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FROM : AMEMBASSY, HABANA

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 21, 1957
DATE

REF : Voluntary Labor Report

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SUBJECT: Labor Briefs for February, 1957

The purpose of this despatch is to present a summary of the significant developments in the Cuban labor field for the month of February, 1957.

1. Bacardi Employees Win 35-hour Work Week

Barcardi, S. A. of Santiago de Cuba on February 1 signed a collective bargaining agreement with the Union of Workers of Barcardi of Santiago de Cuba which (1) establishes a 35-hour work week - Monday to Friday; and (2) distributes \$60,000 as a production bonus for the year of 1956. The bonus distribution for increased output this year (1957) is scheduled to be made on February 4, 1958.

The provision for the 35-hour work week is retroactive to January 1, 1957; and it may very well mark a developing trend for demands for shortening hours of work in other industries.

2. Mounting Pressure for Wage and Salary Increases

Throughout February pressure for pay rises mounted. Early in the month the National Federation of Commercial Workers, supported by the Confederation of Cuban Workers, sent a letter to President Batista asking that he issue a decree increasing salaries 20% and setting \$90.00 as a minimum monthly wage.

Following this request, several other federations and unions began a campaign for wage and salary improvement. Included among these were the National Federated Railway Brotherhood; the National Federation of Petroleum Workers which is asking the Minister of Labor to establish nation-wide minimum wages in the petroleum industry; the National Federation of Gastronomical Workers; the National Federation of Shoe Workers; the employees of the Omnibus Aliados; and lumberyard workers.

The demands being presented range from 15% upward and in some cases are tied to requests for the establishment of a national minimum wage in certain industries.

1/ See Embassy Despatch No. 509, February 19, 1957.

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Union leaders contend that their demands are warranted because business is good, profit levels are high, and living costs are inching upward. Increased pressure for improved wages also stems from resolutions adopted at the 9th Congress of the CTC held in Havana last year. Labor leaders are also pointing to the brighter sugar picture for Cuba for this year and they argue that all workers, not only sugar workers, should participate in this prosperity.

As yet no government action has been taken on the wage demands of the various labor organizations.

3. New Labor Decree Re Sugar Workers Retirement Fund Invokes Employer Reaction

The issuance of a new Labor Decree - No. 238 of January 28, 1957, published in Official Gazette No. 22 of January 31, 1957 - which attempts to equalize contributions of workers and employers into the Sugar Workers' Retirement Fund, has aroused strong reaction from cane growers. 1/

The new Decree requires employers (haciendos) in the industrial sector of the sugar industry to contribute an amount equal to 4% to each workers' wage, when that wage does not exceed \$6,000 a year. In the agricultural sector (colonos), employers must contribute 3.50%.

Workers in the industrial sector will contribute 4%, while those in the agricultural sector will contribute 3.50%, providing each worker's total remuneration does not exceed \$6,000 a year.

According to press accounts, representatives of the Colonos were boycotting the directory meetings of the Retirement Fund as a protest to Decree 238. As a result administrative problems within the Retirement Fund began to accumulate and retired workers were not receiving their monthly pensions.

To act on this problem, Prisciliano Falcón, Secretary General of the National Federation of Sugar Workers (FNTA), called a meeting of his union officials to discuss the feasibility of asking the Government to "intervene" the Retirement Fund. Later as of February 28, 1957, Señor Falcón made clear that FNTA had not requested Government intervention.

The president of the Association of Pensioners of the Sugar Industry, on February 29, made an official call on Dr. Bernardo Caramés, president of the Retirement Fund, to protest the attitude of the Colonos and to explain that the 30,000 workers on retirement were suffering from the non-cooperative attitude of the cane growers who were reported to be considering a court test of the constitutionality of Decree 238.

1/ See Embassy Despatch (Code 192) No. 190 of March 4, 1957.

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4. Compulsory Check-off of Union Dues Under Attack by CPC

The Confederation of Cuban Employers (CPC) has taken the lead in renewed efforts of trade associations and kindred employer groups to bring before President Batista the difficult problems allegedly arising from the compulsory deduction of union dues by employers, required by Law-Decree 1985 of January 27, 1955 and several other related ministerial resolutions. 1/

The renewed campaign by employer groups has created a stir in labor circles and has given rise to a plethora of editorials - both pro and con on the entire issue.

In brief, the CPC contends that the collection of such dues, whether a worker is unionized or not, (1) affects individual freedom in its broadest sense; (2) converts employers into a collecting agency for organizations of a private nature; and (3) creates needless industrial relations frictions for employers who are harassed by workers who do not want deductions made from their wages for organizations to which they do not belong.

On the other hand, the Confederation of Cuban Workers (CTC) points to the fact that these contentions have all been weighed in several court tests and have been rejected in most instances by the highest courts of the land.

The whole issue of the compulsory collection of union dues undoubtedly will continue to be subject of debate, both editorial and otherwise, in the coming weeks.

Pertinent to this question was the recent issuance of a Labor Ministerial Resolution No. 16 of January 20, 1957, which requires employers in the textile industry to deduct union dues from workers under their management. Resolution No. 16 is a clarifying instrument for Law Decree 1985 of January 27, 1955.

5. CTC Inaugurates New Television Program

Of considerable public interest was the inauguration of a new television program over Channel 2 on February 24 by the Confederation of Cuban Workers under the leadership of Eusebio MUJAL, CTC General Secretary.

The new one-hour program will be weekly (Sunday) and it will include informational, educational, and entertainment elements. One feature planned by the CTC is to program a series of roundtable discussions which will be devoted to the broad economic problems and needs facing Cuba. Representatives of employer groups and the Government will be invited to participate in these roundtables.

In addition to its new television program, the CTC maintains several daily radio broadcasts and possesses other informational media for carrying current issues of organized labor to the public.

1/ See Embassy Despatch No. 536 of March 4, 1957.

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6. Dissension Among Electrical Plant Workers

During the middle of February the Cuban newspapers carried paid statements made by (1) Angel COFINO Garcia, Secretary General of the Labor Federation of Electric, Gas and Water Plants, and (2) Oscar LAMALEA, recently-appointed President of the Retirement Fund of the same group of workers. ^{1/}

The tenor and substance of all the press statements emphasized the cleavage within the Federation and pointed up the bitter personal feelings between the two leaders whose strength was to be tested by union elections scheduled for March 7.

These elections have now been postponed pursuant to the current suspension of constitutional guarantees.

7. Director of Organization for ICFTU Visits Havana

C. H. MILLARD, Director of Organization for the International Confederation of Free Trade Unions (ICFTU), visited Havana early in February en route to Mexico City where he attended a meeting of the Executive Committee of ORIT.

In a press interview, Mr. Millard was quoted as saying that this was his first visit to Cuba which he characterized as merely a "fraternal". However, he was taking advantage of his stay to discuss with Cuban labor leaders problems confronting the free trade union movement.

Mr. Millard praised the Confederation of Cuban Workers for its interest in the organization work of the ICFTU and also for its active campaign against Communist infiltration of labor groups not only in Cuba but in Latin America.

In respect to Cuba, Mr. Millard declared that the trade union organization of Cuban sugar workers was a "magnificent example for rural workers of other countries".

Accompanied by Eusebio Mujal, CTC General Secretary, Mr. Millard called on the Minister of Labor, Dr. José SUAREZ RIVAS, who described Cuba's social legislation. Later a dinner was given by the CTC Executive Committee in the honor of the ICFTU official.

8. American Ambassador and Cuban Labor Minister Honored by CTC

On February 28, American Ambassador Arthur Gardner and Minister of Labor Suarez Rivas were honored guests at the inaugural meeting of the National Commission of Ex-Participants of Point Four.

The successful affair, which included a reception and took place in the Palacio of the Confederation of Cuban Workers, was attended, in

^{1/} See Embassy Despatch No. 568 of March 11, 1957.

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addition to the two dignitaries mentioned above, by John Johnston, Director of Point IV, John Correll, American Labor Attaché, Richard Duncan of Point IV, fifty-four labor participants of the Point IV program coming the last three years, and over two hundred Cuban labor leaders and union members.

CTC General Secretary Mujal, in an appropriate speech to those assembled, underlined the importance of an interchange of knowledge between the Cuban and American labor movements; emphasized the desirability of a common front against the Communist menace; and praised the Point IV program as a "weapon of democracy".

In response to Señor Mujal's remarks, Ambassador Gardner congratulated the Cuban Government and the Confederation of Cuban Workers for the foresight they exercised in forming the National Commission of Ex-Participants in its role of bringing the United States and Cuba in a joint movement of cooperation.

The Association originally was formed at the request of a number of the returned participants in the Point IV Labor Program. The Secretary General of the CTC took an unusual interest in the project and assisted in the formation of the regulations which govern the operation of the organization. His support resulted in the appointment of an Executive Committee consisting of top leaders of the CTC, members of the Embassy staff, representative from the Ministry of Labor, and a number of ex-participants in the Point IV Program who will form the governing body of the organization.

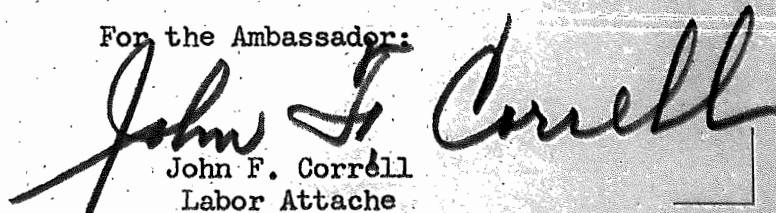
The Executive Committee has decided that it will primarily concern itself with the immediate selection of areas of study for members of the labor movement; and once these areas are determined, it will then proceed to recommend the candidates for study in the United States.

Concurrently with this, it is proposed that the officers who have been installed in the Committee should formulate programs to disseminate information about the relationship between the CTC and the Point IV Program as well as the labor movement in the United States.

This is designed to show Cuban workers the importance of the exchange of ideas and possibilities of improving labor-management relations through the study and adaptation of ideas which have been successfully developed in the United States.

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.

For the Ambassador:


John F. Correll
Labor Attache

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