR, Czechoslovakia, and seven non-Communist countries -- Algeria, Belgium, Chile, Mexico, Morocco, Peru, and Spain.

27. The quality of service has also improved. Both Aeroflot and CSA are now using the Soviet jet IL-62, and Iberia has added a stretch version

SECRET

of the DC-8. Although the Cubana inventory is still limited to ancient Britannias and IL-18s, one and possibly two IL-62s may be delivered to Cubana in another year or two.

28. In 1970, Cuba's very limited scheduled air services handled 65,000 international passengers. This was 10% above the 1969 level and 35% above the average of 1965-68. Somewhat more than 50% of the passengers moved between Cuba and the non-Communist countries, and the rest between Cuba and USSR/Eastern Europe. More than one-third of the passengers to the non-Communist countries were Cuban refugees exiting to Madrid.

29. Many more refugees have departed Cuba on the US airlift, which carried some 245,000 refugees to Miami from its inception in December 1965 until its virtual termination by Fidel Castro on 31 August 1971. A few airlines have been operating unscheduled flights to Cuba, but they probably carry no more than 1,000 passengers annually to and from the island.

30. The existing service between Cuba and the USSR/Eastern Europe is adequate for the current flow of traffic, but additional service may be in the offing. Aeroflot has long coveted a civil air route to the west coast of South America, and service to Lima and Santiago might be established as an extension to the existing Moscow-Havana service. The civil air agreements signed by Cuba with Bulgaria and East Germany in 1968 have not been implemented, because of limited traffic potential and equipment limitations of Cubana, East Germany's Interflug, and Bulgaria's BALKAN. Recently, however, Bulgaria has indicated an interest in flights between Sofia and Havana via East Berlin and Madrid. Although BALKAN has no long-range aircraft, Bulgaria has reportedly proposed to lease one of Interflug's three recently acquired IL-62s. In the unlikely event that this proposal succeeds, Bulgaria would still have to obtain beyond rights to Cuba from the Spanish government. Thus far, Interflug has shown no inclination to fly to Cuba, and its IL-62s could be put to better use on other routes.

31. Some increases can also be expected in service to non-Communist countries. Although no Mexican airline has operated scheduled service to Cuba in almost a decade, Mexico may exercise its option under the new Cuban-Mexican civil air agreement and authorize a Mexico City-Havana service via Merida in the Yucatan Peninsula. It is also possible that a major Western airline -- either Air Canada or one from Western Europe -- may inaugurate service to Cuba.

[redacted] To be profitable, however, any substantial expansion of air service would require a large increase in tourism in Cuba, and the Castro regime has given no firm indication that it is planning such an increase in the next year or two.

25X1

Table 1
Scheduled Flights and Air Passenger Traffic Between Cuba and the USSR/Eastern Europe

Airline and Flight Number #/ Itinerary	1963		1965		1966		1968		1970		Percentage Change in Passengers Carried	
	Flights	Passengers	Flights	Passengers	Flights	Passengers	Flights	Passengers	Flights	Passengers	1970/1963	1970/1969
Total	434	23,227	491	24,634	451	27,396	434	28,616	439	30,399	31	6
To Cuba	219	11,316	247	12,761	227	13,199	219	14,424	219	15,457	37	7
OK-523 Prague-Havana	57	3,952	62	3,305	48	2,088	4	245	21	2,235		
CU-477 Prague-Havana	74	3,980	64	4,068	54	3,486	87	5,790	55	4,146		
SU-047/077 Moscow-Havana	88	3,384	121	5,388	125	7,625 b/	128	8,389 b/	143	9,076 b/		
From Cuba	215	11,911	244	11,873	224	14,197	215	14,192	220	14,942	25	5
OK-524 Havana-Prague	55	3,021	63	2,643	48	2,949	4	80	21	1,345		
CU-476 Havana-Prague	72	4,743	62	3,974	51	3,623	84	5,723	55	4,459		
SU-048/078 Havana-Moscow	88	4,147	119	5,256	125	7,625 b/	127	8,389 b/	144	9,138 b/		

a. The airline code designation, as established by the International Air Transport Association (IATA), is as follows: OK -- Czechoslovakia's airline (CSA), CU -- Cubana Airlines, SU -- Soviet Aeroflot. CSA flights OK-523/524 were changed to a designation OK-628/629 respectively when Prague-Havana flights resumed in November 1969. Aeroflot flights SU-047/077-048/078 were changed to SU-331/333-SU-332/334 in April 1971.

b. Estimated.

Table 2
Scheduled Flights and Air Passenger Traffic Between Cuba and Non-Communist Countries

Airline and Flight Number #/ Itinerary	1965		1967		1968		1969		1970		Percentage Change in Passengers Carried	
	Flights	Passengers	Flights	Passengers	Flights	Passengers	Flights	Passengers	Flights	Passengers	1970/1965	1970/1969
Total	472	21,443	395	19,539	402	24,759	437	29,617	490	34,736	62	17
To Cuba	231	4,984	196	6,113	199	6,734	219	8,282	245	9,794	97	18
CU-465 Mexico City-Havana	141	3,359	102	3,190	109	4,027	106	3,438	103	3,477		
CU-471 Madrid-Havana	30	1,055	42	1,144	39	1,252	61	2,526	89	3,722		
IB-941 Madrid-Havana	54	570	52	1,779	51	1,455	52	2,318	53	2,595		
From Cuba	241	16,459	199	13,426	203	18,025	218	21,335	245	24,942	52	17
CU-464 Havana-Mexico City	141	10,216	102	4,987	110	7,973	106	8,380	103	6,585		
CU-470 Havana-Madrid	36	2,450	45	2,625	42	3,405	60	5,432	89	8,485		
IB-942 Havana-Madrid	54	3,200	52	5,814	51	6,647	52	7,523	53	9,872		
OK-524 Havana-Paris	10	593										

a. The airline code designation, as established by IATA, is as follows: CU -- Cubana Airlines, IB -- Spain's Iberia Airlines, and OK -- Czechoslovakia's airline (CSA).

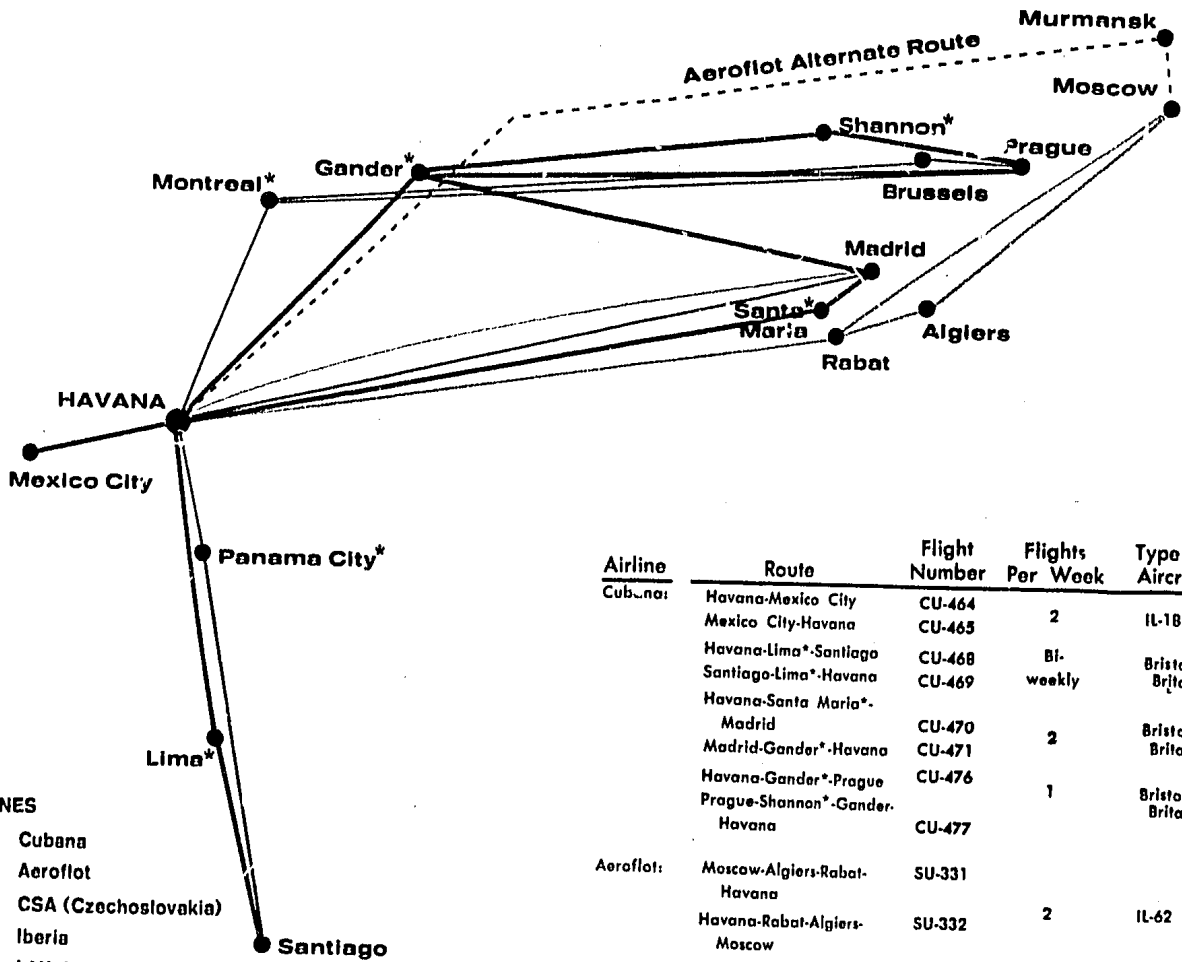
SECRET

- 10 -

SECRET

SECRET

CUBA: Scheduled International Civil Air Service-Summer 1971



- AIRLINES**
- Cubana
 - - - Aeroflot
 - . - . CSA (Czechoslovakia)
 - Iberia
 - LAN-Chile
 - * Technical Stop

Airline	Route	Flight Number	Flights Per Week	Type of Aircraft	
Cubana	Havana-Mexico City	CU-464	2	IL-18	
	Mexico City-Havana	CU-465			
	Havana-Lima*-Santiago	CU-468	Bi-weekly	Bristol Britannia	
	Santiago-Lima*-Havana	CU-469			
	Havana-Santa Maria*-Madrid	CU-470	2	Bristol Britannia	
	Madrid-Gander*-Havana	CU-471			
	Havana-Gander*-Prague	CU-476	1	Bristol Britannia	
	Prague-Shannon*-Gander-Havana	CU-477			
	Aeroflot	Moscow-Algiers-Rabat-Havana	SU-331	2	IL-62
		Havana-Rabat-Algiers-Moscow	SU-332		
Moscow-Rabat-Havana		SU-333	1	IL-62	
Havana-Rabat-Moscow		SU-334			
CSA	Prague-Montreal*-Havana	OK-626**	1	IL-62	
	Havana-Montreal*-Prague	OK-627**			
	Prague-Brussels-Montreal*-Havana	OK-628	1	IL-62	
	Havana-Montreal*-Brussels-Prague	OK-629			
Iberia	Madrid-Havana	IB-941	1	DC-8	
	Havana-Madrid	IB-942			
LAN-Chile	Santiago-Panama City*-Havana-Madrid	LA-172	Monthly	Boeing 707	
	Madrid-Havana-Panama City*-Santiago	LA-173			

*Technical Stop
 **Operated 5 June to 29 August 1971 only

512386 10-71

SECRET