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FROM AMEMBASSY, HABANA

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SUBJECT: LABOR DEVELOPMENTS - CUBA  
October 1954 - March 1955

USIA-5

DEPARTMENT OF STATE  
BUREAU OF  
INTER-AMERICAN AFFAIRS

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SUMMARY. (LIMITED OFFICIAL USE).

In the November 1, 1954 elections five trade union leaders were chosen for the House of Representatives; two for the government, three for the opposition. Two, in the opposition, are demagogues.

It was widely thought following the elections that President Batista would engineer the retirement of Mujal from the CTC to be replaced as Secretary-General by José Perez Gonzales, head of the Progresista Workers' Bloc. The opinion soon gained currency, however, that Batista recognized Mujal as the only labor leader in sight with the capacity and following to run the CTC. Rumors nevertheless persisted that Mujal would leave the CTC: first it was said he would join the cabinet, then that he would enter politics on his own. Facundo Pomar was generally mentioned as Mujal's successor.

During local union elections in December and January, Progresista candidates in many instances formed joint slates with Communists or their stooges. While the Party must have made some gains through this maneuver, it is doubtful if it significantly increased its influence in the unions.

Morale in the Cuban trade union movement fell in the post election period. The evidence and some of the causes were easily noted and are cited here in part. The CTC national congress scheduled for May might well be postponed till labor spirits are higher, a better front could be presented to the country, and the right attitude be sure to prevail at the congress. The Embassy sees no substantial reason why labor's depressed condition should be prolonged.

At the end of January, five law-decrees introduced compulsory check-off of union dues over a wide range of activities, organized or unorganized. This measure should be a boon to the Cuban movement, greatly increasing its resources and bringing within its reach some measure of independence from government. Employer reaction was strong and critical, but the Embassy does not think it will be effectual. Some trade union leaders and Communists criticized this measure.

The CTC was in a bad financial condition at the end of the year and could not meet its payroll. It saved the situation by drawing on moneys it had contributed to the ICFTU for the sugar offices.

Senator Rolando Masferrer headed a so-called Movimiento Sindicalista Radical, designed to advance his own ambitions and fight the established CTC leadership. In the congress he was presenting a bill on "Syndical Democracy", which would bring him and the MSR some publicity.

The International Department of the CTC was also suffering from low morale. It entertained considerable doubts as to whether the sugar offices would ever be opened, since top CTC leaders had lost interest in them. The CTC in a letter to the government took a dim view of

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GATT. It expected at San José to obtain the ORIT presidency.

The terms for the 1955 sugar harvest were lower than those for that of 1954. There would be a smaller crop and a reduction of more than 7% in wages. Bulk loading of sugar would be introduced but with guarantees of no employment or pay loss for the workers. Reaction among the Sugar Workers, poorly prepared for these terms by FNTA and CTC leadership, was bitter, as it was also among the port workers. This reaction may account for the postponement of the FNTA elections which were scheduled for February 24.

Discontent in the rank and file of the Maritime Workers (FOMN) was causing difficulties for the leadership. Besides bulk loading, a law-decree seeking to insure efficient utilization of men and machinery in the loading of minerals and unloading of raw materials perturbed the FOMN. However, the Minister of Labor was conciliatory on both issues. José Suárez Rivas had been appointed to that post in the new cabinet after highly successful service as Undersecretary.

The 1953 census figures would state that unemployment in Cuba was less than 174,000 at the height of the safrá. This is sure to be attacked as inaccurate but might lead to revision of fantastic claims regarding unemployment. The Ministry of Labor's new Statistical Directory issued a cost of living index; the ILO expert in the Directory was optimistic regarding the future of his project. There was much legislation on Retirement Funds and several new ones created. A law-decree was passed looking to a start on consolidation or centralized supervision of the Funds. It was immediately attacked and would probably be amended by the Congress.

Statements of Batista and Suárez Rivas made it seem certain the government would not attempt to introduce indemnified dismissal. The row over the Gastronómico's Hotel continued while the CTC investigating committee prepared to find nothing wrong in the operation. ATLAS, still ineffectual, changed Secretaries again; reportedly because of graft again. An attempt of the Consolidated Railroads to cut wages led to spontaneous stoppages and some disorders. A settlement came when the government paid the Road part of its debt, and the case was passed to the Accounts Tribunal for investigation and report. The management won the long Havana Post strike by taking on new help with official support. At Guantánamo relations with the new union leadership were excellent and the fight of the old leadership for reinstatement seemed to be petering out. Charges of manganese poisoning at the Charco Redondo mine were made by Bohemia. Investigations showed that while conditions had not been what they should have been, they were now satisfactory.

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I. The CTC

A. Successful Labor Candidates to House of Representatives  
(and the Martínez - Rodríguez Duel.)

In the November 1, 1954 elections five trade union leaders were elected to seats in the House of Representatives. Their names, the provinces they represent, and the parties they ran for are:

José PEREZ Gonzales	Habana	Acción Progresista
José Luis MARTINEZ	"	" "
Conrado BECQUER Díaz	Las Villas	Auténtico
Conrado RODRIGUEZ Sanchez	" "	"
Jorge A. CRUZ Perez	Camagüey	"

No one with a trade union background was elected to the Senate.

Perez Gonzalez will be well known to Washington as the leader of the Workers' Bloc of the Progresista Party and a member of the Buro de Dirección of the CTC. He has been named Minister without Portfolio in President Batista's cabinet.

Martínez is already a national figure as Secretary-General of the National Federation of Sugar Workers (FNTA).

Becquer and Rodríguez look at this stage like a pair who may well do quite a job of opposing in the House of Representatives. Becquer, who is Vice Secretary-General of the FNTA and Secretary-General of its Las Villas Provincial Federation, has consistently played the role of demagogue since becoming active in the labor movement. He attacked the FNTA Acting Secretary-General last October for allegedly conniving in the failure of the mill owners to begin repairs on the date ordered by the Minister of Labor. During the recent negotiations of the terms of the 1955 sugar harvest he was among the loudest of sugar labor leaders in calling for a general strike should there be a reduction in the terms of the harvest, and he irresponsibly maintained this attitude (irresponsibly in that, according to a well-placed Embassy source, he privately admitted to the rest of the leadership of the FNTA that the terms would have to be accepted) after the terms for the harvest were announced. He attacks the leadership of both the FNTA and the CTC consistently and vociferously and is, of course, a declared oppositionist to the Government. He may be expected in the House to persist in his demagogic attacks from the tribunal that it affords him. In the days of Communist domination of the CTC Becquer was a follower of Lazaro Peña's. To the present he maintains contact with Communist-front organizations.

Rodríguez is much of a kind with Becquer but till recently was more restrained. He is on the FNTA Executive and Secretary-General of the Sagua la Grande Regional Labor Federation. As late as last

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year Rodríguez occupied the platform for Communist-front campaigns and organizations.

In the preceding despatch in this series of quarterly labor reports (Despatch No. 434 of October 25, 1954), an account was given of public quarrels last October between Becquer and the FNTA leadership and between Rodríguez and Mujal. More recently Rodríguez bitterly attacked José Luis Martínez, accusing him among other things of being a party to graft in the letting of contracts in the Workers' Maternity system, of which Martínez is a Director. Martínez besides answering in a statement to the papers, is alleged to have made certain remarks regarding Rodríguez's maternal antecedents. The upshot was a duel the morning of March 15, in which two shots by each man were fired at 30 yards without harm to either. In a statement drawn up after the duel by the witnesses (the duel not being according to the accepted code, they were not styled "seconds") it was said that the "personal" aspects of the quarrel between the two men had been settled. The emphasis was on the point that only the "personal" part had been concluded. Public interest in what would in any case have been a sensational affair was heightened by the fact that the principals and all but one of the "witnesses" were members of the Congress.

Jorge Cruz Perez, though an opposition representative, is made of different stuff from Becquer and Rodríguez. He is an able executor of CTC policy and enjoys the confidence of the present CTC leadership. While he will carry out an oppositionist line in the national congress, he is not likely to do so irresponsibly or demagogically.

B. Developments Affecting CTC Secretary-Generalship in the Wake of the Elections.

In the quarterly report for July to September of 1954 (Despatch No. 434 of October 25, 1954) the possibility was discussed of Mujal's being displaced by José Perez Gonzalez as Secretary-General of the CTC in the elections to that post that would take place at the next scheduled congress of the CTC in May of 1955. The thought was gaining currency at the time, and, as explained in Despatch No. 434 with good reason, that after assuming office as elected president Batista would prefer his own labor boss to Mujal. In the period between the elections and Batista's taking office on February 24, 1955 the belief that Mujal would leave the CTC Secretary-Generalship grew (see Despatch No. 721 of January 27, 1955); but that he was going to do so because of José Perez Gonzalez became less accepted.

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By December people knowledgeable in labor matters were saying not only that Perez Gonzalez did not have the capacity or the following to lead the CTC, but also that Mujal was the only person in sight big enough for the job and that Batista had come to realize this. From the Embassy's point of vantage, the latter opinion was given strong confirmation when at the turn of the year both Minister of Labor

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Nuñez Portuondo and his Undersecretary, José Suárez Rivas (now Minister), expressed it to the Embassy's labor officer. Later in January, however, the rumors came to the Embassy from people close to Mujal to the effect that he would give up the Secretary-Generalship of the CTC to become Minister of Agriculture. These rumors were reported in Despatch No. 721, already referred to, along with Mujal's denial to the Embassy's labor officer that he would, or would desire to, enter Batista's cabinet. By the time of this writing that cabinet has been chosen and announced, and of course Mujal is not of it.

It is of interest, however, that José Perez Gonzalez is in the cabinet. This may well mean that Batista definitely does not intend to make Perez Gonzalez top leader of the CTC but is rewarding him generously for his services as leader of the Progresista's Workers' Bloc and as his representative on the Buro de Dirección of the CTC. As of the end of February, Mujal's intimates had come to feel that he was safe in the Secretariat-Generalship of the CTC if he wanted to remain there. But they reported that Mujal continued with political ambitions and was afraid that if he stayed out of politics too long he would lose some of his influence in Oriente. Facundo POMAR Soler, Secretary-General of the Transport Workers, who had acted as Secretary-General of the CTC while Mujal was on electoral leave in October and November, was most frequently tipped to succeed Mujal, but there were also reports that Jesús Artigas, CTC Financial Secretary and Vice Secretary-General and boss of the Medical Workers, would be the CTC's next leader.

C. Elections in the Unions, the Federations, and the CTC.  
Activities of the Bloque Obrero Progresista.

December and January were months for elections in hundreds of local unions throughout the country. While few of the results were startling or attracted much national interest, a good number of the election campaigns were marked by strenuous efforts on the part of the Workers' Bloc of the Progresista Party to replace Mujalistas in the leadership of the unions. (Thus reinforcing reports of Perez Gonzalez's replacing Mujal as CTC leader). Some part of these efforts, according to a number of reports that have reached the Embassy and that it believes correct, involved cooperation between the Progresista Workers' Bloc and the Communists or their tools and sympathizers.

Most of these reports were to the effect that in different unions electoral slates were being presented in which the names of Progresistas were mingled with those of suspected Communists or known friends or stooges of the Party. A group of anti-Communist trade unionists reported to the Embassy that such a mixed Progresista-Communist ticket was presented in the elections of the Habana Provincial Federation of the Paper Workers. This slate was defeated. The same group of anti-Communist trade unionists reported that in the Habana Provincial Federation of the Construction Workers a similar maneuver was undertaken, but this time the Progresistas

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had supposedly managed to gull Abelardo Iglesias, Secretary-General of the Federation and a Mujalista, and got him to head their ticket with its hidden Communist infiltrators. (This situation was referred to in the newspapers several times.) By the time of the elections, however, Mujal and Angle Cofiño, Secretary-General of the Electrical Workers, who has considerable influence among the Construction Workers, managed to purge the Iglesias ticket of its crypto-Communists or Communist stooges. Another report along the same line came to the Embassy from the American Manager of the Havana Dock Corporation, who conveyed to both the Ministry of Labor and the Embassy the information that in the elections of his company's union a slate of Progresistas and Communists or Communist sympathizers had defeated an incumbent ticket of Mujalistas. The Ambassador discussed this case with President-elect Batista.

There have been no developments as yet that would indicate the Communists have won significant influence in the unions as a result of the elections of the turn of the year. That cannot gainsay, however, that there must have been many cases such as those which came to the Embassy's attention, of Communist and Communist sympathizers running with Progresista elements for union offices and some, or perhaps again many, in which these joint slates won. The Communists are thus probably somewhat better off in the trade union movement today in Cuba than they were last fall. They are, however, nowhere near attaining leadership of any federation or important union.

The Bloque Obrero Progresista's penchant for collaboration with the Communists was discussed by the Embassy's labor officer with Mujal. He showed himself aware of collaboration between the Bloque and the Communists and spoke of protests he had made to Perez Gonzalez and President Batista. He added the surprising information that on the last occasion he had taken up the matter, Perez Gonzalez informed Batista in his, Mujal's presence, that the Bloque should be dissolved. There has been no indication as yet that this will be done.

Tobacco Workers' Elections. It will be recalled that elections for national officers of the Tobacco Workers (FNT) were expected to give that important federation a new slate of national officers and also to prepare the way for removal of present workers' representatives in the industry's retirement fund. They were scheduled to be held on October 20. Just a few days before that date a resolution issued from the Ministry of Labor postponing all labor meetings, elections, and congresses for 90 days because of the impending national election. There was an outcry over this resolution, and an explanation was issued, by Mujal not the Minister of Labor, to the effect that only five meetings or elections were referred to in the resolution, among which was <sup>that of</sup> the Tobacco Workers' Union.

It seemed pretty clear when all the shouting was over that what had happened was that in order to avoid the Tobacco Workers' elections, Mujal had had recourse to the Ministry of Labor and that the Ministry's

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resultant resolution had been worded too generally. At any rate, labor elections and meetings have been going on steadily since the November 1 national elections, but there was a striking absence of reference to the affairs of the Tobacco Workers during most of that time, contrasting with the situation from July to October when news of FNT affairs appeared continually in the papers. The explanation seems to be that Mujal still has not been able to decide on the proper leadership for the Tobacco Workers. Beginning in mid-March reports appeared of FNT locals demanding elections in the Federation.

The elections of the Sugar Workers, scheduled for February 24, was postponed. This matter is discussed below under "Sugar Workers".

In the section below on CTC Morale rumors are reported that the VIII CTC National Congress, scheduled for May, will be postponed.

D. Low Morale in the CTC.

It has to be reported that the morale of the CTC - of Cuban labor as a movement constituted in one functioning class organization - is very low at the present time. Causes or evidences of the state of relative depression of the movement are to be found all through this despatch. To mention a few: the Bloque Obrero Progresista electoral campaign against Mujalistas and incumbent leaderships; uncertainty as to Mujal's continued leadership; the probability of economic decline following upon reduced sugar harvests and sugar sales; the lowering of labor terms and conditions for the 1955 sugar harvest in spite of the assertions of CTC and FNTA leaders that such reduction would not be permitted and the introduction of bulk loading of sugar so shortly after last spring, when labor had vigorously and with apparent success opposed it; the attacks of Conrado Rodríguez on J. L. Martínez; the attacks from within the Gastronómicos on their Retirement Fund's Hotel, the financial situation of the CTC, etc.

Perhaps because of the state of CTC morale, rumors have circulated to the effect that the VIII CTC National Congress, which should be held next May, will be postponed. The Embassy believes there is a great deal to these rumors. In the Embassy's opinion, however, there is little reason to think that the Cuban movement has actually lost any considerable ground or that its future is seriously clouded. It is true that the outlook for the sugar industry is not very bright and that any adverse development in that industry must seriously affect the total Cuban economy. At the same time, however, the sugar industry does not face a prospect of serious depression such as afflicted it at various periods in the past. The industry may in fact be said to face little more than a belt tightening, so long as its position in the American market remains secure. Moreover, there are prospects of increased activity in other lines. In agriculture the outlook for coffee is good; there is promise also

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in the development of kenaf, cacao, and bananas, though possibly the outlook here is for too long a term to influence the present situation. There should be some stepping up in the immediate future in mining, while recent petroleum developments indicate a possibility of greatly increased activity before very long in that new industry. Industrial prospects also afford some encouragement, with a Shell Company refinery just about to go up and Owen-Illinois buying land to build a modern plant for bottles and other glass containers. Private building is maintaining itself at a very high level, and if with elections out of the way the government's public works program becomes a bit less grandiose than it was made to sound, it will probably still remain a very considerable program. Mujal is probably correct in speaking, as he did to Vice President Nixon, of two trying years ahead for Cuba, but there is little reason for labor, or anyone else, to be discouraged with the long range prospects.

Nor can labor complain of an unfriendly, much less a hostile or repressive, government. By comparison with the Grau and Prío administrations, during which labor got, for the asking, all it wanted, and perhaps more than it was entitled to, the Batista government might be considered a severe one. But that is only speaking relatively, and the Batista government has in fact been highly responsive to Cuban labor's demands by any ordinary standards. This is witnessed by its action on indemnified dismissal, its recent modification of the decree on bulk loading of sugar, (see below), its creation of additional industrial Retirement Funds (see below) and by many other measures. The measures the government has taken that have disturbed labor, such as the introduction of bulk loading of sugar and the decree-law on loading of minerals and unloading of raw materials, (see below) have aimed at the reform of conditions which indisputably have hampered the development of the Cuban economy; and in enacting these measures the government has proceeded temperately and, as will be seen elsewhere in this despatch, shown a disposition to discuss the results with labor and to modify the measures in the light of its objections.

Finally, the extension of compulsory checkoff of union dues to a wide number of industries and occupations in late January -- very much a beneficence of the Batista government -- is a great boon to the labor movement and promises the CTC a considerable increase in strength for the future.

#### E. Compulsory Checkoff of Union Dues

The last few days before the convening of the national congress on January 28 saw a last-minute rush of law-decrees. Among the surprises ground out in this spate of legislation were five enactments widely extending compulsory checkoff of union dues by employers. Previously the compulsory checkoff was in force only in

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the sugar industry and, on jobs where workers were actually organized, in the construction industry. In the telephone, electric power, and cement industries, in some textile plants, and in a few other industries the checkoff is in force through collective contract.

All five law-decrees called for a 1% checkoff. They may be summarized as follows:

Law-Decree No. 1982 of January 27, 1955 appearing in the Official Gazette of January 29, applied to overland motor transport of passengers and cargo. The proceeds of the checkoff are to be divided:

- 50% to the local union
- 35% to the National Federation of Transport Workers
- 15% to the CTC

Law-Decree No. 1983, same date same Gazette, applied to maritime and port operations. The proceeds are to be divided:

- 50% to the local union
- 25% to the National Federation of Maritime Workers
- 15% to the CTC
- 10% to the Maritime Workers' Federation of the local port.

If there is no local port federation, the local union receives the 10%. The National Federation is required within 90 days to draw up a budget for submission to the Ministry of Labor: in the budget it can devote only 75% of its receipts to current expenses, reserving 25% for national and international congresses and meetings.

Law-Decree 1984, same date same Gazette, applies to so-called medical workers. What the term covers is indicated by the list of establishments the decree sets forth as covered by its provisions. Among them are: clinics, drug stores, hospitals, all types of medical laboratories, all types of medical cooperatives, sanitoriums, dispensaries, doctors' offices, manufacturers of all types of medical products, health and rest centers, and even the club houses of the Spanish mutual help societies, which were formed principally to furnish medical and health benefits.

The revenues are to be divided as follows:

- 59% to the local unions
- 24% to the Medical Workers Federation
- 15% to the CTC
- 2% to be retained by employers for expenses in collecting and remitting the monies.

Law Decree No. 1985 is a bit of a catch-all, covering many occupations and industries. In one subsection it lists retail shops of many kinds, as well as laundries and cleaning shops, garages, movie houses, markets, "as well as any other commercial operation that may be established in the Republic".

A second subsection covers industrial activities among which are specified: fertilizer manufacture, manufacture of acids and other industrial chemical products; the manufacture of soap, detergents, dentifrices, toilet products, and cosmetics, match manufacture, glass and glass products manufacture; plastics plants and the manufacture of plastics products; tire and all rubber goods manufacture, including tennis and other sports shoes; the preparation of comestible oils and lards, hams, sausages and such; paint manufacture; coffee toasting; manufacture of insecticides; "and any other establishment or plant in similar lines that may exist or be established in the Republic".

The revenue is to be divided:

60% to the local unions  
25% to the National Federation of Commercial Employees and Workers  
15% to the CTC

Law-Decree No. 1986, same date same Gazette, covers the food manufacturing industry. It specifies: flour milling, yeast manufacture, processing of wheat flour, canning and preserving of fruits, fruits pastes and fruit candies, candy manufacture, guayaba picking, as well as the distribution of these products.

The revenue is divided:

45% to the local union  
38% to the Workers Federation of the Food Industry  
15% to the CTC  
2% to be retained by the employers for expenses.

On February 3, the Official Gazette published law-decree 2014 of January 27, 1955, which required that the CTC's share of the proceeds of the compulsory checkoff should be sent direct to it by the employers making the checkoff.

In the Embassy's opinion it is hard to exaggerate the importance of these law-decrees to the Cuban labor movement. They carry the Cuban movement a long way towards the goal of independence from the government. No longer should the CTC find it necessary to look to large official subsidies in order to continue operations. While Gompers was right, and what government can give it can take away, repeal of the law-decrees will obviously be a politically delicate matter for any future government that might contemplate it. On the

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contrary, compulsory checkoff will certainly be sought by sectors of organized labor not covered by the existing law-decrees or by contracts providing for the checkoff, and in view of the precedents it is hard to see how it can be denied them.

The CTC will still have to look to the government, and to cooperate with it, for the achievement of many of the gains it wants and to protect the gains it has already made. And government will continue, politics playing the role it does in Cuba, to have a great influence in the choice of labor leaders and upon the policies they advocate and follow. But to have a substantial income, and that income assured, is bound to have a considerable effect on the morale and the potential of the CTC and the member unions and to influence them in their attitude toward the government of the day.

A CTC source has informed the Embassy confidentially that the labor movement should now receive about \$4,000,000 from compulsory checkoffs including sugar. The Embassy believes this estimate not to be exaggerated. According to Cuban government sources, salary and wages payments in the private sector of the economy amount to more than \$800,000,000 annually, of which \$250,000,000 comes from the sugar industry. It seems to the Embassy that the industries covered by the new law-decrees must cover at least \$150,000,000 of the salaries and wages paid by private business outside of sugar. This would mean that from compulsory checkoff the movement would receive \$4,000,000, about \$600,000 of which would go direct to the CTC. Thus the CTC would be assured as much income as it received from subsidies by the Prío government. It is quite certain that the CTC would also get contributions of one kind or another from the member unions and Federations, for example to finance international activities, special projects of one kind or another, or through the establishment of dues, which local unions should, with their large incomes, now be in a position to pay. (Financial Secretary Artigas informs the Embassy that the CTC's only revenue before the establishment of compulsory checkoff and last year's \$2.00 "voluntary quota" came from government subsidies; in other words there was no capitation of unions by the CTC or dues of any kind paid by union members direct to the central organization.) In addition to the considerable income that will come to the movement from compulsory checkoff, revenue will continue to come to it from those important industries that already have the checkoff through collective contract. One can only hope, having indulged, as above, in philosophic speculations as to the effect on the position of the Cuban labor movement of this sudden access of wealth, that the greatest impact it will have on the movement shall not be in the direction of further corrupting it.

The five law-decrees on compulsory checkoff have suffered a sustained and heavy attack from the business community of Cuba. The conservative papers have devoted many editorials to criticism of them and delighted in publishing protests from local union and

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other labor groups, as well as national and local business groups, protesting against the law-decrees. Communists have been able to get space for their letters in conservative papers and to take part in radio discussions of compulsory checkoff. Employers' organizations have made statements to the papers and filed protests with the government.

One of the principal worries caused by the decrees to business, or so business has repeatedly declared, concerns the liberty of the workers. The constitution, business spokesmen have pointed out, guarantees to workers the right to organize; but the compulsory checkoff forces them into unions. There is a further constitutional argument used by business spokesmen: the constitution forbids the imposition of taxes for the benefit of organizations to which the taxpayer does not belong, and these decree-laws enact precisely such a tax. Lastly, some of the papers and business groups have quite frankly given it as their view that labor is already too powerful in this country and is bound to become more powerful as a result of these law-decrees.

Among the labor protests against the law-decrees are some stimulated or voiced by Communists. The Party has set its face dead against the compulsory checkoff, damning it as an imposition on labor, defending the principle of free association of labor, and declaring that the bourgeois trade union leaders who are already exploiting Cuban labor through their stranglehold on its organizations will use the proceeds from the law-decrees to strengthen their positions and to enrich themselves. As already mentioned, on compulsory checkoff the Communists have found some papers and radio stations benevolent enough to give them space for the expression of their views.

There are many local unions whose officers have protested against the law-decrees with apparent sincerity. These, too, speak of forced membership in a union, but their principal complaint has been that the proceeds from the checkoff will go to strengthen the positions of mercenary and undemocratically ascendant trade union leaders. Obviously the trade unions officers that take this line are enemies of Mujal and of the leaders of their own industrial federations; the Embassy suspects that in many cases they are also oppositionists to the Batista government as well.

While it took no time at all for the business interests to open fire on the compulsory checkoff laws, Mujal and the CTC were surprisingly rusty in coming to their defense. For a week or ten days only scattered fragmentary remarks dropped by various CTC leaders to labor columnists appeared in the papers. When finally a large CTC advertisement on the compulsory checkoff appeared in the press, it seemed mainly concerned to allay fears as to the tremendous amounts that the checkoff would bring the CTC. Making calculations, Mujal represented that only \$300,000 a year would be realized from

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the checkoff. For some reason or other at this stage the CTC seemed obsessed with this line and Financial Secretary Jesús Artigas, generally very aggressive and bold-spoken, in discussing the question privately with the Embassy's labor officer, repeated the \$300,000 allegation and dismissed law-decree 1985, when that was referred to by the officer as by itself certain to bring in more than that amount, as covering only "commerce".

Labor leaders and the CTC have done much better recently in defending the compulsory checkoff. They have poked fun effectively at the concern of business for the workers "right" to organize. On the constitutional issue they have cited the precedent established by the compulsory checkoff in the sugar industry. More tellingly, labor has mockingly been able to cite the practice of industrial associations. Employer bakers, for example, must pay compulsory dues to their association and are put out of business by it if they do not. In fact, that precedent was adduced among the "whereases" of law-decree 1986 establishing compulsory checkoff in the food industry. In the tobacco industry growers and manufacturers must join the industry organization and cannot harvest or operate if they are not up to date with their fees.

Against the Communists the CTC has bitingly thrown up their collaboration in the anti-compulsory checkoff campaign with the employers and recalled to the Reds that when they were in power in the CTC they used compulsion freely. The CTC has also had some fun with the subject of compulsion and trade unionism in the USSR.

It is striking that in all the discussion of compulsory checkoff there has been no word of praise or appreciation by CTC leaders for the government. There are a number of reasons why such word might have been expected. In the first place it would be completely justified; and an appearance of political impartiality could still be maintained by relating the checkoff, as the most recent important labor advance, to advances made under earlier governments. Then, also it would have been good tactics to ally the government, and above all the supposedly conservative Batista government, with the CTC against the employers. Perhaps Mujal and his advisers thought that from the point of view of internal union politics praise of the government was inopportune so short a time after the announcement of the reduced 1955 sugar harvest terms and of the introduction of bulk loading.

A few additional remarks on the compulsory checkoff decrees are called for. The collection of the checkoff from ~~retail~~ outlets and small industries promises some obvious difficulties. Moreover, there have been some proposals that employers not pay till the law-decrees have been tested in the courts. However, with CTC encouragement the Minister of Labor appears to have set about most assiduously to get the checkoff actually paid.

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The rumor has been circulated in labor circles, probably by elements hostile to Mujal, that the compulsory checkoff was granted to the labor movement by the government in exchange for Mujal's consent to bulk loading of sugar. The Embassy discounts this report and has found no Workers Palace source who will confide that he thinks there is any truth to the report. As one CTC official put it, Mujal and many individual union leaders have been urging compulsory checkoff on the government for some time.

Compulsory checkoff immediately raises the question of whether the unions should not be able greatly to increase their membership, now that so many unorganized workers have to pay them dues whether they are in the unions or not. As yet, none of the unions appears to have begun a campaign to bring these new dues payers into its ranks. Nevertheless, the situation must be highly favorable for them to do so, even if among some potential members resistance to organization is increased by the imposition of a compulsory checkoff. It will be particularly interesting to see if the National Federation of Commercial Workers, whose present claim of 65,000 members is surely exaggerated, can swell its ranks.

#### F. Financial Situation.

The financial situation of the CTC continued very bad till almost the end of 1954. Then, by what the CTC itself seems to regard as a trick and as officers confidentially confided to the Embassy, it got the money to carry itself along from the ICFTU. At the end of November the CTC International Secretary, Gonzalez Tellechea, Raúl Valdivia of the FNTA, and CTC Financial Secretary Jesús Artigas went to Paris, where the ICFTU Executive Board was to meet. Gonzalez Tellechea and Valdivia thought they were seeing Oldenbroek to discuss the sugar offices which for so long had been planned. Suddenly, when they were talking with Oldenbroek, they heard Artigas, who apparently had confidential orders from Mujal, tell Oldenbroek that since the offices had not been opened in early 1955 as scheduled, the CTC should be given back the more than \$50,000 that it had paid in for the operations of the offices during that year. Reportedly, Oldenbroek was taken aback by this suggestion and turned it down. In some way, however, Artigas prevailed on Oldenbroek to agree to deposit about \$50,000 to the account of the CTC in December to permit it to go ahead with the opening of the offices, at least in Habana. Drawing on this account the CTC managed to catch up on its payroll in time for Christmas. The employees were owed for October and November. The story of the goings-on at Paris seemed a bit fantastic, but the Embassy believes it correct. Apparently Gonzalez Tellechea, because of his surprise or for some other reasons, dissociated himself from Artigas' operations with Oldenbroek, and Artigas upon returning here blasted Gonzalez Tellechea to newspapermen for his attitude. Gonzalez answered contemptuously regarding attacks of this type.

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In the future, it seems certain, the compulsory checkoff of union dues will assure that the CTC is able to meet its payroll without difficulty and to expand its activities.

G. Movimiento Sindicalista Radical

Some noise is being made on the political and labor scene by the Movimiento Sindicalista Radical, whose name is intended to convey the impression that this movement is the workers' bloc of the Partido Union Radical. The MSR is chiefly inspired by Rolando MASFERRER, now a PUR senator from Oriente. Masferrer is also the editor of the newspaper TIEMPO EN CUBA, and a large part of the MSR's activities has consisted of agitation and publicity work in this paper. Masferrer is a Cuban politician-gangster type, an ex-Communist who stridently opposes the Party now but still adheres to much socialist thinking and is a frequent and <sup>severe</sup> critic of the United States.

Masferrer does not have any great following in Cuba at present and TIEMPO EN CUBA is certainly one of the country's lesser papers. But Masferrer is ambitious and is considered to have a real will to power; he is dynamic and ruthless: Masferrer's personality and attributes are such that his possible future importance in Cuban politics should not be discounted.

The PUR is very much a minor party and did not show well in the November 1, 1954 elections. It is in fact, something of a hangover without much raison d'être, as is perhaps illustrated by a contrast between Amadeo LOPEZ Castro, Batista's conservative economic adviser, who is national head of the PUR, and Masferrer, who is probably its most influential leader in Oriente.

The insubstantialness of the PUR's political orientation is also demonstrated by the fact that Masferrer is very much at odds with many leading Batista politicians and administration leaders. TIEMPO EN CUBA frequently attacks these men, and recently Progresista Senator Felix AYON was widely quoted by one of the papers as saying that the PUR had either to dissolve or go into opposition. Clearly that statement could not be applied to any movement that was actually a movement and headed by Lopez Castro; Ayon referred to Masferrer qua PUR.

Masferrer and TIEMPO EN CUBA are bitter enemies of Mujal, José Luis Martínez and the established CTC leadership, whom they attack as bourgeois and traitors to the workingclass. He has established Angel RODRIGUEZ Gonzalez as nominal head of the MSR and also styles him its founder. Rodríguez González, a former Secretary of Organization of the FNTA and former Secretary-General of Manatí sugar mill local union, was once a Mujalista and a collaborator of J. L. Martínez's. He fell out with these two leaders, however, and lost these positions. Mujal, when referring to "Chichi", as Rodríguez is known, generally alleges that charges have been brought against

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him by the Manatí workers for defalcation of their funds.

After much propaganda in TIEMPO EN CUBA and apparently, also, some organizational work on behalf of MSR, Masferrer is now trying to really score with a proposed law on Syndical Democracy which he is presenting in the senate. The main feature of this proposed law, to judge by the propaganda, is a provision that CTC officers are to be elected by direct vote of the CTC membership. In all probability the law is for the most part composed of provisions similarly designed to guarantee democracy in the Cuban trade union movement.

It is hard to see that Masferrer, or "Chichi" Rodríguez, or the MSR have much future in the Cuban trade union movement. But a cautionary note has already been struck here regarding the political potentialities of Masferrer, and politics and labor being so closely linked in Cuba, not too much must be taken for granted regarding the MSR's ineffectualness. There is one factor that may operate importantly in the MSR's favor. In the Congress Conrado Rodríguez and Conrado Becquer might for demagogic and personal reasons take the Syndical Democracy law under their wing. Agitation of such a law in the House by people as unassailably labor in their background as these two men could create a problem for the present CTC leadership of a kind that it is not currently showing itself much disposed to stand up to with any vigor.

The Embassy learns from a Guantánamo paper that Masferrer has been talking in that area of working in the Senate for the revision of the treaty between Cuba and the United States covering the Naval Base. An agitator of his type could become embarrassing on this subject, though, to start with, he would find little public interest in his proposal.

#### H. International Department and Sugar Offices.

The dispritedness of the CTC during the months under review was evident in its International Department. Projected trips abroad were in a number of cases cancelled at the last moment because money for them was not available and the government failed to supply it as the CTC had expected it to do.

Doubt was entertained in the International Department regarding the opening of the sugar offices. Personnel had already been picked by November for the Habana offices and a representative for the New York office was being sought; but Mujal and others could not see their way to giving the decisive word for going ahead and at the time it looked as if the money that had been delivered to the ICFTU might be more needed by the CTC for other purposes.

Even now that compulsory checkoff has been put into effect,

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the International Department is doubtful whether the sugar offices will go ahead. Too many people in the top leadership are not interested. Perhaps when CTC morale picks up again, the plans for the sugar offices will receive new impetus.

In October by formal letter the CTC made known its views on GATT to the government. It thought that no benefits had accrued to Cuba from the Agreements and that in general this was true of all raw materials and food exporting countries. The CTC insisted in particular that in future GATT negotiations no commitments be made by Cuba to maintain its tariffs at present levels. Such a commitment would "close to us all possibility of industrial development".

The CTC understands that arrangements have been concluded for Cuba to be given the ORIT presidency at that organization's forthcoming San José congress.

II. SUGAR WORKERS AND BULK LOADING OF SUGAR. (OFFICIAL USE ONLY)

The terms of the 1955 sugar harvest were set after protracted discussions and negotiations among mill owners, growers, the CTC, the National Sugar Workers' Federation, and government officials. They have been reported in the Embassy's despatch No. 703 of January 24, 1955 and are in summary: 1/ Reduction of the crop from the 4,750,000 Spanish long tons of 1954 to 4,400,000 Spanish long tons; 2/ Wages to be calculated on a theoretical expected average price of 4.40 cents per ton, a reduction of 7.317% from the 4.70 cents on which they were calculated in 1954; 3/ The "super-production" (extra pay intended to compensate workers for increases in productivity since 1935) minimum to be five days instead of six days as in 1954; 4/ Mills to be permitted to make bulk shipments of sugar but employment and earnings cannot be reduced in consequence.

As the Embassy has already reported, prior to the announcement of these terms CTC and FNATA leaders, including Mujal and José Luis Martínez, had emphatically and repeatedly declared that no reduction in the amount of the harvest from 1954, or in wages and other terms, would be permitted. For more than a week before the announcement of the terms a plenary of the FNATA was in permanent session. Two or three days before the announcement of the terms it passed a resolution declaring for a general strike if the terms of the 1954 harvest should be reduced. (See despatch No. 721 of January 27, 1955 for Mujal's view that Batista had dallied irresponsibly in deciding upon the terms for the 1955 harvest).

The announcement of the terms was of course a blow to the delegates assembled in Habana at the FNATA plenary. The efforts of Martínez and Mujal to reconcile the plenary to the terms announced for the harvest met with a stormy reception. Blows were exchanged on the floor and "traitor" was one of the gentler epithets directed at the platform. Conrado Rodríguez and Conrado Becquer (see Section 1-A)

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called for the carrying out of the general strike that had been threatened. It was reported by a number of afternoon papers that a general strike had been voted, but in the following morning's papers it turned out that the plenary had finally voted to leave the final decision to the Bureaus of Direction of the FNTA and the CTC.

Two CTC sources who were at the plenary when the vote was taken report that plainly the feeling of the meeting was for a strike and that patently the vote to leave the decision up to Bureaus of Direction was the result of a misrepresentation by the platform, which was loudly but ineffectually protested.

Almost immediately the two Bureaus issued a statement instructing the sugar workers to start the harvest. (Actually at a number of mills the harvest had begun even before the terms had been announced, which <sup>was</sup> interpreted in some quarters and perhaps by the government, to be an indication that the workers themselves were not all convinced that the maintenance of the 1954 terms was feasible). This instruction to the workers from the Bureau was accompanied in typically Mujalesque fashion by a strong declaration to the effect that the terms set down for the harvest were not satisfactory and every effort would be made to prevail on the government to modify them.

It was next the turn of the National Maritime Workers Federation (FOMN) to declare itself on the issue of bulk loading. It will be recalled that during the latter half of 1953 the Government had been carefully preparing the way for the introduction of bulk loading of sugar, out of a conviction that Britain, Cuba's second customer, would soon refuse to buy more Cuban sugar if it were not so loaded and that shortly after that competition would necessitate bulk loading of sugar to most of the world market. In April of 1954 the government had won from the unions concerned (the Railwaymen and Land Transport Workers in addition to the FOMN as well as the CTC), apparent agreement to bulk loading on condition that no jobs were to be lost or earnings decreased by the changeover. This anomaly was to be accomplished by having the sugar carried to the hatches in sacks and from them dumped into the holds. The labor representatives also wanted agreement on the use that would be made of the savings resulting from the use by the mill owners of the same bag two or three times, where before bulk loading it would have been used only once. Notwithstanding these safeguards the rank and file and local union officials of the FOMN quickly made it manifest that they were resolutely opposed to bulk loading. They exerted such great pressure that FOMN and CTC leaders were obliged to back track and publicly repudiate bulk loading under any conditions.

The way for the introduction of bulk loading in 1955 was

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carefully laid by the government. The Cuban Ambassador in London came to Habana well before the terms of the harvest had begun to be discussed and in meetings with industry representatives and labor leaders stressed that Britain absolutely would not buy sugar if it were not shipped in bulk. The labor leaders were convinced.

Upon the announcement of the terms of <sup>the</sup> harvest, a plenary of the FOMN was called for February 9 in Habana to pass on bulk loading. The session was another stormy one, with fights breaking out in various parts of the hall and much abuse of the platform. It was Mujal who won the day for bulk loading by dwelling emphatically on the conditions under which bulk loading would be undertaken and representing these conditions as formulated in eight points and guaranteed by Batista. (He had in fact conferred with Batista on the problem of persuading the FOMN and had probably obtained his consent to this stragem). The vote was not overwhelmingly in favor of bulk loading: 116-75 with many FOMN locals ~~sixteen~~ absent.

After the FOMN plenary, Mujal took out large advertisements in a number of papers proclaiming what he termed the "Batista Plan" of bulk loading and setting out the eight points. These brought out that bulk loading was only to be in effect during 1955, that there would be no reduction in jobs or take-home pay, etc. and included the stipulation that "If the mill owners obtain any profits from the new system (i.e., from the reuse of bags - Embassy) these will be applied to the fomenting of new sources of work in order to solve the unemployment crisis".

The story on bulk loading was not finished with the acceptance of the 1955 harvest terms, however. Upon publication early in March of Decree 507 regulating bulk loading of sugar, (sent with translation to Washington in Despatch No. 884 of March 11, 1955), the FOMN has protested that the decree does not embody the eight points of the "Batista Plan". When the only ship that has so far intended to load sugar in bulk approached Cienfuegos, the FOMN sent orders to that port not to load it. The ship was diverted to another port where it loaded sugar in bags.

It is perhaps a little on the captious side for the FOMN to balk at Decree 507. Some of the eight points really mean little if anything and were hardly worth putting into a decree. No mention is made in 507 of the mill owners' profits from the use more than once of the bags, but this subject hardly needed to be treated in the bulk loading regulations themselves. Moreover, Decree 507 is very specific, and through repetition even emphatic, on the point that its provisions apply to only 1955.

The parts of the decree that really seem to stick in the craw of the FOMN lie in its substantive clauses 3, 4, and 5. Clause 4

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can be interpreted as leaving the way open to negotiation of changes in work procedures at the various ports by agreement between employers and workers and with the approval of the joint "intelligence commissions" at the ports. Clause 5 of the decree also contemplated the possibilities of changes in existing arrangements, and speaks not of agreement but of "a proper study, with a prior hearing of the opinion of the interested sectors through their respective representatives". To cap it all clause 5<sup>also</sup> states that the Minister of Labor shall settle any conflict arising under the decree.

The FOMN does not like the prospects at which these clauses appear to it to hint. On the surface they contain nothing that would seem to contravene the "eight points", but the FOMN is aware of the power of the government and how it might use the power. It imagines, for example, an army commander at some small port helping along under Decree 507, with the revision of arrangements for bulk loading. The FOMN **advises** the Embassy, however, that the Minister of Labor has attended its protests most sympathetically, and it expects Decree 507 to be amended or withdrawn.

The conduct of the delegations at the session of the FNTA plenary which passed on the terms of the 1955 sugar harvest clearly demonstrated that those terms were not popular. As already suggested José Luis Martínez and Mujal had themselves to blame for this situation. Up till the time of the announcement of the terms they had kept repeating that absolutely no reduction in those of 1954 would be permitted and yet in the week or ten days before announcement Mujal and other CTC leaders had confided to the Embassy that a reduction was inevitable in both the size of the crop and the conditions and had in fact predicted almost exactly what the terms would be, including the introduction of bulk loading of sugar.

Reaction at many sugar mills to the terms of the harvest was much like that of the discontented delegates at the FNTA plenary. According to well-placed and reliable CTC sources indignation ran high at many mills, and the photographs of Mujal and Martínez were taken down from the walls of union offices, leaving by itself the photograph of Jesús Menéndez, a Communist who was shot dead by an army officer a few years ago, and who had been an able and beloved leader of FNTA, so much so that his portrait or photograph remained in FNTA offices all over Cuba after he and the Party had had to relinquish control of the Federation. It has already been reported that the FNTA elections that were to be held on February 24 have been postponed and that the principal reason for this postponement was in all probability fear that in the wake of the 1955 sugar harvest terms feeling against the FNTA leadership was so strong that the present leadership might be otherthrown and one hard for the CTC and the government to work with might succeed it.

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PROBLEMS OF THE NATIONAL FEDERATION OF MARITIME WORKERS (FOMN) BULK LOADING AND OTHER MECHANIZED OPERATIONS (OFFICIAL USE ONLY).

Unions of seamen and dockworkers are not pacific organizations in any part of the world. On Cuba with their Federation composed of many strong, determined and independently-minded locals, leading the FOMN is never a quiet business. The last few months, however, have been particularly hard ones for Gilberto Goliath, FOMN Secretary-General.

His position has been an uncomfortable one since at least last spring, when it became widely (and correctly) believed throughout the FOMN that he had given his consent to the government's proposal for the introduction of bulk loading of sugar. The reaction against the possibility of bulk loading and against Goliath was far spread and sharp throughout the FOMN. His protests that he had not given his consent to bulk loading were not generally believed.

The actual introduction of bulk loading as part of the labor terms and conditions for the 1955 sugar harvest has once more roused feeling against Goliath. That subject has been covered in the preceding section of this despatch.

The ranks of the FOMN were further roiled when the Official Gazette for February 9, 1955 published law decree 2134 of January 27. While this law-decree will be reported upon in greater detail by the Embassy's economic section, its implications for labor call for discussion of it in this despatch.

The law-decree aims to establish and guarantee the loading of Cuban minerals and the unloading of raw materials for Cuban industry by mechanical means and without the incurring of unnecessary labor charges. Its substantive articles provide for the opening and closing of hatches by the crews of ships themselves, for the operation of cranes, and unloading machinery, and the coupling of hosing by personnel in the employ of the company operating the docks. In one subsection it is provided that where cargo is in bulk, wages should be paid on a time basis rather than by the piece "unless that form (of payment) is established (probably for the cargo involved) in the official tariffs of the port in question". One sub-article attempts to do away with featherbedding by forbidding the use of "tally clerks, sack sewers, etc." when they are unnecessary.

How the provisions of this law-decree relate more specifically to Cuban practice at present will be gone into in more detail in the report from the Embassy's economic section. But to anyone acquainted with the success of Cuban port labor in imposing featherbedding practices, getting high wages, etc., the implications of the decree are immediately clear and startling.

The lengthy preamble of the law-decree speaks of the desire to

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"Limit so far as possible immoderate increases in salaries of port workers for work which in no manner requires their intervention since it is carried out at docks that have been mechanized for a long time". It speaks also of labor practices that promote "unemployment in industries now in operation by restricting the reduction of costs in national production which is obliged to compete in two directions, in domestic consumption and in export..."

Minister of Labor Suárez Rivas said of this law-decree to the Embassy's labor officer that it was drafted as a start on the problem of cutting the high costs that afflicted certain Cuban industries. He did not indicate in any clear way, however, that there was any comprehensive program being taken to this end, to judge from the optimism of FOMN and CTC officials it does not appear that the government is going to be very firm in the application of law-decree 2134.

The Embassy is informed by FOMN officials that they have discussed 2134 with the Minister of Labor and other government officials and they have been assured that it will be modified in such a way that labor is not hurt by it. Mechanization, the Embassy gathers, may be facilitated in new port installations, but at present port work sites, the same safeguards for labor as prevail at present will be maintained.

Employer reaction to law-decree 2134, which was enthusiastic, will probably have to be dampened. In the FOMN considerable discontent with the leadership will no doubt linger no matter how 2134 is modified or applied. And for the time being the economies of the situation will have to take a back seat.

IV.  
CHANGE OF LABOR MINISTER (OFFICIAL USE ONLY).

With President Batista's inauguration on February 24 Ambassador NUÑEZ Portuondo returned to his post as Cuba's Permanent Delegate to the United Nations and José SUAREZ Rivas, who had been serving as Undersecretary of Labor since last spring, became Minister of Labor.

The last two months of Nuñez's period as Minister of Labor passed with little of the smoke and fury in his relations with the CTC leadership that had marked November and December. The quarrel between the two was described in the Embassy's despatch 591 of December 17, 1955.<sup>4</sup> Nothing came of the threatened strike by the Oriente Sugar Workers Federation. Possibly Mujal discussed the Minister with Batista, as he declared he would, and the latter enjoined greater caution on Nuñez, but it is more likely that as the return to a congress and a constitutional president neared and there was, except for the sugar negotiations, a suspended pause in labor as well as other affairs, there were fewer issues for the Minister and the CTC to quarrel over. Nuñez continued to be

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mildly lionized by certain employer groups and on one occasion he pointed to the number of Retirement Funds he had approved while Minister as proof of his friendliness to labor.

When Nuñez left the Ministry there was a scene in his office, reproduced by photograph in several of the papers, of Mujal giving him a farewell "abrazo". But Mujal is a comprehending individual who sees little use in having enemies and it is not probable that many other labor leaders cared to do other than be pleased with Nuñez's departure. In an effort to see if there was any evidence of charitable forgiving of Nuñez on the part of Jesús Artigas, who had quarreled with him obstreperously on the issue of the Christmas bonus, the Embassy's labor officer asked Artigas if Nuñez could receive credit for the compulsory checkoff law-decrees, which had been issued over his signature. "The first he knew of them," Artigas answered, "was when he saw them in the Gazette."

Information regarding the new Minister of Labor, José Suárez Rivas, was sent the Department upon his appointment as Undersecretary in the Embassy's despatch 1575 of the 25th of June, 1954. At that time, it will be recalled, it was expected that he would eventually become Minister of Labor, though before the beginning of the election campaign. As Undersecretary, Suárez Rivas was extremely successful, which his promotion to Minister would appear to corroborate. He seemed to work hard and efficiently.

From American businessmen the Embassy hears that Suárez Rivas was openminded, approachable, and fair. CTC leaders and labor journalists regard him as understanding, efficient, and sympathetic to labor's problems. His handling of the problems presented by the bulk loading of sugar and the loading of minerals and unloading of raw materials law-decrees, reported in Sections II and III above, help explain why the latter entertain this high opinion of Suárez Rivas.

V.  
THE 1953 CENSUS AND UNEMPLOYMENT (OFFICIAL USE ONLY)

The Embassy hopes within the next six weeks to prepare a report on the results of the 1953 census and Cuban manpower in compliance with CERP Item A.1. However, a preliminary discussion of the census findings on unemployment appears in order in the present despatch. It should be borne in mind that the data given here are made available to our government as a courtesy and on a confidential basis and should not be disclosed till publication of the census results.

The following are the figures which the census will publish for the labor force and unemployment as of January 28, 1953:

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Total Population	5,832,277	
Total population 14 years of age and over	3,828,464	
Total labor force	2,059,659	
Percentage of labor force to total population 14 years and over		53.8%
Working for or without pay	1,779,236	
Working without pay for member of family	82,512	
With a job but not working the week before the census	24,180	
Looking for work	173,811	
Outside of labor force and over 14 years of age	1,768,805	
Percentage of outside of labor force and over 14 years to total over 14 years of age		46.2%
Housewives	1,376,672	
In hospitals or institutionalized	22,707	
Incapacitated	72,286	
Students and not reported	297,140	

When published these figures will create something of a sensation and will probably bring down on the Census Office a great deal of ridicule and censure. If they also lead to some realistic thinking and reappraisal as to the extent of Cuba's unemployment, the results should be all to the good.

It will be recalled that unemployment is generally spoken of in Cuba as reaching a million or a million and a half; and even responsible government officials quote figures of these magnitudes. It is true that <sup>808</sup> experienced Ministry of Labor official has confided to the Embassy that he does not think it possible from any point of view that unemployment at its worse (that is, during the "dead season" in the sugar industry, which lasts eight to ten months, depending on the size of the harvest, and when according to the National Federation of Sugar Workers 430,000 men lose their jobs in the sugar fields and mills) could exceed 500,000, but <sup>10</sup> the Embassy's knowledge no such statement has ever appeared in writing. Mr. Zoel Gonzalez Ruiz, the Uruguayan ILO expert now setting up the Ministry of Labor's Statistical Directory, recently calculated and wrote, though perhaps too greatly influenced by what he has so insistently heard around him during more than a year in Cuba, that unemployment is 300,000 during the sugar cane harvest and not more than 800,000 during the dead season.

Against this background a finding from the Census Office of an unemployment figure of substantially lower than 200,000 even at the height of the sugar cane harvest (during which January 28 falls) will meet with difficult acceptance. Mr. Gura\* is aware of this and calls attention to the figure of 297,140 for "students and not reported". He feels that some unemployment may be hidden there owing to the inability of enumerators to find out everything

\* See next page

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THEY SHOULD HAVE about the person being counted. The Embassy may also add that it considers it likely that in many cases, out of considerations of pride, Cubans would not admit to a stranger that they were unemployed.

The Embassy's labor officer sat in with Mr. Ben Gura, FOA adviser to the Census Office, and four or five of his principal Cuban collaborators in a discussion of the unemployment figures developed by the census. The gentlemen, who appreciate just what their office is going to be in for when the figures are published and are not happy at the prospect, have no hesitancy in accepting the January 28, 1953 figure as accurate. They also alleged that even the dead season unemployment figure was generally exaggerated, and they doubted if the end of the cane harvest threw as many as 200,000 out of work completely. They point out that of the 430,000 alleged by the FNTA to lose their jobs at the end of the harvest, some work on their own land or otherwise get jobs in agriculture; for example, on coffee plantations. Some have trades that they work at in the mills or on the mill railways during the harvest and work at on their own or for other employers during the dead season. The Census Office people said, also, that since the institution of the Sugar Workers Retirement Fund there are many people who have got other and steady work, who would not normally have gone back into the sugar industry each harvest, but who now do so in order to stay in the Sugar Workers Retirement system. Thus one of the men spoke of a private chauffeur he knew, who each year got leave from his job for two or three months to cut sugar. Other sources have confirmed that this practice of continuing with a harvest-time sugar job, even when the worker involved has or can get other fulltime employment, has taken root since the establishment of the Sugar Workers Retirement Fund.

The Embassy has indicated above a reservation of Mr. Gura's and of its own regarding the census figure for unemployment. It may add that what one sees in the countryside, especially in Oriente province, and what one hears from people trying to find work in Habana, would strongly suggest that 173,811 as a figure from unemployment in Cuba, even when the situation is at its best, is hard to accept. On the other hand spot checks among acquaintances in Habana would lead the reporting officer to believe that the enumerators asked the census questions on employment faithfully. Perhaps they had a harder time doing so in the country. It will be possible to judge better of the 173,811 unemployment figure, when it is published and the arguments against it are registered in the press. That will not be till late summer or early autumn.

VI. RETIREMENT FUNDS. (OFFICIAL USE ONLY)

The period from the beginning of the electoral period last August till the convening of the national Congress on January 28 of

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OF This year saw a considerable amount of legislation through law-decrees on the Retirement Funds, some of it perhaps politically inspired. Most of these law-decrees merely amended or amplified existing legislation. However new Retirement Funds were created for stenographers, petroleum workers, workers in the shoe **industry**, and workers in insurance and finance (excluding banking employees, who already have their fund).

The most important law-decree covering the Retirement Funds and enacted during the period referred to was 2067 of January 27, 1955 -- that is to say one of the law decrees turned out in the last minute rush preceding the convening of the Congress. This law-decree was forwarded with comment under cover of the Embassy's despatch No. 820 of February 25, 1955. It will be noted that the law-decree in effect enacted the proposed legislation published by the Minister of the Treasury last June 15, which was conceived as an initial step towards the consolidation and rationalization of the Retirement Funds system. The background against which that proposed legislation was drawn up and an account of its objectives was contained in the last section of the Embassy's labor report for the second quarter of 1954 (Despatch No. 168 of August 16, 1954).

It was explained in that despatch that the vested interests to be found in the Retirement Funds had expressed such strong criticism of the draft legislation prepared by the Minister of the Treasury that he had had to beat a retreat before them and it did not seem as if the proposal would be enacted in legislation. These vested interests are principally two: 1 officers of Funds who get large salaries or expense accounts, in most cases for doing next to nothing, and who also have the opportunity to get relatives jobs in the Funds; 2. the "colleges" of professional groups that have been blessed with Funds paying large retirement pensions financed by special taxes and frequently out of all propo~~rtion~~tion to the contributions.

It was also reported in Despatch No. 168 that among Ministers and government officials the feeling was strong that the Retirement Fund system needed reform. And when it seemed as if the Minister of the Treasury's proposed legislation had been shelved, there appeared law-decree 2067 among the surprises of the last minute rush of law-decrees.

This law-decree is sufficiently like the Minister of the Treasury's draft to require no further comment than that contained in Despatch No. 168 together with that made in Despatch No. 820 of February 25, 1955. It would be well to repeat here however, that law-decree 2067 exempts from its most important provisions all Retirement Funds already established.

Despite the concession thus made to existing Retirement Funds,

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THERE HAS BEEN a renewed and great outcry from the vested interests. The Minister of Finance seemed to say when the protests first poured forth after enactment of the law-decree had been announced in the papers that once again only a proposal had been put forward. But on February 7 (somewhat later than most of law-decrees enacted with it) 2067 appeared in the Official Gazette.

The vested interests (mostly from the professional funds; the trade union leaders who benefit from positions with the industrial Funds are chary of agitating against proposed reforms too openly) have continued their vociferous and vigorous campaign and are now intent on prevailing on the Congress to abrogate law-decree 2067. It looks as if there are too many, or too influential, interests benefiting from the present Retirement Fund system for the individual congressmen to resist their pressure effectively. Some opposition congressmen have come out flatly for repeal of law-decree 2067, and even leaders of the Batista forces in the Congress have ventured no further in defense of 2067 than to say that it contains some good provisions and that it should be amended only in its pernicious aspects. The outlook is, therefore, that in the form that law-decree 2067 was published in the Official Gazette it cannot yet be accepted as making a definitely achieved position in the process of reforming Cuba's present unsound patchwork system of old age pension coverage.

As for the CTC view on law-decree 2067, Mujal has declared to newspapermen that until the Bank of Social Security is set up the Cuban social security cannot be considered to have been satisfactorily established. Obviously, however, the CTC cannot criticize too strongly a measure which is designed to advance at least part of the way towards the goal it has itself declared, especially when in so doing it would be joining professional sectors quite clearly opposed to any advance at all toward that goal. Individual labor leaders now on Retirement Funds boards, no doubt wish, as a personal matter, that their own Funds be left to operate as independently as possible.

VII. MINISTRY OF LABOR DIRECTORY OF STATISTICS ISSUES FIRST SET OF FIGURES. (UNCLASSIFIED)

The Directory of Statistics created in the Ministry of Labor last spring (Despatch No. 168 of August 16, 1954) published its first set of statistics, a cost of living index for the last three months of 1954 and January of this year. These figures were sent to Washington in Despatch No. 887 of March 14, 1955.

The Embassy's labor and financial reporting officers made of the appearance of this index the occasion for a visit to Zoel GONZALEZ Ruiz, the Uruguayan ILO expert who for more than a year has been helping the Ministry to establish the Directory.

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Mr. Gonzalez, who was a trainee for a year with our own Department of Labor, was on the whole optimistic regarding the way things are going in the new Directory. True, he could use more personnel and equipment and right at present he is somewhat hampered by the fact that since plans are going ahead for a centralized statistical agency, the Ministry of Labor itself is a bit reluctant to make allotments to a Directory that is bound to leave its fold in the not too distant future. Notwithstanding, at the moment there is a Cuban trainee in Cuban statistics at the United States Department of Labor and another at the Inter-American Statistical Institute in Chile. Next year they will be replaced by two more Cuban trainees in labor statistics.

The Directory is about to publish the first number of what is hoped will be a monthly publication of labor statistics. The first number will contain an explanation and analysis of the new cost of living index. The publication will also carry regular sections of labor statistics. One of the most interesting of Mr. Gonzalez's ambitions is to introduce productivity studies and regularly to publish productivity data for Cuba. Mr. Gonzalez expects to remain in his present Cuban assignment for the rest of this year.

VIII. INDEMNIFIED DISMISSAL (DESPIDO COMPENSADO). (UNCLASSIFIED)

At the beginning of the year there were some fears expressed in the labor movement that in his new term of office President Batista might try to introduce the system of indemnified dismissal to replace the present system of dismissal only through recourse to the Ministry of Labor, which is such an impediment, at least psychologically, to increased investment in Cuban industry. (Despatch No. 721 of January 27, 1955). It will be recalled that last spring it looked very much as if Batista intended to put indemnified dismissal through and that great opposition to such plans developed within the labor movement.

Already before these fears had begun to circulate, but before the election, President Batista had denied categorically that he entertained the thought of introducing indemnified dismissal. Appearing on the Ante la Prensa radio program on October 28, he was asked by an interviewer regarding an allegation by Eusebio Mujal to the effect that Batista had assured him he would not introduce indemnified dismissal. Batista unreservedly confirmed what Mujal had said and denied, further, that his government had had anything to do with initiating the indemnified dismissal proposal, which, as he did not say, his own Minister of Labor had made public last spring.

More recently, and following Batista's inauguration, Minister of Labor Suárez Rivas reaffirmed that indemnified dismissal would not be proposed by the government. Speaking to the Fifth National Congress of the Railway Brotherhoods (Federación Nacional Hermandad

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Ferroviaria) on the weekend of March 12, Suárez Rivas declared that besides having been declared unconstitutional by the courts, indemnified dismissal would involve the destruction of the labor movement, for (the papers reported him saying): "the workers' votes would be lost to the powerful interests that control their employment".

IX. THE GASTRONÓMICO'S HOTEL. (OFFICIAL USE ONLY)

Work on the Habana-Hilton Hotel has continued, though not very rapidly, and so has the controversy about the hotel raised principally by the Gastronómico's unofficial Comité Central pro Defensa de los Fondos del Retiro Gastronómico. There have been few surface developments since those reported in the last quarterly of this series, despatch No. 434 of October 25, 1954. The CTC committee appointed by Mujal to investigate the hotel has arrived at its findings, but despite constant egging by newspaper labor columnists, it has not yet formally submitted those findings to Mujal or made them public. A member of the committee informs the Embassy, however, that it found nothing improper in the hotel operation.

President Batista has reappointed Francisco Aguirre President of the Gastronómico's Retirement Fund for a further four years. This would appear to indicate that he is not interested in having the Progresista Workers' Bloc support the fight against Aguirre and the hotel. In the International Department of the CTC the Embassy has heard the complaint that Aguirre is so involved with the hotel that he has paid no attention to his ICFIU duties. It is probable that the CTC will try to have another Cuban replace him on the Executive Board.

X. ATLAS. (OFFICIAL USE ONLY)

Cuban Atlas continues in its little hole, publishing its monthly paper and issuing statements on the country's labor problems, which go completely unattended except when every few weeks Masferrer's TIEMPO EN CUBA repeats one of them. Even more occasionally a labor columnist in one of the other papers may do so also. There was still another change in the Secretary-Generalship of Cuban Atlas at the turn of the year, with Manuel San Martín, succeeding Cruz Rogelio Rodriguez. Reportedly, the cause of the change was once more the question of what had happened to a certain sum sent from Buenos Aires, and Argentine Labor Attaché Miñones had a great deal to say about the change in command. San Martín is a bus company employee who once held union office.

XI. THE CONSOLIDATED RAILROADS DISPUTE. (UNCLASSIFIED).

This dispute, previously reported upon in despatch No. 546 of December 1, 1954 seemed on the way to a peaceful solution, when at the end of 1954 the parties agreed to have the Accounts Tribunal

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go into the Railroad's affairs and come in with findings in 45 days. This was a precedent in that the Tribunal, founded towards the end of the Prío administration to audit the accounts of government and autonomous agencies, had not up to that time ever undertaken to investigate a private concern.

However, suddenly in mid-January Consolidated paid its officers and employees with a 20% discount on their salaries and earnings, alleging that it had not the money to meet these obligations in full. Spontaneous work stoppages followed, during which there were some attempts at petty sabotage, several arrests, and various railway properties were occupied by troops. On the night of February 8-9 a settlement was announced from Batista's Kuquine headquarters (actually some of the negotiation had gone on at our Embassy residence, in a side room, where Batista met Mujal and others after dinner for Vice President Nixon). Under this settlement the Government was to pay Consolidated \$700,000 on the amounts it owes the Railway, normal operations would be resumed and the company would meet its payrolls fully, and there would be a truce of 100 days while the Accounts Tribunal brought in its findings and they were considered. No allowance was made for the fact that the Tribunal had had the case under study for more than forty days already.

By this time it is generally felt that the outcome of the dispute will be a compromise along the lines already thought of by the Embassy -- ~~with~~ fewer layoffs than the Railroad had first announced, but with a general wage cut.

## XII. THE HAVANA POST STRIKE. (OFFICIAL USE ONLY).

This lamentable strike went on from October 15 till January 23. Its origin and most of the developments attendant on it were reported by the Embassy in Despatch No. 566 of December 9, 1954. It seemed towards the end of December as though the strike might well be amicably settled. Eusebio Mujal, CTC Secretary-General, acting most reasonably and possibly also at the indication of Batista, had found a way of finding alternative employment or, in one case, arranging for the retirement, of three of the four strikers that Mrs. Clara Clark Pessino, the Post publisher, objected to taking back on the paper. Mrs. Pessino, perhaps because she was too distraught over the whole affair or because she was entertaining other plans, would not meet Mujal to discuss his proposal.

Then on January 23 the Post appeared again, put out by a kind of pick-up printing crew that included two policemen and a soldier who knew the work and who did it with their guns lying handy on the machinery by them. The weekend of the Post's reappearance had been marked by the arrest of a few more strikers and of Gustavo Cotayo, Secretary-General of the Habana printers' union. There was a protest from Mujal about Cotayo's arrest, but nothing more has been heard regarding his case or that of the

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strikers picked up at about the same time. Probably they were all spoken to earnestly by the police regarding the Post and then released.

Things seem to be back to normal at the Post. The soldiers and police have left; a new staff, which includes only one of the men who went on strike, are working there; in short, the strike seems to be a thing of the past. Mrs. Pessino won because of official backing, and Mujal appears reconciled to the situation perhaps because of that official backing or because he has bigger things on his mind. To give the full picture, it must be commented that after arriving at his very reasonable plan for republication Mujal got so involved with the 1955 sugar harvest negotiations that he did not press that plan during three weeks in which Mrs. Pessino and her advisers apparently worked out their own.

At one point Mrs. Pessino contemplated bringing in printers from the United States. She went so far as to take advertisements out in other papers in which she suggested the authorities allow her to do this so that she could train a Cuban staff. Nothing came of this highly improbable scheme.

#### XIII. THE GUANTANAMO DISPUTE. (OFFICIAL USE ONLY).

Things at Guantánamo, with the new union leadership, seem to be going well. According to a report from the Base authorities, meetings with the new union officers have been held in a cooperative and reasonable atmosphere distinct from that in which they were held when Calzado and Repilado were leading the union. The national press has reported scarcely anything on labor affairs at Guantánamo for months, although in Guantánamo itself Calzado and Repilado still seem to be continuing their efforts to get back on the Base payroll. On March 30 TIEMPO EN CUBA carried an article by Repilado on the injustice of his case. As can be appreciated from what was written above on Masferrer and the Movimiento Sindicalista Radical, it is no surprise that TIEMPO EN CUBA should be willing to recall Calzado's and Repilado's troubles from time to time.

#### XIV. MANGANESE POISONING. (OFFICIAL USE ONLY).

In October the weekly Bohemia stirred up considerable excitement with a report on manganese poisoning at the Charco Redondo mine. Its harrowing article was amply illustrated with photographs of supposedly afflicted miners. The report and its aftermath of charges, countercharges, and investigations were reported by the Embassy in its despatches Nos. 435 of October 25, 1954 and 574 of December 10, 1954.

The final judgment must be, it appears from all the evidence, including the results of an official investigation, that while the mine probably was at some fault for slowness in introducing all

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conveniences and taking safety measures, it was doing these things rapidly and efficiently well before the Bohemia article was written. It appears certain also that there were very few cases, perhaps only three, of manganese poisoning at the mine and that under present conditions none should develop. This judgment is corroborated by the opinion of a U.S. Bureau of Mines engineer, now with the FOA mission here, who visited the mine and inspected it. (The United States is the mine's sole market, and our government has done some stockpiling from Charco Redondo supplies.) In fact, there is ground for believing that the Bohemia article was first written for exclusive sale to the mine owners.

The CTC entered the Charco Redondo affair when charges were made in the press that the union leaders at the mine had been negligent. It appointed an investigating committee which in its report said some harsh things about the company's past conduct but completely cleared the union leadership and gave to understand that matters were now quite all right at Charco Redondo.

XV. LATE NOTES. (OFFICIAL USE ONLY).

Mujal's Retirement: After a newspaperman had quoted Mujal as telling him that he would definitely retire at the time of the May CTC Congress to go back into politics, the CTC Secretary-General on March 23 issued a correction of this report that can only be regarded as in fact confirming it. He spoke of how much support he enjoyed in the CTC but added that for one who had been a member of the Constituent Assembly of 1940 and of the Senate and House of Representatives it was impossible to stay out of politics. However, when he finally decided to leave the CTC, he would be the first to announce it.

There is speculation that Mujal intends to start his own party; it would be a labor party in outlook but not so closely identified with the CTC as the Laborista party he projected in 1953. One paper said Mujal would take up his political activities from a Ministry, but this seems doubtful. It may well be that Mujal intends to leave the CTC rather later in the year than May and start out right away working for a place in the House of Representatives, with or without his own party, in the partial elections that may well be held in 1956 to bring that House up to its constitutional strength. It is a fact that a National Council of the CTC should be called, according to the CTC Constitution, 60 days before the May Congress and since on March 31 it has still not been called, the Congress ~~must~~ almost certainly have to be postponed. One CTC source close to Mujal cautions that Mujal is suffering from low morale right now, feeling that he has lately been the victim of much ingratitude and unjustified attack, and that when he gets over that feeling he may change his mind about leaving the CTC.

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Facundo Pomar Soler continues rumor's favorite to succeed Mujal should the latter leave the CTC.

FOMN Developments: Two recent reports illustrate clearly the difficulties the FOMN is currently facing in its own ranks. The papers of the weekend of March 19 reported that the principal union of dockworkers in Santiago had been intervened by the Minister of Labor under Law-Decree No. 1975 of January 27, 1955, which consolidated and strengthened the two preceding law-decrees aimed against Communist activities. (See Despatch No. 886 of March 14, 1955 for how this law-decree covers Communist activity in labor and employer organizations as well as in the government).

Inquiry of the FOMN elicits the information that the Santiago union had been campaigning strenuously against bulk loading of sugar and attacking the FOMN leadership for accepting it. The union finally went so far as to make its platform available to Juan Taquechel, a prominent Communist labor leader in Santiago who is, of course, also attacking bulk loading. In view of this last development the FOMN requested the Ministry's intervention. A new leadership, acceptable to the FOMN and in part suggested by it has been named, and Goliath and others are going to Santiago this coming weekend of April 2 to see what can be done with the situation.

The papers report that the Federation of the portworkers' unions at Nuevitas has canvassed the port employers with the request that they not discount or pay the compulsory checkoff. The FOMN reports that the Nuevitas unions are resentful over bulk loading and the FOMN's acceptance of it.

Compulsory Checkoff: The Ministry of Labor's efforts to ensure that employers collected and paid the compulsory checkoff appear to be bearing fruit. The Confederación Patronal Nacional advised all its members during the past week of March to pay the checkoff. The Confederación aspires to be the national spokesman of the employers and though of relatively recent formation embraces about 40% of the country's important companies. The large drug houses have all paid; and from time to time announcements appear in the papers from unions reporting large companies in their fields which have also paid.

There had been many reports that a large part of industry would not pay, and though the Embassy lent so little weight to these that it did not mention them earlier in this despatch they lend importance to the current announcements of companies that are paying up.

CTC Resolution on ORIT. The CTC released on March 26 an interesting resolution, which it is presenting to the forthcoming San José congress of the ORIT, on Inter-American economic relations

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and development. Of some length but meaty, the resolution looks frankly to the United States to make the principal contribution towards the development of the Latin American countries and towards the establishment of sound economic relations among the countries of the hemisphere. It calls for the United States to help with the disposal of Latin American surpluses, to furnish incentives for North American investment in Latin America, to liberalize tariffs, and to establish a "Marshall Plan" for Latin America. A copy and translation of the resolution are being forwarded to Washington by the Embassy.

For the Ambassador:

*Juan de Zengotita*  
Juan de Zengotita  
Second Secretary of Embassy

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