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## FOREIGN SERVICE DESPATCH

FROM : AmEmbassy, Habana

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DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 28, 1957

DATE

REF : Voluntary Labor Report

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SUBJECT: TWO LABOR FEDERATIONS OPPOSE DECREE 538

(UNCLASSIFIED) Two strongly-organized labor federations have publicly expressed opposition to Decree 538 of March 8, 1957 as well as to Resolution No. 51 of March 19, which includes the regulations for carrying out Decree 538.

On the other hand, the Executive Committee of the Confederation of Cuban Workers (CTC) has endorsed both the Decree and its implementing Resolution.

Decree 538 and Resolution 51 are designed to strengthen the Government's efforts to prevent communist infiltration into public service companies; and the new enactments have been issued pursuant to Law-Decree No. 1975 of January 27, 1955 which declares, inter alia, "that the development of Communist activities in any of its phases is incompatible with the service rendered by public service companies."

Public service activities as presently understood will include transportation, power, and communication.

1. On March 22, 1957, the Labor Federation of Telephone Workers in an official statement, signed by its secretary general Vicente RUBIERA Feito, rejected the new enactments.

In brief, the Telephone Workers' Federation opposes Decree 538 and Resolution 51, in the first place, because the labor federations most concerned were not consulted in the formulation of the new regulations while the companies were; secondly, because both the Minister of Labor and the Executive Committee of the CTC have entirely overlooked or ignored the autonomy of the industrial federations aside from their affiliation with the CTC; and, in the third place, because the procedure for screening new employees, instead of facilitating, creates a bureaucratic apparatus that "obstructs the free exercise of work, impairs the legitimate aspirations of the organized workers, goes counter to the juridical personality of national industrial federations (such as the Telephone Workers, etc.), and destroys the bases of democratic unionism".

1/ See Embassy Despatch 611 of March 22, 1957.

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In regard to Communism the statement of the Telephone Workers' Federation stresses its historical stand against the Communist peril and claims that both the Federation and its leaders have always been in the vanguard in efforts to eradicate "any vestige of that foreign doctrine from the CTC and its union organizations."

2. On March 23, the national council of the Labor Federation of Electric, Gas and Water Plants convened and voted to oppose Decree 538 and Resolution No. 51 and to institute court proceedings on the constitutionality of both enactments, the major premise being that they violate the principle which "guarantees the right to work."

This federation's opposition rests upon the same or similar contentions as that of the Telephone Workers. In summary, the Electric Workers declare that the new measures "constitute discriminatory action which injures the reputation and assaults the moral authority and the prestige which has been well earned by the industrial federations. It further declares that it is improper and not just for the CTC to nominate delegates to the screening commission to represent the federations concerned; and it charges that both the CTC and the employers have assumed privileges that should be reserved to the federations.

The Federation points out that it has always been militant and has rejected "anti-communist hysteria" which the company has used to fight the union. However, the Federation succeeded by these attitudes in keeping Communists from infiltrating the industry since the high wages and good working conditions achieved have eradicated "the very conditions upon which Communism flourishes: misery and unemployment".

Lastly, the Federation asserts that the Minister of Labor has disavowed the federations of industry by "subjugating" them in an intolerable way to the dictates of the CTC which, "as a central institution has our respect, but with whose systems of personal control and management we have no communion for reasons completely valid and widely known".

3. On March 22, Eusebio MUJAL, secretary general of the CTC, was quoted in El Mundo as being in favor of the government Decree and its Resolution exercising control over the entry of new personnel into public service companies to thwart Communist infiltration. Señor Mujal said that any measure that could be adopted to prevent the entrance of Communist elements in any concern as well as to remove them if they are already inside, would have his support. He explained that the new screening Commission will have representatives not only from the CTC but also the federations; but that the CTC Executive would make the nominations for all these positions.

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In respect to the collective bargaining agreements covering the federations, Mr. Mujal stated that they would suffer no alterations whatsoever. He added, however, that the laws of the nation are higher than individuals and entities of a private or class nature.

After declaring that the CTC had approved a "strong policy against Communism" at all of its national congresses from 1949 on, Mr. Mujal concluded his statement by asserting that neither the Minister of Labor nor Dr. Pio ELIZALDE, who is the undersecretary of the Labor Ministry and is the chairman of the new screening commission, would permit partiality, having demonstrated on many occasions a great respect for present leaders.

On March 25, the CTC Executive met and by a vote of 43 to 3 with no abstentions upheld Mr. Mujal's support of Decree 538 and Resolution 51.

In the debate on the issue, Señor Rubiera of the telephone workers spoke against support, saying that Resolution 51 "impairs the free determination of the industrial federations and interferes with their collective bargaining agreements."

Mr. Gabriel GASCUE of the Federation of Electric Plants declined comment, but indicated support for Rubiera's arguments.

Facundo POMAR Soler defended the new measures, his main contention being that they constituted "a guarantee for the workers and for the organized labor movement in regard to the entry of workers into the public service companies."

A matter closely related to Decree 538 was raised at the CTC Executive Meeting when a letter from General CAMPOS Marquetti - President of the National Federation of Cuban Societies (colored) - was read, protesting against racial discrimination in public service companies which prevented the employment of colored men and women.

This subject created a heated debate, but finally a resolution was adopted as a reply to General CAMPOS.

In brief, it reaffirmed the CTC's opposition to racial discrimination, wherever it occurs; advised any colored person who was the victim of racial discrimination to bring the matter before the new Commission created by Decree 538; and recommended "that one-half of the lists of applicants for jobs be filled by black men and women provided they meet the requirements of the unions after tests for ability", and that the Ministry of Labor name a

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supervisory committee to look into the examination process at each working center to ensure fulfillment of Article 74 of the Constitution against racial discrimination. (END UNCLASSIFIED)

(CONFIDENTIAL) COMMENT. Opposition to Law-Decree 538 and Resolution 51 by the telephone workers and the electric plant workers was not unexpected.

Neither Cofiño nor Rubiera could sit by and accept the provisions in Resolution 51 giving Mujal power to appoint a federation delegate to the screening commission. This puts the power of patronage firmly in Mujal's hand. With this weapon he could whittle away at Cofiño's federation through job approval and placement.

In regard to Rubiera's federation this weapon could prove even more devastating since the new plan for expanding telephone services calls for increased employment of about 5000 workers within the next three or four years.

Further, Decree 538 and Resolution 51 also lend themselves to possible abuse by the Government. Political purpose rather than prevention of Communist penetration may be the ultimate result of the new enactments.

Most observers feel that the new measures would have been acceptable to Cofiño and Rubiera providing they could have named their own delegates to the Commission. Moreover, if it be true that they were not consulted in the formulation of the Decree and Resolution, they have valid grounds for complaint and objection.

Recourse to legal action leaves Cofiño and Rubiera pretty much the victims of a long and tedious court battle.

To Cofiño, at least, who has declared he will test the constitutionality of the new measures this may prove far less appealing than direct action -- withdrawal from the CTC. If this should be his decision he may then encounter "intervention". This is probably what Mujal wants, but the Minister of Labor would likely ponder such a step in view of the present political crisis.

The interjection of the race issue into the situation adds a serious complicating factor. What the outcome of this will be is difficult to determine at this time. (END CONFIDENTIAL)

For the Ambassador:

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