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FROM : AMEMBASSY, HABANA

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : 000183 - Labor Developments

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SUBJECT: Sugar Situation Worries Cuban Union Leaders

Reports of a glutted world sugar market with its inevitable adverse effect on the price of Cuba's most important commodity are a cause of increasing concern among leaders of Cuban organized labor. Unless some outlet is found for this country's tremendous sugar production, the unionists see increased unemployment and decreased incomes not only for workers in this industry but also for labor generally in Cuba. As usual the Communists are taking advantage of this situation to exploit it for their own purposes.

Eusebio MUJAL, secretary-general of the Cuban Confederation of Labor (CTC), upon his return from Washington where he attended an executive board meeting of the Interamerican Organization of Labor (ORIT), reported that the AFL and CIO were deeply concerned with Cuba's sugar problem and would use their influence toward finding a solution for it. He said publicly these organizations would endeavor to get the United States to buy Cuba's present surplus and make arrangements to take future surpluses for military reserves. Some of this, he stated, might possibly be used in America's foreign aid program or provided for countries with dollar shortages.

The CTC leader warned that sugar production is Cuba's life blood and that the lowering of the market price of sugar would automatically lower the standard of living for the Cuban laborer, and thus adversely affect his buying capacity as a consumer of U.S. products.

A delegation composed of Mujal and the executive board of the Federación Nacional de Trabajadores Azucareros (FNTA) reportedly called on President BATISTA to express their concern over the sugar situation and to discuss ways and means of avoiding a serious economic impact upon the industry and its workers. Batista thanked them for their efforts to enlist the aid of U.S. labor in solving Cuba's sugar problem.

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A newspaper story, datelined Washington, May 29, 1952, quoted Francisco AGUIRRE, ORIT secretary-general, as charging the Communists with dumping sugar on the world market to disrupt the trade. This, he said, is done to cut prices and create problems and conflicts in the democracies, especially those producing sugar. He listed the following countries as directly affected by this: Cuba, Java, Australia and the Philippines. He reported that the ORIT executive committee had passed a resolution asking that Cuba's sugar surplus be bought by some stockpiling entity or financed in some way to keep it off the world market and the U.S. market to avoid depressing the price.

Another means of protecting the price of sugar which has been prominently mentioned and which has drawn bitter opposition from labor is restriction of production.

José Luis MARTINEZ, secretary-general of the 400,000-member sugar workers' union, declared that his organization is using all its resources to ward off any restriction of the coming sugar crop. In this he is joined by another powerful organization, the maritime union. This union has suggested that a barter arrangement be made with countries that otherwise could not obtain Cuban sugar. Undoubtedly the CTC will also oppose restricting production.

The Communists, through their daily newspaper, Hoy, keep reminding labor that if the bottom drops out of the sugar market or if production is restricted all Cuban workers will suffer. The Communist solution to the problem is for Cuba to open extensive commercial relations with China, Russia and the "popular democracies". A statement attributed to Lázaro PENA, former head of the CTC, warns that restriction of the sugar crop will mean "hunger, misery and ruin for labor and for the country".

COMMENT

It is apparent that Cuban labor leaders hope, and probably expect, the United States to bail the sugar industry and Cuba out of the dilemma it now faces. Despite Aguirre's public statement of concern, privately he told Angel BRAVO, ORIT office manager, that he is "optimistic" regarding the sugar situation. Bravo stated that Aguirre's optimism stems from a belief that an expanded war is imminent and the U.S. will have to contract for all Cuban sugar.

Unfortunately a price decline or a restriction in production or both can only mean extremely bad news for Cuban sugar workers and the Cuban economy generally.

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As it is, sugar workers work only about five months out of the year. It can readily be seen that such a situation is made to order for Communist propaganda. An Oriente Province sugar labor leader, Antonio BOSQUE, recently told the Embassy's labor reporting officer that while the Communists now control only about 1 per cent of the sindicatos in that province, a slump in sugar production would see a growth in party membership.

The Embassy will keep the Department informed of labor's action and attitudes toward the sugar problem.

For the Ambassador:

I. S. Lippe

I.S. Lippe
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