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SUBJECT: LABOR DEVELOPMENTS - CUBA
April - July 1955

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DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS

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SUMMARY

The CTC continued to suffer from low morale and a certain disorientation. Mujal's absence in Washington during most of the period covered no doubt accounted in important degree for this state of affairs. The absence of other leaders at the ILO and ICFTU conferences probably also contributed, though upon their return criticisms by Cofiño and Rubiera of the failure to call the IX Congress did not help matters. The return of Pascasio Lineras and Marco Hirigoyen from Miami exile was the occasion for another public spat between CTC leaders. Hirigoyen has set about industriously building his labor fences and preparing the way for the return of Prío to Cuba. In union matters Hirigoyen, Cofiño, and Rubiera were cooperating. Rubiera was taking a leading part also in the political Movimiento de la Nación. Rolando Masferrer with his Movimiento Sindicalista Radical continued his attacks on the CTC leadership but without much apparent success. His newspaper Tiempo seemed to offer some confirmation to reports that his object was to have the CTC intervened. The Partido de Union Radical was in political limbo as a result of being thrown out of the government coalition.

While there was considerable demand for the holding of the IX CTC congress, it did not appear that it would be held very soon and perhaps not till next year. Despite attacks on Mujal and the rest of the CTC leadership, his own position appeared secure, for many, even among his critics, agreed that Mujal was the only man to head the CTC in the present circumstances.

Mujal's lieutenants seemed to feel that his plans called for the formation of a labor party and a bid for the presidency of the republic at some time in the future. Mujal himself, however, scouted the possibility of forming a labor party in a talk with an Embassy officer.

The CTC International Secretary was elected President of ORIT. Besides attending the congresses of this organization and of the ICFTU, the CTC sent a mission to Chile and planned a one-man mission to Honduras and Guatemala. Mujal and numerous other CTC leaders spent considerable time in Washington from May 1 to July 31 presenting Cuba's case before the House Agricultural Committee and to influential Americans.

The CTC declared a ban on raw sugar shipments from the mills of the Cuban-American Sugar Mills in Cuba or to that Company's mills in the United States. This action was taken on the request of the CIO for action in sympathy with strikers at the Godchaux and Colonial mills of the Company in Louisiana. In declaring the ban the CTC emphasized that the CIO supported Cuba in the matter of United States sugar legislation. The Cuban government was not disposed to act against the ban.

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Many employers were discounting the compulsory checkoff but retaining the proceeds pending a definitive court ruling. Character notes are given on José Perez Gonzalez and Marco Hirigoyen. Alejandro Jimenez Jordano is added to the list of trade unionists elected to the Cuban congress last November.

The anti-Communist campaign and current Communist tactics are discussed. The object of the latter seems to be "unity" at any price. It is suggested that this is a world-wide line.

The final settlement of the Consolidated Railroads case provided for the laying off of additional men (almost 700 instead of 600) with consequent adjustments being made in pay for time not actually made. The settlement was kept secret. Behind the Bank Workers strike lay an intra-union rivalry in which the new Secretary of the Habana Provincial Federation was trying to improve on the achievement of his predecessor, the very competent and well thought of Domingo Lamadrid. The Minister of Labor expressed his confidential opinion that there was much merit in the Bank Workers' case.

José Luis Martinez, Secretary General of the Sugar Workers and a group have bought the newspaper La Campaña Cubana. Still feeling his way as an editor, Martinez is believed to have acquired the paper to further his political ambitions. The Gastronómicos' Hotel is now expected to rise fast. Francisco Aguirre feared that the cost might exceed everything so far estimated. He had plans for training union members in the United States and Switzerland to run the hotel. Salomon Deer, whose arrest had set off difficulties with the union leaders at the Naval Base, was found guilty and fined and imprisoned by a Cuban court.

The law on Retirement Funds was amended by the Congress, chiefly so that people could continue collecting pensions from more than one Fund. The amended law also attempted to diminish the chances of much needed reform of the entire system. An official report exposed many weaknesses and shortcomings of the present system. Bulk loading of sugar was successfully inaugurated and seemed likely to stay. To forestall economy dismissals and a wage cut, the Aviation Workers arrived at an agreement to buy \$4,000,000 of Cubana de Aviación stock. The Ministry of Labor's Directory of Statistics planned to issue more figures but had not yet begun regular publication. A report was received of an Argentine offer to finance a new Cuban labor group. While professing an identity of views with ORIT the supposed Argentine emissary did not want the group to engage in propaganda for that organization.

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I - THE CTC

A. Morale, Attacks on the Leadership, and the IX National Congress. The morale of the Cuban labor movement has in no wise improved since the preparation of the last report in this series (despatch 955 of March 31, 1955). If anything, it has been worse, with more of the top union leaders sniping at each other in the press and a certain dejection or disorientation prevailing among less important leaders.

MUJAL's absence from Cuba on his sugar mission in the United States during most of May, June and July and an apparent apathy on his part while he was in charge of the CTC in April, contributed to the malaise. The absence of Artigas, Cofiño, Aguirre, González Tellechea, Rubiera, Perez González and others in Europe at the ICFTU and ILO conferences for more than a month, also deprived the movement of leadership, but the return of these men did little to improve the situation; for Rubiera, who is now acting very much the politician rather than the labor leader, and Cofiño quickly called for the holding of the IX National Congress, in tones which could not but reflect on Mujal and his leadership.

Discord was aggravated with the return to Cuba of Pascasio LINERAS and Marco HIRIGOYEN from their Miami exile at Prío's side. Late in May, after the prisons had released their amnestied political offenders, and as exiled oppositionists streamed back to Cuba, Mujal dispatched a CTC delegation to Miami to expostulate with Lineras and Hirigoyen regarding the inadvisability of their returning to Cuba for some months. Lineras, no doubt after consulting with Prío, returned to Cuba in about a week. (For information on Lineras, see Embassy's despatch 168 of August 16, 1954; on Hirigoyen see subsection below).

Lineras's return led to a statement from the CTC revealing that it had sent the mission to Lineras and Hirigoyen and declaring that it did not think their presence in Cuba would benefit the labor movement. The statement said the two men were more involved in political than labor matters. Hirigoyen issued a statement from Miami replying to that of the CTC by pointing out that in the Bureau of Direction many political groups were represented. Mujal himself, even though supposedly not acting as Secretary-General, replied to Hirigoyen saying that while the Bureau of Direction represented various political groups, all its members conducted themselves in it as trade unionists -- not politicians.

Since his return, Hirigoyen, besides immediately setting about the strengthening of his position with the Autobuses Modernos workers, who constitute his power base in the labor

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movement (see below), has established close contact with Angel COFINO, Secretary General of the Electrical Plants Workers, and Vicente RUBIERA, Secretary-General of the Telephone Workers. These two men hold practically unique positions in the labor movement since each heads a strong, closely-knit, financially-strong organization maintaining the closest relations with employers in industries monopolistic by their nature. They are the two federations in the best position to take an independent line within, or even apart from, the CTC, and, of course, for a period around 1948 both were out of the CTC. Hirigoyen, Cofino, and Rubiera may be considered as working together at the present time in labor matters.

Rubiera has figured prominently during recent months as a leader of the Movimiento de la Nación, the nascent political party headed by Jorge MANACH on which the Embassy has reported elsewhere. Rubiera ran for representative in last October's elections on the Grau Auténtico ticket, on one occasion during the campaign getting into an angry public quarrel with Mujal. In the Movimiento he has been very active, and it was commented that upon leaving for the ICFTU and ILO conferences he chose to address parting remarks to newspapermen that were entirely concerned with the political situation and made no reference to labor.

There have been other, almost constant, evidences of irritation and discontent within the CTC. The Tobacco Workers Congress still not having been held, (it is now scheduled for late August) criticisms from within that Federation appear repeatedly in the press. Conrado RODRIGUEZ has continued his demagogic campaign against the leadership of the Sugar Workers' Federation (FNTA) and the Sugar Workers' Retirement Fund. He has now charged the President of the latter organization in court with defalcation or misfeasance, alleging that that official has bought farmland worth almost \$500,000 since assuming that office.

Conrado BECQUER, the Vice-Secretary General of the Sugar Workers' Federation (FNTA), has been taken into camp by Mujal and is not likely to figure as a very severe critic of Mujal or the CTC itself in the immediate future (though he continues no friend of FNTA Secretary-General José Luis MARTINEZ). The Embassy's labor officer was able to note around the end of April considerable cordiality in the relations between Becquer on the one hand and Mujal and other labor leaders closely associated with him, such as Pomar Soler, Artigas, and Gilberto Goliath, on the other. Since then Becquer has spent considerable time in the United States on Sugar delegations working under Mujal's instructions. Toward the end of July, as Cuba's

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prospects in the matter of United States sugar legislation appeared to deteriorate, Becquer made some typically wild and demagogic charges against our country and said he would move a resolution in the national congress to declare Cuba a "dead nation"; i.e., all businesses would remain closed, no one would work, until, presumably, the United States had repealed unfavorable sugar legislation.

The Movimiento Sindicalista Radical continues its anti-Mujalista campaign, though chiefly in Rolando MASFERRER's newspaper Tiempo en Cuba. The campaign does not seem to be getting very far despite Tiempo's reports of meetings of MSR, chiefly in Oriente. A CTC officer gave it as his opinion that what Masferrer was working towards was the intervention of the CTC by the government and the naming of himself or one of his close associates as interventor or new Secretary-General. This analysis of the situation seems amply confirmed by subsequent events: recently Tiempo has reported MSR meetings demanding the intervention of the CTC.

That the government would intervene the CTC and hand it over to Masferrer or any of his lieutenants appears fantastic, but with his Communist antecedents and training Masferrer may well be gambling on the long run.

More recently, Tiempo en Cuba, which always plays the startling headline, has accused Mujal of arriving at an understanding with Prío. The two were alleged to have met during one of Mujal's recent visits to the United States to treat of the sugar question. This charge is obviously aimed at undermining Mujal's standing with the government.

7. Tiempo en Cuba undertook in July another, and novel line of attack in Masferrer's campaign for ascendancy in the labor movement. It published a report that top government politicians were recommending to Batista that the Bloque Obrero Progresista be disbanded. In their opinion, Tiempo alleged, the BOP was of no value whatsoever to the Government. While no doubt there would be much to be said for such an opinion, as is amply demonstrated by the government's decision to back Mujal rather than Perez Gonzalez for Secretary-General of the CTC, there is no evidence whatever to confirm Tiempo's report. The difficulties anticipated for the Partido Union Radical in the last report in this series (despatch 955 of March 31, 1955) quickly materialized. Amadeo LOPEZ Castro resigned as its president, and shortly afterwards the party was cast out of the government coalition. There followed many resignations, especially from people with jobs in the government. Masferrer has continued to pose as more Batistiano than any collaborator of the President's and to attack the opposition (and the CTC) venomously. At present the

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PUR is in an intermediate position: eschewing opposition it has not been taken back into the fold of Coalition. In the opinion of many observers the party has had its day.

Most of the top leaders criticizing Mujal and the CTC demand the calling of a National Council to prepare the way for the holding of the IX Congress. It seems to be felt that the IX Congress is necessary to clear the air. Among many lower level leaders it is strongly felt that there is a lot of deadwood in the ranks above them to be cleared out: leaders who have become lazy or for other reasons lost their enthusiasm and militancy.

Mujal has been in the United States so much lately that it has been impossible to call the national council. There is considerable expectation that he will do so in August or September and that the IX Congress will be held before the end of the year. However, one of Mujal's closest lieutenants, Jesus ARTIGAS, reports confidentially that he does not believe the Congress will be held before next year. He says that the Tobacco Workers and Sugar Workers elections (the latter scheduled for November) should be held before the IX Congress. And he adds, that at the present time the CTC does not have the money to hold the congress, since ordinarily it pays the way of two to four thousand delegates to Habana and their lodging here.

- B. Mujal's Dominant Position. One of the most striking aspects of the present situation of the CTC is that despite all the criticism, and demands for a national congress, and attacks on Mujal, most top leaders privately agree that Mujal is the man to run the CTC. For example, Marco Hirigoyen confided to the Embassy that Cofiño, Rubiera and he are not against Mujal's continuing to head the CTC, and in fact, want him, so long as Batista is in power, to continue; but, they oppose Pomar Soler as CTC Secretary-General. (One source reports that Cofiño is anti-Negro, Hirigoyen would lose with his bus workers by having Pomar, another bus workers' official, as head of the overall movement, and that Rubiera feels that if anyone is to succeed Mujal it should be he.) José Perez Gonzalez, as recently as six months ago still considered ambitious to displace Mujal and earlier thought to have Batista's backing in that project, was almost rapturous in extolling Mujal's qualities for the Secretary-Generalship to the Embassy's labor officer, and declared ~~he~~ would never aspire to replacing him (no doubt, however, he feels with as good a right to the office as Pomar Soler.). In short, among labor leaders in general, including some closely identified with the Auténtico opposition, there is a feeling that Mujal is the only man around whom the movement can be kept united, that he is the best man (as Hirigoyen said in so many words) to keep a proper balance in the relations of the movement with the government, that he is the best man to keep the Communists down.

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C. Mujal's Plans for the Future. Since announcing last March that it was his intention eventually to return to active politics Mujal has in every way acted as if he did in fact intend to retire from the CTC and to have Facundo POMAR Soler replace him (see despatch 955). He turned over the Secretary-Generalship to Pomar on an interim basis just at the end of April, and though of course absent much of that time in the United States and suffering from diabetis and overweight, he has not returned to the job since.

Several CTC officers closest to Mujal have confided that it is his plan to revive the Labor Party which he launched prematurely two or three years ago, and eventually to become President of Cuba. (If Mujal, as seems to be the case, is actually Spanish born, he would of course, be ineligible for that office. The mere fact that so many people believe he is Spanish born should of itself be a severe electoral handicap.)

In talking with the Embassy's labor officer, Mujal has refrained from conveying any clear idea of what his plans actually are. He has, however, spoken as if the idea of a labor party in Cuba was visionary. Perhaps he did not wish to appear over-sanguine in plans attributed to him, but he declared that Cuban labor leaders were too well off now to devote all the time and effort to forming a labor party that the task would require, and many of them, he said, found their prospects in existing parties satisfactory enough not to bother further. At the time of the conversation early in June, Mujal said he expected that Batista would call a constituent assembly in 1956. He did not think he could risk elections, since the Auténticos had the greatest popular following in the country and the Ortodoxos the best leaders(!). A constituent assembly would afford Batista a way out and was plausible because Batista had already largely discredited the present constitution by setting it aside for more than two years.

By the time of this writing, it is pretty well taken for granted that partial elections will be held next year. Mujal in any event may have been talking, in early June, merely to disguise his plans or because at that time, as at present, the situation did not permit of the realistic announcement of any really ambitious plans. As the Minister of Labor commented to the Embassy, a man with Mujal's record and prestige can hardly run for the House of Representatives or the office of mayor in partial elections. The Minister concluded that Mujal would not really leave the CTC. If this is true, Mujal will have had to change his mind from last March (see despatch 955) and there is no evidence that he has.

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D. International Activities. The CTC delegates to the San José Congress (despatch 994 of April 12, 1955), of ORIT returned feeling that it had been a real success. They were particularly pleased that between the Cuban and United States delegates there had been complete understanding. The CTC withheld or withdrew its proposed resolution on sugar on the advice of Serafino ROMULADI of the AFL, who thought the issue might be better handled otherwise.

The election of Ignacio GONZALEZ Tellechea as President of ORIT was pleasing to CTC leaders if expected. It has been particularly pleasing to Gonzalez himself, even though he is a modest man. Unfortunately, the public at large and the majority of CTC officials, not to mention the rank and file, are scarcely aware of the honor that has been done the country. This is probably due chiefly to the failure of the CTC to provide itself with an adequate publicity service.

The ICFTU congress was also a success from the CTC point of view, though the CTC does not have the same kind of interest in the ICFTU as it does in ORIT. Gonzalez Tellechea and Artigas seem to feel that the ICFTU is going to have a difficult time finding the man to fill the organizing post created at the ICFTU congress. It is a commentary on things Cuban that one of the principal obstacles to finding the organizer in the opinion of these two CTC officials is the smallness of the salary allocated for the post.

Gonzalez Tellechea and Artigas seemed to feel that the Americans, and especially Mr. MEANY, had been a bit heavy handed and dictatorial with other delegations at the ICFTU congress, though this did not apply to the relations between Americans and Cubans, since, for one thing, the Cubans apparently agreed with the American view whenever it was challenged by others. Gonzalez Tellechea remarked that at both the ILO and ICFTU congresses the British had shown themselves slippery and skillful customers, whom it was hard to pin down to a proper, meaning a sufficiently militant anti-Communist, position.

In May the CTC dispatched Gilberto GOLIATH, Secretary-General of the Maritime Workers Federation, and Modesto BARBEITO, Secretary of Organization of the CTC, to Chile to promote an anti-Communist position at the special conference of the CUTCH. The results of their visit have been reported upon by Embassy Santiago, and by this Embassy in despatch 86 of July 27, 1955.

The CTC planned to send Rafael OTERO to Guatemala in May. These plans were cancelled, because, the Embassy was subsequently informed, the Guatemalan labor movement

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thought that at this time it preferred financial to personal assistance with its problems. The CTC then planned to send Otero to help the Honduran labor movement. He was to leave early in June for Tegucigalpa but instead was dispatched to Washington to help with the sugar work being done in the United States.

As of the writing of this despatch, ORIT Secretary-General JAUREGUI is expected in Habana to discuss Otero's mission with the CTC, after which, in very early August, it is expected that Otero will depart. He and the CTC are of the opinion that his mission will have to be conducted with the utmost tact and caution. In fact, the CTC affirmed it had learned that TACA airlines had been requested or ordered by the Honduran government to deny passage to any ORIT representative attempting to enter the country.

The CTC has not recovered any great enthusiasm for the ICFTU sugar office's proposal. But Gonzalez Tellechea and possibly Raul VALDIVIA, of the Sugar Workers' Federation, were going to Georgetown, British Guiana, in August to discuss the matter with other ICFTU officials or representatives. In all probability how much enthusiasm the Cubans devoted again to the project would depend on how much money the Sugar Workers' Federation thought they could wisely spend on it at this juncture.

E. Sugar Missions to Washington. On May 1, CTC Secretary-General Eusebio Mujal headed a 12-man mission of Cuban labor leaders who left for Washington, accompanied by half-a-dozen newspaper correspondents, to press Cuba's case in the matter of legislation on sugar pending before the United States Congress. Since that time Mujal has been almost continuously in the United States on this business and a succession of labor leaders have joined him there and returned from time to time.

No doubt the Department and other interested agencies are better informed regarding the activities of these delegates than is the Embassy. In Cuba Mujal, or the CTC, or individuals returning from the mission in Washington, have issued a series of reports on their work in our country and copies of communications to the House Agricultural Committee with statistical and other arguments in favor of the Cuban case.

Upon first going to Washington Mujal laid great stress on the support he had obtained from the United States labor movement, alleging that it had agreed not to ask for any revision of existing sugar legislation to be effective before expiration of that legislation on December 31, 1956. He also engaged without much regard for accuracy in what can only be termed considerable name-dropping; in the case of Vice President Nixon, the Embassy is informed from Washington, with no basis whatsoever in fact.

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On July 23, when the Cuban cause seemed doomed to defeat, Mujal sent a communication to the CTC from Washington (reported to be a cable by the few papers to carry or mention it) which said that Cuba had lost its battle and spoke harshly of the United States attitude. It referred to "the duplicity and deceit" of Assistant Secretary Holland and compared his attitude to "the liquidated policy of the Big Stick". It alleged that there was a manifest contradiction between Mr. Holland's policies and the "assurances given by Vice President Nixon".

A few days later, back in Cuba but on the point of returning to Washington, Mujal put out an optimistic and pleasanter statement foreseeing the inability of the Senate to agree to the House's sugar legislation or to a compromise before the close of its session.

At the end of July, when it looked as if unfavorable legislation would be passed, Conrado Becquer put out a typically demagogic statement saying he would present a resolution to the Cuban Congress (which is not in session) declaring Cuba a "dead nation"; that is to say, no one in Cuba would go to work and all business places and government offices would close down.

Incidentally, from Becquer and J. L. Martinez, the Sugar Workers' Secretary-General, there have been mutterings that Mujal has used Sugar Workers' Federation money too generously in Washington. On the other hand, Mujal has muttered (all this strictly within top CTC circles) that Becquer and others spent all their time in the United States running from Washington over to Baltimore to visit the burlesque bars and the brothels.

Mujal and the CTC won considerable acclaim in the papers and on the radio and TV, much of it from employer organizations, with their campaign on behalf of Cuba's sugar. Understandably, there was less of this acclaim late in the campaign, as it:
1) ceased to be news, 2) seemed unsuccessful.

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F. CTC Takes Action in Sympathy with United States Strikers.

In late July a resolution of the CTC banned the shipment of raw sugar from the Chaparra, Delicias and Merceditas mills of the Cuban-American Sugar Mills Company to that company's mills in the United States, as well as any shipments of raw sugar to those mills from the ports of Habana, Mariel, Nuevitas and Puerto Padre. This action was taken at the request of the CIO in support of a strike that has been going on for several months of the employees of Cuban-American at the Godchaux and Colonial refineries in Louisiana.

The CTC resolution was evidently drafted with a particular view to making it sound extremely significant and was issued with an English translation. It details the representatives of the various national federations that approved it and states: "The CIO requests of the CTC the same cooperation as our labor central carried out in 1953 and (would carry out) even more nowadays, when the fraternal understandings between the CIO and the CTC have increased in these last months, especially when the CIO supported before the Agricultural Committee (of the House of Representatives of the United States) the requests of Cuba in sugar matters."

Originally the resolution also called for bans on shipments from the Cunagua and Jaronú mills of the American Sugar Refining Company, refineries of which company, through some error, the CTC also understood to be struck by the CIO. The error was quickly corrected.

A few days after the CTC ban was declared the Habana manager of Cuban-American informed the Embassy that the authorities had informed him the ban was illegal. He admitted that the ban was causing the company considerable inconvenience, and he was waiting to see what the authorities would do on the matter. The ban included shipments to a Savannah refinery of the company which had been ready for loading. He had pointed out to union officials that the men in this refinery were not taking sympathetic action in support of the Godchaux and Colonial men.

An odd thing about the situation is that José Peréz Gonzalez of the CTC Bureau of Direction is one of the trade union leaders charged by the CTC resolution with carrying out the ban. He is, of course, a minister in Batista's cabinet. The Embassy will bring its report on the CTC ban against Cuban-American up to date with a Late Note as it closes this despatch.

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- G. Compulsory Checkoff. The CTC is not very communicative regarding the collection of the compulsory checkoff. This does not necessarily mean, however, that the collection is going badly, since the organization might have a number of reasons for not wanting the public, the government, or even member federations and their officials to think it is too well off.

From observing CTC operations over the last few months, the Embassy would conclude that the organization is better off than it was during 1954. For example, there is not the same inability to send representatives off on international tours. From officials of the member federations the Embassy fathers that in most industries payment of the checkoff by employers is spotty. The port employers are now reported paying practically 100%; bakery and confectionery employers (among whom are many small businessmen) are reportedly paying about 60%. While the National Employers Confederation (CPN) advised its members to pay, other employers groups have apparently passed the word around that it is wisest to discount the checkoff but hold the funds apart until a definitive ruling is handed down by the courts. To the Embassy's knowledge some important employers are following this practice.

It must be remarked that the CTC is being very slow in moving on the problem of getting definitive court or administrative action on the issue of the compulsory checkoff. This is perhaps explained by the extent to which the CTC is a one-man show and the fact that Mujal has not had the time in these last months, with his many visits to Washington and with other important problems, to look after the compulsory checkoff.

The Embassy understands that at the ICFTU the CTC, perhaps by way of blowing its own horn, attempted to obtain endorsement of the principle of compulsory checkoff through legislation for world-wide application.

- H. A Note on José PEREZ Gonzales. Just before José Perez Gonzalez, member of the CTC Bureau of Direction, leader of Workers' Bloc of the President's Progresista Party, and Minister without Portfolio, left for the ICFTU Congress in Europe, the Embassy's labor officer had the opportunity of a long talk with him. Perez Gonzalez was affable, almost loquacious, and hospitable. He did not seem overly intelligent, though he seemed to have a flare for leadership, and despite several hours conversation little was gleaned by the Embassy officer, for the most part because Perez Gonzales, in contrast, for example, to Mujal, did not seem to have anything particularly original or even pertinent to say about any serious topic. (He is thought of in upper labor circles as something of a "cantinflero", someone who can say a lot trippingly off the tongue without its meaning v e r y m u c h .)

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Perez Gonzalez took great pride in his office, the headquarters of the Progresistas' Workers' Bloc. He claimed that 532 unions throughout the country supported the Bloc and that he had a complete record of these unions and their executives in his files. (It is extremely doubtful if the majority of the executives of so many unions are actually behind Perez Gonzalez.) Perez Gonzalez spoke very idealistically of his ambition that the Bloc should serve only the workers interests and not his own political ends and of how it was necessary for the Bloc to be honestly a purely labor body if it was to combat the Communists. As already mentioned, he spoke most highly of Mujal and repudiated all thought of trying to replace him. He thought, however, that there were many spent and corrupt leaders in the movement and around Mujal whom the workers wanted replaced by new men.

Perez Gonzalez was full of reverence, and even adoration, for Batista. The man was so good and honest and wise, had done so much for the country, and, Perez frankly or naively admitted, he had made Perez what he was. Before March 10, 1952 he, Perez, had been getting \$34.00 a week. He did not say what he is getting now, but as Minister and representative alone, in salary and expenses, it is well over \$5000 a month and perhaps more than \$10,000 a month. When he went to bed at night the last thing he did, Perez said, was to think with gratitude of Batista.

- I. A note on Marco Antonio HIRIGOYEN. Upon his return, scarcely two months ago, from exile Marco Antonio Hirigoyen immediately set about strengthening his position as a labor leader and as a Príeista leader as well. Hirigoyen is of young and attractive appearance, gentle in manner, has personality, and is evidently able to command the admiration and affection of working people. His power base, the union of Autobuses Modernos, has for more than two years been legally disbanded, but its members still work closely together and have rallied around him. Moreover, Hirigoyen has resumed his place in the nine-man top directive body of the CTC, the Bureau of Direction. He commands the allegiance of leaders of other unions besides the Autobuses Modernos.

Despite his personality and popularity, Hirigoyen is a very tough and probably ruthless person. He admits to having been in the "shock troops" of the Communist Party fifteen years ago, and he is credited by people knowledgeable in the Cuban labor movement with several murders. Mujal informed the reporting officer some 12 months ago that Hirigoyen was one labor leader that Batista, at the time, absolutely would not permit to return from exile. Batista, he said, had quashed a murder charge against Hirigoyen on condition that he get out of the country. (Immediately after March 10, 1952, Hirigoyen spent nine months in Prison.) While he was out of Cuba, the CTC sent Hirigoyen \$400.00 a month.

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A Committee for the Return of Marco Antonio Hirigoyen operated during the last year or eighteen months of his absence from Cuba. Directly upon returning, Hirigoyen has set about regrouping his forces. Beginning July 18 he started a half-hour evening program on TV entitled "Workers Tribune." The program has consisted for the most part of groups of workers agitating a grievance. The troubles of the Autobuses Modernos workers have had pride of place. Hirigoyen feels the program is so successful that he is already trying to put it on two half-hour evening periods on a channel with greater geographical coverage and more listeners.

Hirigoyen is currently engaged in getting labor groups out to meet Prío upon his return to Cuba and in getting workers to fly the Cuban flag on August 6. He expects personally to go to Miami to return with Prío on that day. These are activities of the type that President Batista has warned might lead to trouble that he does not desire. All in all, Hirigoyen seems to have the qualifications to carry him far in the Cuban labor movement and is certain to do so if he stays alive and if his side, whatever it may be at the time, ever comes out on top in politics.

Apparently well impressed with our country and grateful because the Embassy treated his wife, at the request of Mujal, with personal consideration when she came in for a visa to join him in Miami, Hirigoyen has been most attentive with the Embassy's labor officer. He wishes to put five minutes of anti-Communist propaganda on his TV program and for that purpose has requested USIS material. This may be given him if the program does not become political.

Hirigoyen has also confided that he is very much under the influence of a Catholic priest, one Father OSLE, who is in charge of Catholic youth work and also spends time on union work, although he is apparently virtually unknown to CTC officers. Oslé was prison chaplain when Hirigoyen was incarcerated in 1952 and under his influence Hirigoyen consecrated his civil marriage with a Catholic ceremony. Father Oslé should have a valuable communicant if Hirigoyen moves farther ahead in the CTC ("Workers' Tribune" rather singularly ~~xxxxxx~~ opened with a short ceremony of blessing by Father Oslé). It remains to be seen whether the priest's influence will effect any change in Hirigoyen's conduct of his labor affairs from what it was before Batista's March 10 coup caused their virtual suspension.

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J. Trade Unionists in Cuban Congress. An error was made in the last despatch in this series (No. 955 of March 31, 1955) when in Section I-A the name of Alejandro JIMENEZ Jordano was omitted from the list of trade unionists elected to the Congress at the November 1, 1954 elections. Jimenez Jordano is Secretary-General of the Matanzas Provincial Federation of the Federación Sindical de Plantas, Electricas, Gas y Agua and was elected to the House of Representatives as an Auténtico. For some reason Jimenez Jordano, although his labor post is not an unimportant one, seems to be overlooked by almost everyone when trade unionists in the congress are mentioned. The list in despatch 955 was obtained from the CTC but Jimenez Jordano was not mentioned. Newspapermen uniformly, so far as the Embassy has noted, skip his name in the same way.

Jimenez Jordano joined Jorge CRUZ Perez, Conrado Becquer, Conrado RODRIGUEZ (these three also trade unionists) and Juan AMADOR Rodriguez, a well-known radio announcer, in the House in forming a Comité de Acción Democrática Independiente (typically, newspaper reporters seemed to refer to three trade unionists in the group of five.) This Comité announced a program which included demands for political amnesty, agrarian reform, job security for public employees, establishment of a Workers' Bank, worker participation in profits, the creation of new sources of work, and opposition to bulk loading of sugar and to indemnified dismissal. The program did not go into details.

For a while, mostly in April, this Comité made considerable noise, or at least Conrado Rodriguez (Conrado Becquer has been relatively quiet as a Mujalista) and Juan Amador did for it. But as may be appreciated from the appraisal of the trade (despatch 955) unionists involved, the group was bound to have a hard time working together; and shortly after its formation the two Conrados were opposing each other hotly in Sugar Workers' Federation questions and reporters rumored that Cruz Perez was going to pull out of the group. The desultory nature of the special session of the congress held during May and June plus the fact that during this period Juan Amador was hogging so many newspaper headlines with his phone calls and his trips trying to get Prío to come back from Miami, made almost a memory of the CADI.

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II Communists in Labor. The campaign against Communists through intervention of the unions, based on law-decree 1975 of January 27, 1955 continued, though it cannot be said that the decree has been applied very frequently. One interesting development was that a Ministry of Labor resolution of the third week of June simply removed Inaudi KINDELAN, Secretary of Organization of the H. Upmann tobacco factory union, and Carlos RODRIGUEZ, who held the same position in another Habana tobacco factory union, from their trade union posts. The two unions were ordered to name their replacements. Evidently, the Ministry of Labor felt that these unions were not so dominated by Communists in their executives that they had to be intervened.

Aside from occasional interventions of unions by the Ministry of Labor, the Embassy was also able to note that basing themselves on law-decree 1975 and on the CTC's anti-Communist resolution of June a year ago, federations and unions were on their own, and without publicity, excluding Communists from union activities. Thus at a reorganization congress of the National Federation of Salesmen and their Helpers held at Habana in mid-June, there was no representation from the Camaguey provincial federation, because, according to the documents, of Communist influence in its executive.

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It is probably not indicative of new militancy or of any greater sense of power in the Cuban Communist Party but nevertheless interesting, that on the evening of May 17 Communists attempted to break up a meeting of one of the largest Habana tobacco workers' union as it was being held in the heart of the old city. A prowler car happened to be passing by at the time and two of the Communists, Isael (sic) MICHEL Tresol and Emilio GARCIA Cruz, were arrested. Charges were brought against them as well as against two brothers called ESCALONAS, who work on El Pais, and against another Communist named FERNANDEZ Roy.

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The Embassy finds the opinion held by several knowledgeable sources that the Communists continue to wield considerable influence, and occupy positions, among the executives of provincial federation and local unions. None of these sources believes, however, that the situation is now any worse than it has been for the last few years.

The Minister of Labor, for example, gave it as his opinion that IX CTC Congress should not be called, because there was still too much Communist influence in the lower ranks of the CTC. (It may be remarked, by the way, that his not thinking the

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Congress should be held constitutes a strong reason for not expecting to be held very soon.) He thought, however, the Communists were clean out of the leadership of the CTC and of the national federations. An official of the Tobacco Workers Federation expressed her opposition to holding the long delayed congress of that federation, because, she said, there was still too much Communist influence among the member unions. Once again it must be inferred that low morale and excessive preoccupation with a few big problems are keeping Mujal and other CTC leaders from doing the full job that they should be doing.

That there are Communists influential in the Workers' Bloc of the President's Progresista Party seems to be held just as strongly in labor circles today, when its leader, Perez Gonzalez, is a member of the cabinet, as it ever was. Mujal continues as suspicious as ever of Perez Gonzalez; the Minister of Labor when asked on the point by the Embassy, replied: "How can you tell if they (the Bloc leaders) are or are not Communists." And as if explaining what the Minister meant (though naturally no mention was made to him of the Minister's opinion), Marco Antonio Hirigoyen remarked: "I don't remember Perez Gonzalez's being expelled from the Party or having heard of his leaving it."

Hirigoyen reports an interesting approach that was made to him during the week of July 25. He says that certain members, whom he knew to be Communists, of the executive of one of the Habana match workers' union sent a message to him that they wished to speak with him. He met the group of apparently four or five men and women and received its offer to back him within the CTC. He made it plain that he knew them to be Communists and asked them if they spoke with the authority of the Party leadership. They shilly-shallied on the point but upon his insistence that if they did not he knew their offer was valueless, they allowed that they were acting with full Party authorization. Hirigoyen was amazed that the Communists seemed to place no condition on their offer, and he inquired as to their quid pro quo. Despite all his probing he could find that they had no quid pro quo in mind and apparently wanted nothing more than to form part of his labor group.

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There is of course nothing really surprising about the offer by Communists to Hirigoyen. It is strictly in accord with the "unity" line that the Communists have been following in labor and other fields throughout the world for the past several years and which was inferentially adumbrated by Stalin in his address to the foreign delegates to the XIX Congress of the Soviet Communist Party late in 1952. The line was in operation in some places even before Stalin's address. That line may,

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for example, account for the British Party's strange refusal to support the dockers seeking to break away from the TGWU in the recent big British dock strikes. That line was certainly being applied here in Cuba in the case of the Havana Post strike, when, as the Embassy emphasized in its despatch 566 of December 9, 1954, the local Communists gave up the opportunity to seize the leadership in a strike situation which seemed to offer them everything and tried instead to insist that the CTC take militant leadership, promising it their support. It may be added that much the same line, is apparently being followed in politics in parts of Asia where collaboration is being offered by Communists to anti-imperialist or nationalist parties with no apparent price attached.

It should be remarked, before closing these observations, that in labor situations like that obtaining in Cuba, in many parts of Latin America, and probably in many other parts of the underdeveloped world, a "unity" line in pursuing which the Communists offer power support to labor leaders with many rivals and ask nothing in return cannot but have its appeal for such leaders. Hirigoyen, when reporting the offer of the match worker Communists, did not seem to feel towards them with quite his usual anti-Communist vehemence.

* * * * *

In relation to Communist policy, Washington may be interested in the theory put forward by Rafael Otero, who has done a certain amount of international work for the CTC, that throughout Latin America the Communists are sloughing off members who are under instructions to enter other political parties and various organizations and stay quietly there. That theory would certainly receive apparent corroboration in Cuba, where many Communists are reported entrenched in the President's Progresista Party and in the government. But Otero says that he believes developments in other Latin American countries reveal the same policy of fussless separation from the Party followed by equally inconspicuous infiltration in other parties. Otero says that he discussed this theory of his with Robert J. ALEXANDER, the American student of Latin America, on his recent visit with one of the CTC sugar delegations to the United States. According to Otero, Alexander had already arrived at the same conclusion. Tactics such as Otero believes he describes in operation could certainly be an integral part of the broader "unity" policy that the Embassy has just suggested is being universally applied.

III The Consolidated Railroads. The Embassy's despatch 1272 of June 20, 1955 gave an account of the government's award in this case, embodied in its Decree No. 1535 of June 6, 1955, of the stoppages and attendant petty sabotage that followed the announcement of this award, and of immediate subsequent developments. In Weeka No. 28 the apparent definite settlement of the dispute was reported.

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Since the preparation of those communications the Embassy's labor officer has discussed the Consolidated case with the Minister of Labor. Asked why the report of the Accounts Tribunal had not been made public, the Minister stated that while the report of the Tribunal itself had been entirely worthy, that body by force of circumstance had had to hire an accounting firm to make preliminary studies. The findings of the accounting firm had been sound enough so long as they had been limited strictly to findings, but the firm had felt called upon to stray from findings and editorialize. Its editorializing had been pretentious and sometimes silly and had included the observation that while Consolidated Railroads was not in fact (de hecho) paying its way it should by right (de derecho) be doing so. (These phrases were leaked by those who had read the report, and were widely cited in the press but attributed to the Tribunal itself rather than to the accountants.) The Minister denied that (as Mujal had told the labor officer) the Railroads were found out in any irregular rating practices.

The Minister affirmed that Communists and opposition elements had sparked the striking that followed upon the announcement of the government's decision. In corroboration he alleged that while there had been no serious sabotage, serious sabotage had been attempted. He explained that railwaymen seeking to derail a train would, appreciating the full danger involved, have tampered with switches or track ends at places where the trains were running slow; in this instance rails had been removed where the trains would ordinarily have been going at their fastest and accidents might well have involved loss of life.

Regarding the final settlement of the dispute, which was announced the second week of June, the Minister said that the resolution embodying it would not be made public. He explained that assurances were easily given and accepted regarding the collective contracts. The greatest difficulty had arisen with respect to the other point in Article 12 of Decree 1535 which had aroused dissatisfaction in the unions and the workers and which had provided that only time actually worked would be paid and on the basis of '48 hours' pay for 44 hours worked. Naturally, it was not really fair to apply this provision literally on a railway; but when reasonable adjustments were attempted it was found that the unions of certain workers (as for example the office workers) were jealous of adjustments made in favor of other workers (for example, the train crews). To arrive at a settlement it had been necessary (which has not even been hinted at in the papers) to lay off almost a hundred additional men, all of whom will get some kind of pension from the retirement fund, and to suppress about seventy scheduled passenger train runs -- most short, some long -- where less than twenty such suppressions had first been planned. The Embassy must add that the secret

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of this settlement has been very well kept, although apparently employees of the Railroad are aware that whereas it was first understood that there would be 600 layoffs, the figure finally arrived at is closer to 700.

The Minister explained further that it is very difficult to tamper with the freight tariffs, and added, to illustrate, that already a bag of sugar shipped from a Cuban port has an average of \$1.50 added to its cost between the time it leaves the mill and, a short distance away, leaves the port. He also said that the diversion of \$600,000 worth of taxes annually from the State to the Land Transport Workers Retirement Fund has been limited to three years because by that time the economic situation of the country, and consequently of the Road, may have improved. The ministerial commission charged with studying the general transport situation and reporting within six months has met, but nothing has transpired regarding its plans or progress.

IV Bank Workers' Contract Dispute. The demands of the Bank Workers Federation respecting a collective contract to take the place of one that expired on May 31 as well as the strike they led to on July 22 -- as a result, it must appear, of the intransigency of the banks in refusing to negotiate -- have been covered by the Embassy in its monthly economic reports, Weekas, and telegrams. To keep this report within a length of some reason only a little background and some highlights will be touched upon here.

A year ago it was pretty generally acknowledged by all interested parties that the soundest and ablest leader of the Bank Workers' Federation was Domingo LAMADRID, Secretary-General of the Habana Provincial Federation of the union. Ministers of Labor (at least the last two, Nuñez Portuondo and incumbent Suarez Rivas) and Mujal shared this high opinion of Lamadrid, as well as bankers. Since he dealt with the Habana banks on day-to-day problems Lamadrid in fact held a position in the National Federation of importance equal to, or greater than, Secretary-General Carlos BRITO's. Lamadrid is probably known to users of this report since he has been in Washington almost continuously since May 1 on the CTC sugar delegation.

In last December's elections Lamadrid was unexpectedly defeated for Secretary-General of the Habana Federation by José AGUILERA. Aguilera is something of an orator and apparently well-educated. He seems to have conducted a strenuous campaign to defeat Lamadrid, whose good services perhaps the Provincial Federation members were too much taking for granted. In any event, as soon as Aguilera was elected fears were expressed that he would behave like a fire brand. Among those expressing such fears though confidentially were members of the Bank Workers' national executive. It seemed certain that Aguilera would attempt something spectacular to improve on Lamadrid's achievement in the Secretary-General's position.

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Since Lamadrif is very much a Mujalista, Aguilera has not enjoyed the confidence of the CTC leadership; and it was even reported that Mujal and his immediate entourage were rather pleased at the pickle into which Aguilera got himself with the July 22 strike. The Minister of Labor is suspicious of Aguilera, because he considers him an aspiring politician rather than a trade union leader, and because in these aspirations he is an Ortodoxo and an oppositionist. Aguilera has identified himself somewhat with Marco Antonio Hirigoyen since the latter's return to Cuba. (According to Hirigoyen they were brought together by Father Oslé -- see Section I-I above.) The bankers the Embassy has spoken with all speak highly of Lamadrif and voice misgivings about Aguilera. It may be added that last year Bank Workers' leaders spoke with pleasure to the Embassy's labor officer of their Federation's fine relations of recent years with the banks and of the fact that serious disputes did not arise in the industry.

The Embassy may repeat that the Minister of Labor, though he has shown himself absolutely impartial in public (or, it might even be thought, more than sufficiently considerate with the banks), confided as long ago as last May and repeated within the last two weeks that he thinks the bank employees are entitled to something because: 1. the banks have been doing good business; 2. the confidential employees, who constitute almost a quarter of the bank staffs, have been getting individual raises with regularity; 3. the bank employees in the provinces are poorly paid, especially considering the standards of education, appearance, and living required of them. The Minister's main job now appears to be to get the banks into a bargaining mood.

V José Luis Martínez Buys a Newspaper. José Luis Martínez, Secretary-General of the Sugar Workers Federation (FNTA) and member of the House of Representatives for the government Progresista party, heads a group, so far as is known mostly political, which has bought the daily newspaper La Campaña Cubana. Beginning July 23 Martínez's name appears prominently on the masthead as "Director".

La Campaña, as it is more familiarly known, is certainly one of the least prominent of Habana's score or so papers. At one point it's circulation was no greater than 2000. According to CTC sources, the price for La Campaña was \$5,000 and assumption of its indebtedness.

The paper carries reports on labor prominently, though so far it has actually given the subject little if any more coverage than a number of other papers. In reporting pending sugar legislation in the United States and CTC efforts in connection with it, the paper has tended to take a somewhat severe attitude towards United States attitudes.

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In politics the paper under Martinez has shown itself, as was to be expected, pro-government but it has reported the negotiations surrounding Prío's proposed return to Cuba quite objectively.

It is generally accepted that La Campaña Cubana will be used principally to promote Martinez's political interests, though owing to his union position he will, to do this, give considerable and sympathetic coverage to labor. No doubt, Martinez needs a little time in his editorial chair before deciding just what journalistic tactics he will pursue.

Martinez's acquisition of La Campaña Cubana is a reminder of how badly the CTC needs more careful and consistent guidance and direction in its propaganda activities. While many federations and unions have magazines and the Sugar Workers and even some individual labor leaders have radio (and now, in the case of Marco A. Hirigoyen, TV) hours, there is no publicity organ or director laying down a line for the movement. Most of the CTC press statements are Mujal's own and show the dash and at times the carelessness that must result from his trying to do so many things by himself.

In fact, it could be observed that not only should the CTC strengthen its publicity secretariat, but it could accomplish much by invigorating its other secretariats and establishing a competent economics and research department as well.

VI Gastronómicos' Hotel. The Gastronómicos' Hotel is really going to begin rising. Progress has been held up for six months because it was found that the ground under the foundations is full of natural tunnels that had to be filled in to bear the weight of the proposed building. It is now hoped that the building will progress at the rate of a floor a month.

In discussing the hotel with the Embassy labor officer, Francisco AGUIRRE showed considerable concern that when bids are opened in September for such items as elevators, kitchen equipment, furnishings, and decoration, it would turn out that the hotel was going to cost more than \$14,000,000. After all the criticism the hotel project has already been subjected to, especially from the group within the Gastronomical Federation itself styled Committee for the Defense of the Gastronomical Retirement Fund, it is understandable that Aguirre should be worried.

Aguirre is much interested in seeing that the personnel of the hotel is properly trained. He has arranged for the Hilton interests to train twenty-five of his men in various aspects of hotel work in United States cities "in which there is no Latin American colony". After six months of such training

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in the United States, Aguirre wants these men to go to Switzerland for further training.

Aguirre has also approached the Embassy to see if he can get some hotel training for his people under the ICA Point IV program. He would like to have them trained in hotel management, the economics of hotel operations, as well as in running a dining room, etc. He is willing to have the Federation or the Retirement Fund bear part of the expense for this project. The Embassy is discussing the matter with USOM/ICA.

VII The Guantánamo Dispute. It is to be hoped that the following note from the July 22 issue of Information for Employees, the bulletin of the Naval Station's Industrial Relations Office, constitutes the windup of the SALOMON Deer case and of the difficulties with the leadership of the Base union that it precipitated: "The Criminal Section of the Santiago High Court, convicted Lorenzo Salomon Deer, accused of embezzlement of funds amounting to \$1,649.59 from the Navy Exchange Tienda. Dr. Antonio Maria Vallin, acting as Chairman of the High Court, sentenced Salomon to 9 months imprisonment and a \$100 fine. The Public Prosecutor in his charges related that the accused Salomon Deer, on 17 April 1952(sic) while an employee of the Navy Exchange Tienda, missappropriated for his personal use several quantities of money product of the sale of merchandise, totalling the sum of \$1,649.59; said missing funds being discovered upon conducting an inventory which revealed that eight of the cigarette boxes appearing as in stock were actually empty.

VIII Retirement Funds. The Congress amended Law-Decree No. 2067 of January 27, 1955 dealing with retirement funds. It did so through one of the only two laws (No. 1 of April 27, 1955) that it has passed thus far in its history. In its last report in this series the Embassy anticipated a modification of the law-decree in response to pressure on the congress by vested interests. It turns out that probably the greatest of these interests was the personal one of the Congress itself.

The modifications effected by Law No. 1 are in substance three. The first is in Article 17 of Law-Decree No. 2067. Where that law-decree forbade more than one pension "from one fund", the Law clarifies that this injunction applies only to one Retirement Fund; in other words, not to one single source of income or funds, such as taxes, a budget grant, etc. (It should perhaps be explained that the word "fund" in the phrase in the law-decree "from one fund" (Spanish: fondo) means funds in the sense of "the funds of the state", "the funds from a tax", or "his funds are low"; whereas in the Spanish the word "fondo" is not used in what the Embassy has previously translated as "Retirement Fund". In this second sense the Embassy has used

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"fund" for the Spanish "caja", literally "box", as in "money box" and by extension a place where a business keeps its money -- e.g. a cashier's box, a safe, the office where money is kept -- and by further extension the money or funds of the business.

An organization set up to administer specially earmarked moneys, also becomes a "caja".)

This first modification was made chiefly for the benefit of the senators and representatives who converted it into law, as well as of ex-senators and ex-representatives, but it will also benefit many lawyers. Senators and congressmen receive fat pensions (\$450 a month; there is a technicality that altogether they should have worked for the state for fifteen years; few have, but "state" includes municipalities, and all, or virtually all, congressmen and senators obtain fraudulent certificates from municipal governments to the effect that they have been employed for the time necessary in addition to their period of legislative service in order to qualify for the life-time \$450 a month, which is payable as soon as they leave the legislature.) Most senators and representatives also have a right to other pensions, chiefly from the Lawyers' Retirement Fund.

Many lawyers, besides ex-legislators, have a right to pensions from other retirement funds besides that of their profession: some of them work for the government, others in industries covered by separate retirement funds. Some persons may well enjoy the right to three pensions and it is not incenceivable that a person might enjoy the right to more. (For example, a lawyer who managed to be carried on the books of both the government, which has morning hours only, and a shoe factory, might also become attorney for the, let us say, Gastronómicos' Retirement Fund: he would in time be eligible for the pensions from the lawyers', the government employees', the shoeworkers' and the Gastronómicos' Funds.)

Law No. 1 also clarifies that retirement pensions are payable from the date that the Fund involved rules on the validity of the claim. This provision is aimed at correcting a state of affairs which prevails in some Funds (the Maritime Workers' is an example) whereby a man puts in for retirement, continues to work, in some cases for as long as three years, while his application is being considered, and upon its approval draws a lump sum retroactive payment for the period he has been waiting for that approval even though he has been working during that time.

Thirdly, Law No. 1, while ratifying the appointment of a commission to study the Retirement Funds system removes the enjoinder upon it, contained in Law-Decree 2067, "to draw up the draft of a law establishing the State Bank for Social

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Insurance"; the which law "may or may not order the consolidation of the deposits of the Retirement Funds as may or may not appear necessary from the technical point of view." While Law No. 1 does not forbid the commission to draw up such a law or to present findings and recommendations along the lines of such a law, the congress has made it pretty clear that it prefers not to have the existing uneconomic, disordered, piecemeal system seriously tampered with.

The Embassy's attention has only recently been drawn to a two-volume preliminary report on El Problema de los Seguros Sociales en Cuba prepared for the Congress by the Consejo Nacional de Economica and issued under the date of April 12 (a copy of this report with an analysis was forwarded with despatch 83 of July 27, 1955.) The Committee that prepared the report was headed by Gustavo GUTIERREZ, who as Minister of the Treasury till February of this year tried so hard to effect reforms in the present Retirement Funds system.

The Gutierrez report is extremely illuminating, confirming and documenting many of the shortcomings of the present system already touched upon in this series of reports. It exposes with figures the financial unsoundness of the system and the actual precarious condition of some of the funds. It offers ample justification of Gutierrez's views.

An analysis in the Gutierrez report of the income of the Funds in the year 1952-53 shows that in that 12-month period the Funds received more than \$26,500,000 through taxes, lotteries, subventions and other income provided by the state and almost \$58,000,000 from the contributions of those covered by the Funds, their employers, interest, etc. But what is of utmost significance, the breakdown among the three types of Funds of their receipts in 1952-53 from these two sources is as follows:

	State	Sources	Own	Sources
Govt. Retirement and Pension Funds	51%			49%
Professional " " " "	54%			46%
Workers " " " "	11%			89%

Clearly, the professions, with their influence and their ample representation among the nation's governors have the best of it. And, the report brings out, the professional funds pay fat pensions, up to \$200.00 a month; in some cases even when the pensioner has contributed very little to the Fund because of his age at its inauguration. On the other hand, many pensioners from the Workers Funds, in most or all of which pensions are on the basis of time worked and where if funds are not sufficient pensions are paid on a pro rata basis (this last is probably true, also, of some of the professional funds)

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the pensioners receive a pittance. The majority of workers, the Report asserts critically, belong to no retirement fund whatsoever. The report also asserts, confirming what has been stated earlier in this section, that it is possible for a single pensioner to receive \$1200 a month from various funds together.

IX Bulk Loading of Sugar. There is virtually nothing to add to the reports on this matter in Weeka No. 15 and the Monthly Economic Report for April. Subsequent to the half-hearted effort made in the Nuevitas area to resist bulk loading, which was defeated through rank-and-file apathy as much as by official action, no more efforts by workers against bulk loading were heard of. That is not strange, since, as already reported, in the event bulk loading turned out to furnish work for two additional men per each hold in a ship. It is hard to see why bulk loading, at least in its present form, should not be used again in 1956 and subsequent years. (Unclassified)

X Aviation Workers Buy Stock in Cubana de Aviacion. (Unclassified) Washington may be interested in a plan worked out by the Aviation Workers (Federación Aerea Nacional) to save jobs and forestall a wage cut through the purchase of stock in the Compania Cubana de Aviación. The union will also obtain a voice in the management of the Company.

As was duly reported by the Embassy's economic section, at the end of last year Cubana de Aviación was taken over, because of its poor financial condition, by the Bank for Agricultural and Industrial Development (BANFAIC). The Bank's reorganization plan contemplated reducing salaries and wages by 20% and dismissing between 80 and 100 workers.

The union, of course, protested and making common cause with the stockholders, as well as obtaining the cooperation of the Bank for Social and Economic Development (BANDES), became party to a plan which provided, among other things, for the company to be given back to the stockholders and the union, with BANDES financing, to buy \$4,000,000 worth of new stock. The BANDES terms call for a 30-year amortization with 4 1/2% interest on outstanding indebtedness.

Employees earning up to \$130 a month have 5% deducted from their earnings to pay for the stock; those earning between \$130 and \$212 a month have 9.8% deducted for the stock; those earning above that amount, 12.5%. The union is allowed to name one of the 9 members of the Board of Directors of Cubana and thus has access to the company's book as well as a voice in its management. The collective contracts remain in effect, and accordingly no dismissals on economy grounds or wage cuts are to take place.

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For the present the union intends that when an employee resigns or dies what stock he has paid for will be delivered to him or his heirs (though perhaps that will have to be at the current market price). However, it is considering for the future using the stock it acquires in Cubana to finance the building of an Aviation Workers' housing development.

It is necessary to point out that not all observers and interested parties believe that the arrangements under which Cubana was returned from BANFAIC to its stockholders were wise ones.

XI Ministry of Labor Directory of Statistics. (Unclassified)

The Directory of Statistics has not been able to begin its regular monthly publication or indeed to follow up its first publication of figures, which was transmitted to the Department with despatch 887 of March 14, 1955 and referred to in the last despatch in this series. However, the Directory reports it hopes soon to put out another small publication with cost of living figures to April or May and some sample employment studies. These last should prove of interest. The Directory still plans to issue a monthly publication regularly.

XII Atlas and Argentine Activity. From other sources Washington will have learned of the continuing internal squabbles of Cuban ATLAS. The Embassy may pass along a report which it believes reliable, if a little lacking in specific detail. A group of rather zealous but not very powerful leaders of a few small Habana unions (principally the Automobile Garage Workers and the Car Industry Workers) have announced the formation of a Union de Sindicalistas Libres, which is attempting to become a sort of ginger reform group (and still another faction) within the CTC.

After the reading of their manifesto over the radio, two of its leaders named Basilio MEDINA Luna and Luis PEREZ Garcia inform the Embassy, USL was approached by a Cubanized Argentine, who said he was connected with the Argentine Embassy and who offered USL financial support. The Argentine spoke of the need to support ORIT and of the identity of view between ORIT and the Argentine labor movement. Nevertheless, the Argentine allegedly requested that as a condition of financial report, the USL remove from its manifesto a laudatory reference to ORIT and ICFTU. The Embassy's informants alleged they could not recall, or had not caught, the Argentine's name, but they knew it was not Labor Attaché Mifones, whom one of them had met.

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XIII Late Notes.

Otero's Visit to Central America. After ORIT Secretary-General Jauregui had visited Habana and held discussions with CTC officers, it was decided that Rafael Otero should visit Guatemala after all, as well as Panama and El Salvador, in addition to Honduras. The Guatemalans might want money more than personal guidance, but they really need the latter, it was thought.

Otero left for Guatemala the weekend of August 6. He plans to spend three weeks or so there, then perhaps six weeks in Honduras, after which he will fly briefly to Panama and El Salvador. Because of possible difficulties in Honduras the CTC obtained for him a diplomatic passport.

Sympathy Action in Support of Louisiana Strikers. The Cuban-American Sugar Mills Company informs the Embassy that it has been told frankly by the Minister of Labor that he proposes to close his eyes to the ban on shipments from its mills or to its United States refineries. The Minister explained that the CIO and the AFL had supported Cuba in the recent hearings on sugar before the United States House of Representatives and in return the Government was not going to act against the ban, which was imposed in response to a CIO request. No doubt Mujal has had much to do with shaping the Government's views in this matter.

Communist "Unity" Line and the IX CTC Congress. A controlled American source has just made available a mimeographed Partido Socialista Popular (Communist) pamphlet on "The Situation of the Labor Movement, the Struggle for Unity and the CTC Congress". The pamphlet is an interesting pointer to Cuban Communist policy in respect of the labor movement. The pamphlet charges that the postponement of the CTC congress and "the prohibition of labor activities... decided by the leaders of the CTC and the Government... in reality are ordered and imposed by Yankee imperialism." It attacks the CTC leadership and the "labor commissions" of the various political parties. But at the same time, the pamphlet says: "Let us clarify...we seek the united front with the members and affiliates of these labor commissions that wish to act on a class basis, on the basis of the defense...of labor interests in general." Apparently, to judge from the pamphlet, the Communists are forming a network of "Committees in Defense of the Demands" to further the interests of the Party and the "united front" campaign; it is claimed that these committees have had much to do with recent strikes such as that at Chaparra and Delicias and that of the Consolidated Railroads. There are also to be

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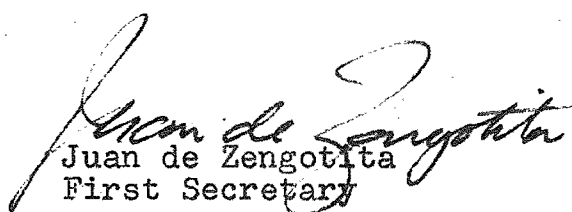
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formed "Committees of the United Front". The pamphlet goes far to explain the approach that was made to Marco Hirigoyen mentioned in the body of this despatch.

Argentine Activities. The two USL informants now report that the Argentine who approached them was named Emilio BLANCO. The Embassy has no record of this person but will try to identify him. The USL sources add that Blanco was brought to them by José MARMOL, former ATLAS leader, who had inquired earlier whether he could join USL.

For the Chargé d'Affaires ad interim:


Juan de Zengotita
First Secretary


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