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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, HABANA
TO : THE DEPARTMENT OF STATE, WASHINGTON.
REF : 000183 - Labor Developments
Habana 357 September 8, 1952

September 9, 1952
DATE

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SUBJECT: Union Blames Contraband for Textile Unemployment

Labor unrest in the Cuban textile industry is indicated in a current controversy in which the union is at odds with both the Government and the employers. The dispute centers around unemployment and damages which the Federación Nacional de la Industria Textil de la Aguja y sus Derivados claims are caused by official winking at customs law violations. The union is also charging the employers with taking advantage of the disturbed situation to seek wage cuts.

According to the union, the Government's failure to stop smuggling is largely responsible for the unemployment of some 2,000 of its 6,800 members. It also alleges that the employers are trying to cut unemployment benefits from the Textile Subsidy Fund from \$60 to \$40 monthly and that they are using the entire uproar as evidence that the industry is "sick" and that pay generally should be reduced by 35 per cent. A union spokesman told the Embassy's labor reporting officer that the industry's main problem is smuggling and that the Government could end it immediately if it so desired. In this connection, the Minister of Labor, Jesús PORTOCARRERO, and Pascasio LINARES, union secretary-general, exchanged bitter words, widely publicized in the newspapers, in which Portocarrero took exception to union charges concerning the Government's failure to end the contraband. He said this reflected on the honor of all Government officials and refused to have further discussion with Linares. Portocarrero stated he would seek a "practical" solution to the problem in conjunction with labor and employers.

Today's newspapers report a slowdown in some textile plants in "sympathy" with workers, members of the same union, involved in a dispute in the henequen industry (see reference). The union may be using this device to bring its grievances in the textile industry to a head.

COMMENT

The comparative silence of the textile industry

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REPORTER

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regarding the alleged smuggling provides an interesting facet to the problem. Probably this is because, as an industry depending on Government protection for its existence, it is reluctant to put itself in the position of questioning the regime's honest administration of tariff laws. Some quarters believe that much of the contraband has been coming in at the military airport, Campo Columbia, by two commercial airlines, Aerovias "Q" and Aeropostal, which use that airport. At the height of the controversy, BATISTA ordered these airlines to transfer their operations to Rancho Beyer. The carriers complained that it would be uneconomic for them to do this, and joined by the airport workers' union, they protested bitterly against the move. A new order has now been approved which would allow them to operate at Campo Columbia at least until the proposed new international airport at San Antonio de los Baños is opened. This may mean that army officials or those benefiting from the graft have prevailed upon Batista to go easy on taking a lucrative practice away from his supporters.

So far as the cut in textile unemployment benefits is concerned, the continuance of smuggling would seem to make this necessary since part of the tax which the contraband evades goes into this fund.

Union leader, Linares, who is known to be very critical of MUJAL, may be using this dispute to make Mujal uncomfortable as one working so closely with a Government possibly guilty of the union's allegations. Mujal has supported Linares, but not vigorously.

The Government's behavior in this and the henequen conflict seems to be one of weakness and vacillation and a compromise with expediency.

For the Ambassador:

Irvin S. Lippe

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Attaché