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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, HABANA

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : 000183 - Labor Developments
Dept's Airgram #701, July 8, 1952; Embdesp 2207, June 30, 1952

DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
JUL 11 1952

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SUBJECT: Further Report on Autobuses Modernos Situation and Its Effect on the CTC.

Seizure by the Cuban army of Autobuses Modernos came approximately two weeks after the expiration date of the company's contract with the union. Negotiations had been in progress on a new agreement in which the company was seeking certain changes. The Minister of Labor had guaranteed that the old agreement would remain in effect until a new one was reached. The company sought to eliminate the so-called "fixed shift" under which drivers and conductors are paid whether or not their buses are in operating condition, discontinuance of furnishing two uniforms annually for personnel and a reduction in personnel. Management sought other changes which the union claimed would materially reduce the workers' income.

At the time of the occupation of the company by the army, negotiations had reached a deadlock and Eusebio MUJAL, CTC secretary-general, and a union committee were to confer with Batista. Before the appointment could be kept, the Government's action took place.

Marco HIRIGOYEN and other officers of the Autobuses Modernos sindicato were ousted from their official jobs in the union and a new slate of officers was elected by those remaining in their jobs. Upon petition of Mujal and protest of members of Bloque Obrero of PAU, the Batista party, the Minister of Labor declared this election illegal and said that new elections will be held shortly under the supervision of the Ministry of Labor. The hastily-elected officers were said to include some Communists, but this has not been verified. Meanwhile, Hirigoyen has been re-arrested and is held without bail on the murder charge.

The CTC has followed a surprisingly conciliatory line, apparently powerless to do anything about the Government's "blitz" of union power on the bus property. Reports of ARG plans of sabotage and violence continue but nothing of this nature has materialized. Although Batista has again publicly "guaranteed" labor's "conquests" achieved before March 10, organized labor is said to fear that the Government will again lay its firm hand on union activities

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other sectors where abuses have been charged. In the opinion of an Embassy business contact, the next step may be the United Railways of Havana, which is being operated by the government and is in the throes of severe financial difficulties due to union imposition of unneeded employees on the company payrolls. Hoy, the Communist daily, reports military intervention in Omnibus "Yumuri" in Matanzas where a labor dispute was in progress. This has not been reported in other Habana newspapers.

Emphasizing the critical period through which the CTC is passing, its National Council, called into session for July 12 and 13, has been postponed until July 19 and 20 to permit return of union leaders who have been attending ICFTU and ILO meetings in Europe. The CTC announced that this Council would deal with the Autobuses Modernos problem, an "anti-labor offensive" on the part of the employers generally and the financial crisis which the organization is said to be facing.

Rumors persist that Mujal will resign as CTC secretary-general and as a member of the Batista Consultative Council. Although Mujal has denied this, a union source told the Embassy's labor reporting officer that the Autobuses Modernos incident has fanned dissatisfaction with Mujal's leadership policies to near the breaking point. Previous Embassy despatches have outlined dissatisfaction of certain members of the CTC hierarchy with what they consider Mujal's lack of militance in his pursuit of cordial relations with Batista.

An editorial from the Havana Herald which describes the CTC's plight is enclosed.

For the Ambassador:

Irvin S. Lippe

Irvin S. Lippe
Attaché

Enclosure:
1. Editorial.

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Editorial from Havana Herald

"The government has put the Cuban Confederation of Labor in a spot best described as between the devil and the deep blue sea in its shrewd handling of the difficult Autobuses Modernos situation.

"The plain fact remains that the Cuban army men, in straightening out the affairs of the bus company, have fired nearly 20 per cent of its over 5,000 unionized employes--and the labor federation still hasn't made up its mind what course of action to take.

"In firing nearly 800 of the bus firm's workers the government has played its cards wisely and well. Lopped off the payroll have been only those trouble-making elements linked with the semi-terrorist Accion Revolucionaria Guiteras group.

"Showing the courage which previous administrations have lacked, the present government has at one clean stroke eliminated the source of infection in the economic bloodstream of the company, and managed to stay friendly with labor as well.

"The labor federation's position is not an enviable one for it is being damned by unionists for not doing anything about the wholesale discharges, and it will be equally damned by the citizenry as a whole if it attempts any spectacular rebuttal such as a general transportation strike.

"The plain fact of the matter is that the government has taken off labor's hands a job the federation itself should have done long ago, namely cleaned out its house in Autobuses Modernos.