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DESP. NO.

FROM : AmEmbassy, Habana

TO : THE DEPARTMENT OF STATE, WASHINGTON.

February 19, 1957

REF : Voluntary Labor Report

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SUBJECT: LABOR BRIEFS FOR JANUARY, 1957.

USIA-10 AG-8

The purpose of this despatch is to present a summary of the significant developments in the labor field for the month of January.

1. Sugar Workers Win Representation in the ICEA.

A signal achievement for organized labor in Cuba was marked in January when a governmental decree^{1/} named Prisiliano Falcón, general secretary of the National Federation of Sugar Workers (FNTA), as workers' delegate in the Cuban Institute of Sugar Stabilization (ICEA).

Senor Falcón was formally inducted into this new position on January 24, 1957 at a ceremony attended by high officials of the government and representatives of all sectors of the sugar industry.

Speaking on behalf of President Batista, Senor Amadeo LOPEZ CASTRO -- Minister without portfolio and also President of the National Development Commission -- said that the sugar workers had earned their representation because of their responsible activities and continued proof of their concern with national problems.

A former President of ICEA and now minister without portfolio (Dr. Jorge Barroso) said that the industrial sector of the sugar industry was pleased to have the official, direct cooperation and advice of the laboring class. Dr. Arturo Mañas, an expert on sugar matters, stated that the mill owners were sure that the cooperation of the workers in the Institute would be a responsible one and would defend the sugar industry -- "which is still the principal factor of the national economy". The representative of the cane growers echoed the same sentiments.

The Minister of Agriculture, Senor Fidel Barreto, declared that the government had already spoken through Senor Lopez Castro -- but that he only wanted to observe that two outstanding things had been

1/ See Embassy Despatch No. 145, January 9, 1957.

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(Classification)

Page 2 of

Encl. No.

Desp. No. 509

From Habana

done by President Batista for the working classes: (1) he effected legal recognition for the CTC in 1941; and, (2) he now had granted workers' representation in the ICEA.

The Minister of Labor, Dr. José Suarez Rivas, praised the outstanding work of Cuban labor leaders at Geneva Conferences, and in Washington especially when the Sugar Act was being debated.

Senor Eusebio Mujal, General Secretary of the Confederation of Cuban Workers (CTC), after acknowledging the laudation extended to Cuban workers, said that the labor representation in the ICEA was to be placed at the service of the Republic, since nothing could be done unless there were full cooperation of all members of the Institute. Senor Falcón, the newly named workers' delegate, thanked President Batista for having appointed him; stressed the importance of labor representation in the ICEA; and declared that such representation had been due primarily to the work carried on for years by Senor Mujal, the CTC General Secretary.

2. Sugar Workers Will Earn More This Year.

CTC officials estimated that workers in the sugar industry will earn about \$340,000,000 in 1957.^{1/} This is about 41% more than in 1956 when they received about \$240,000,000 in wages and salaries.

It is unofficially estimated that the average daily wage for the agricultural worker will be \$2.87, while the industrial workers will get \$8.05 per day.

According to CTC sources there are about 490,000 workers in the sugar industry. Of this total approximately 400,000 are employed in the agricultural sector, and about 90,000 work in the industrial sector.

3. Employment Levels Rise

January 1, marked the official beginning of the sugar grinding season (Zafra) in Cuba. Production was set at 5,150,000 long tons which if reached will mean an increase of some 550,000 tons over last years crop.

It is estimated that about one third of the Cuban National income is derived from sugar and its by-products which also account for about four-fifths of its exports.

^{1/} See Embassy despatch No. 146 of January 10, 1957

UNCLASSIFIED

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FEB 24 1957

UNCLASSIFIED

(Classification)

Page 3 of
Encl. No.
Desp. No. 509
From Habana

With the starting of the "Zafra" in January employment levels increased. The benefits of sugar production tend further to be reflected in terms of employment and worker income in other sectors of the Cuban economy.

4. Labor Disputes at a Minimum.

Throughout the month there were no work stoppages of national significance. A minimum of labor friction attended the beginning of sugar mill production; and by the end of the month far more mills were in production than for the same period in 1956.

A work stoppage which had been in progress during the month at the Ribbon Fabric Factory in Marianao was ended by a Ministry of Labor award, which reportedly called (1) for a return to work of the strikers and (2) for a careful study to be made by officials of the Ministry of the issue at conflict, i.e., the dismissal of certain workers.

5. Sugar Workers' Federation Condemns Burning of Cane Fields.

Officers of the National Federation of Sugar Workers vigorously condemned efforts of unknown persons to set fire to cane sugar fields. The Federation unequivocally denied that such dastardly acts could have been committed by members of its organization. Further, the Federation cautioned all members to be alert to detect and thwart such activities.

6. Communists Dismissed from Labor Organizations.

The Cuban Government, continuing its efforts to root out Communist infiltration in workers' organizations, forced the dismissal of (1) the President of the Association of Telephone Pensioners and (2) eight members of a waterfront union in Santiago de Cuba, all said to be active Communists.

7. Visits of Two Hungarian Exiles to Habana

As part of a Latin-American tour sponsored by the Regional Organization of Inter-American Workers (ORIT), Messrs. Gyula KAJARY and Joseph PESTIL^{1/}; two Hungarian exiles, were in Habana from January 19 to January 22. During this period they gave press conferences, appeared on television, spoke over the radio, and granted several press interviews. What they had to say about the conditions

1/ See Embassy Despatch No. 504, February 14, 1957.

UNCLASSIFIED

F800 004-1457

FEB 20 1957

UNCLASSIFIED

(Classification)

Page 4 of

Encl. No.

Desp. No. 509

From Habana

of terror in Hungary and in other countries of the Iron Curtain was heard or read by thousands of Cubans. While in Habana, Messrs. Kajary and Pesti were under the guidance of Ignacio GONZALEZ Tellechea, Cuban president of ORIT, and the auspices of the CTC. Their stay in Habana was considered a success without qualification.

8. Union Establishes Training School.

The National Federation of Electric, Gas and Water Plant workers has established a training school where already 136 employees of the Cuban Electric Company are enrolled. This marks a trend which undoubtedly will be followed by other Federations.

9. Forum for Discussing Employee-Employer Relations.

Reported to be the first of its kind to be conducted in Habana, a public discussion forum in "Employee-Employer Relations" was inaugurated on January 28, 1957 at the auditorium of National Association of Sugar Cane Mill Grinders. The forum, which was sponsored by the National Association of Cost Accountants, brought together leading representatives of management and organized labor as well as labor lawyers and professors. The forum held two sessions a week for a period of three weeks. Subjects on the agenda for discussion included some of the most pressing problems in the field of industrial relations in Cuba.

10. Disunity Among CTC Leaders.

Considerable stir was created in labor circles when President Batista signed a decree naming Oscar Samalea Valdes as President of the Retirement Fund of the Workers of the Electric, Water and Gas Plants. Senor Samalea replaced Angel Cofiño Garcia, general secretary of the National Federation of Electric Plant Workers, who had held the post for nine years. Shortly after Señor Cofiño and four other important labor leaders (Señores Barbeito, Simpson, Mestre, and Iglesias) tendered their resignations from the CTC Executive Committee. These were accepted at a meeting of the full 66 member Executive Committee, thus marking, for the time being at least, a rupture in the top leadership of the Cuban Workers' organization.

Sources: Readers of this despatch are asked to bear in mind that the principal source for most of its material has been the Cuban Press.

1/ See Embassy Despatch No. 406, February 7, 1957.

For the Ambassador:

John F. Correll

Labor Attaché

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