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DESP. NO.

FROM : AMEMBASSY, HABANA

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 12, 1957
DATE

REF : Voluntary Labor Report

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SUBJECT: Labor Briefs for March, 1957

(BEGIN UNCLASSIFIED) The purpose of this despatch is to present a summary of the significant developments in the Cuban labor field for the month of March, 1957. A summary of the main trends in the labor field for the first quarter is also included. 1/

For the convenience of interested readers of labor reports and despatches, a list of all such reports written during the first quarter of 1957 will be found in Appendix 1.

1. Pressure for Wage Increases and for Shorter Hours Continues

Reports from both Havana and provincial centers indicate that the trend marked by demands for pay rises and a shorter workweek, which became noticeable in February, continues and if anything, has gained momentum. Spearheading the current drive for increased wages is the National Federation of Commercial Workers and Employees. Bank unions in some outlying localities (i.e., Las Villas) have indicated they will ask for salary improvement as soon as current collective bargaining agreements expire. The top leaders of six unions representing sugar mill office workers are pressing for a five-day week, asserting that there would be no loss in output if it were granted. Other groups also want a shorter workweek.

In view of Cuba's improved economy this year, all these demands are expected to be pushed with greater force, especially after the American trade union activities are lifted. (See Item Four below.)

2. Wages of Sugar Workers Adjusted Upward 6%

President Fulgencio Batista signed a decree on March 28, 1957 which provides that all wages and salaries in the sugar industry be again calculated on the base of 4.96 cents per English pound of sugar. The President took this pursuant to a recommendation agreed upon by the cane growers, mill owners, and the National Federation of Sugar Workers (FNTA).

1/ See Embassy Despatches No. 509 of February 19, 1957 and No. 610 of March 21, 1957.

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This action by the Government, which represents an increase of about 6%, brings the salaries and wages for the sugar industry back to the basic levels of the years 1948 to 1952, inclusive, which were the highest ever paid in Cuba's foremost industry.

In a public statement, Prisciliano FALCON, General Secretary of FNTA, thanked President Batista in the name of all sugar workers for signing the decree; and he then called upon the sugar workers to further strengthen the unity of their labor organization. He claimed that the present leadership of FNTA had fulfilled their duty by getting not only a 6% increase, but a restoration of a total of 14% which the sugar workers had lost during the years 1953 and 1955. Señor Falcón then asked that those elements (Conrado BECQUER and Conrado RODRIGUEZ) who had been in conflict with FNTA "admit the mistake they have made and acknowledge the positive things the FNTA leadership is doing for our class".

The conflict between Becquer and FNTA leaders had reached a point in late February and early March when it appeared that the local sugar union at Trinidad, which Becquer heads, might be intervened. In fact, the FNTA executive had voted for such action.

In view of the wage success achieved by FNTA, however, it appears that the present emphasis on unity has been deemed to be the more prudent course of action.

On the night of March 14, according to the press, Señor Becquer, who is also a Congressman from Las Villas, and Bibieto PEREZ fired several shots at each other. No one was injured and both were arrested.

3. Clarifying Decree Issued Re Retirement Fund of Sugar Workers

Decree No. 238 of January 28, 1957, which pertains to the contributions to be made by the three sectors of the sugar industry - cane growers, mill owners, and workers - was clarified by a new decree signed by President Batista on March 21, 1957.

The new decree states that employers in the industrial sector, instead of contributing 4% of the workers wage, shall contribute 3.50% when that wage does not exceed \$6,000.00 per year.

Employers in the agricultural sector "shall contribute the amount equal to the monetary yield from two pounds of sugar for each 100 arrobas of cane ground."

Workers in both the industrial and agricultural sectors must contribute 3.50% of what they receive in wages and salaries, provided such individual salaries and wages do not exceed \$6,000.00 annually.

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The changes noted above were in response to protests made by the cane growers whose representatives were boycotting the board meetings of the Retirement Fund. 1/

4. Government Suspends Trade Union Elections for 45 days

By virtue of a resolution signed on March 4, 1957 by the Minister of Labor, every act of a "union-electoral nature" has been suspended for a period of 45 days.

The resolution, which was issued pursuant to Decree 463 of March 2, 1957 which suspends constitutional guarantees for a like period, also provides that "activities of a labor nature, whatever nature thereof they may be, shall be started only after an exposition thereof and authorization by the Minister of Labor". 2/

Aside from the important aspect that no elections have been held since the issuance of this resolution, other labor activities of a routine or administrative nature have not been substantially curtailed by it. The ban on trade union elections will likely be lifted just as soon as constitutional guarantees are restored.

5. CPC Continues Efforts to get Modification Compulsory Check-off

The Confederation of Cuban Employees (CPC) has accelerated its efforts to get a modification of Law-Decree 1985 of January 27, 1955 and related Ministerial resolutions. On March 4, CPC representatives were granted an interview with the Prime Minister in which they explained the unrest brought about by the enforcement of the compulsory deduction of dues from workers, whether or not they were members of a union. CPC leaders are striving also to get an audience with President Batista to acquaint him with their point of view.

6. Government Clearance Necessary for New Employees in Public Service Companies

On March 12, 1957, President Batista signed a decree (No. 538) which requires government screening of applicants for jobs with public service companies. Later, to implement this decree, the Minister of Labor issued Resolution No. 51 of March 19.

Resolution No. 51 establishes a screening Commission, headed by Dr. Leopoldo PIO Elizalde, the Under Secretary of the Ministry of Labor. Other members of the Commission include a delegate from the CTC; a delegate from the company or establishment employing the worker; and a delegate from the respective labor federation covering that particular industry. This latter delegate, significantly, is to be named not by the particular federation, but by the Central Labor Organization (CTC).

1/ See Item 3 of Embassy Despatch No. 610 of March 21, 1957.

2/ See Embassy Despatch No. 593 of March 15, 1957.

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The stated purpose of Decree 538 and Resolution No. 51 is to prevent Communist infiltration in the public service activities of power, communication, and transport. A representative of the Bureau of Repression of Communist Activities (BRAC) is to be adviser to the Commission.

Strong opposition to the new enactments have been expressed by (1) the Labor Federation of Electric, Gas and Water Plants and (2) the Labor Federation of Telephone Workers. These two strongly-organized and powerful federations contend that Decree 538 and its implementing resolution undermines their moral authority, prestige and rights. Further, they charge they were not consulted when it was being drawn up, even though industry representatives were.

While both organizations emphasize their opposition to Communism, they resent the fact that the CTC, which is vigorously supporting the new legislation, has the privilege of naming federation delegates to the screening Commission.

7. Electrical Workers Attempt to Withdraw from the CTC

On March 28 the National Council of the Labor Federation of Electric, Gas and Water Plants held an extraordinary meeting and voted (1) to end the federation's affiliation with the CTC and (2) to submit this decision to a rank-and-file referendum. 1/

This action was negated on March 29, however, when the Minister of Labor signed a resolution declaring null and void the decisions taken by the Federation's national council. The Ministerial Resolution states that the National Council had convened without getting prior authority to do so. This is contrary to the Ministerial action of March 4 suspending trade union activities for 45 days. Further, the Resolution states that the decision of the National Council was an infringement of the Federation's own constitution.

Following the issuance of the Ministerial Resolution nullifying the Council's decision, Angel COFINO, Secretary General of the Electrical Workers Federation, indicated he would appeal it, alleging the resolution to be unfair in its arguments. 2/

The CTC Executive is expected to take disciplinary action in regard to the Electrical Workers' Federation early in April on the grounds of "Disobedience of regulations".

8. CTC Leaders Visit President Batista

On March 29, over two hundred top leaders of the CTC, led by their Secretary General, Eusebio MUJAL, called at the Palace to congratulate

1/ See Embassy Despatch No. 641 of April 2, 1957

2/ See Embassy Despatch No. 658 of April 4, 1957.

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President Batista on his and his family's escape from injury during the March 13 attack on the Palace. This visit was the first of several subsequent ones made by various economic, commercial, professional and social organizations.

In a speech made to the President, after manifesting the happiness and satisfaction of the workers that he had remained unharmed and could carry on his program, Mr. Mujal expressed the CTC's unqualified condemnation of violence and insurrection. He said that the CTC stood for civic and democratic solutions to the national problems.

Mr. Mujal thanked President Batista for his policy of "consolidating the national economy, increasing the purchasing power of the workers without losing sight of the sources of production and the logical encouragement of capital...."

Mr. Mujal praised the President for his "absolute respect for the opinions of the labor organization"; and he then listed labor gains since January 1 as: (1) 6% increase in pay for sugar workers; (2) the restoration of 8% differential at the beginning of the grinding season; (3) 5% restoration in pay for public employees (effective July 1, 1957); (4) the equalization of pay for bus workers (this as yet has not been made effective).

9. Prominent Labor Leader Resigns and Departs Cuba

Calixto SANCHEZ White, Secretary General of the National Air Federation (Federacion Aereo Nacional) gave up this post and left Habana for Miami, Florida on March 24.

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According to public statement released by Eusebio Mujal, CTC Secretary General, there was conclusive proof of Sanchez' involvement in insurrectionist activities. Since this is contrary to CTC policy which condemns revolutionary or terrorist action, Sanchez was asked to resign.

10. Workers' ILO Delegates Named

Ignacio GONZALEZ Tellechea, CTC Secretary for Foreign Affairs and President of ORIT, has been named worker delegate for the coming session of the ILO Conference. He replaces Angel Cofiño who has served in that capacity for nine years.

Other members of the delegation are to be (1) Jesús ARTIGAS Carbonell; (2) Francisco AGUIRRE; and (3) José PEREZ Gonzalez. All of these labor officials have attended previous ILO Conferences.

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(BEGIN OFFICIAL USE ONLY) The most significant trends in the labor field for the first quarter of 1957 may be characterized as follows:

1. Wages. Trend is upward. The 6% wage increase in the sugar industry together with scattered reports of increases gained by local collective bargaining mark the trend. Pressure for wage improvements by other groups will continue.
2. Working Hours. Trend toward shorter week. Although it will take many years for most groups to achieve the 35-hour workweek granted by Bacardi, S. A. of Santiago de Cuba, there is strong pressure for an official 40-hour week.
3. Employment and Unemployment. On account of the Zafra (grinding season) employment was sharply increased during the quarter. Also the tourist season and generally good business conditions contributed to higher employment levels and a reduction, for the time being, in unemployment.
4. Strikes and Lockouts. No significant work stoppages. Although there were a few scattered reports of lockouts or shutdowns, there was little if any time lost due to strikes. This reflected the desire of the workers to get on with sugar production and probably, to a minor extent, the suspension of trade union activities.
5. CPC Activities. The CPC is pressing the Government to modify legislation on compulsory check-off. This, in spite of vigorous efforts, is not likely to be effective in view of the political nature of the question. CPC also is expressing strong opposition to current wage demands of commercial workers and retail employees.
6. CTC Activities. Preoccupied pretty much with the serious cleavage that has developed between the central organization and its two strongest federations, namely the telephone workers and the electric plant workers. The crisis is not over. CTC has been quick to rally to the support of Batista during the present month of political tension.
7. Ministerial Activities. With the issuance of (1) Decree-Law 538 and Resolution 51 and (2) the suspension of trade union activities for 45 days there is pronounced trend of more government intervention in the labor movement. This, of course, is related to the general political crisis and the trend may be reversed if that substantially clears up. Mujal continues to exercise strong influence in the Ministry of Labor and it is becoming difficult sometimes to draw the line where his power stops and that of the Government begins.

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Sources: Readers of this report are asked to bear in mind that much of its material is based on the Cuban press.

For the Ambassador:

John F. Correll
John F. Correll
Labor Attaché

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APPENDIX I

List of Labor Despatches and Reports for First Quarter of 1957

1. No. 486, February 7, 1957 - Cofiño Replaced by Samalea as President of Electrical Workers' Retirement Fund
2. No. 504, February 14, 1957 - Transmittal of Newspaper Clippings re Recent Visit of Two Hungarian Exiles
3. No. 516, February 19, 1957 - Renewal of CPC Campaign Against Compulsory Union Dues
4. No. 509, February 19, 1957 - Labor Briefs for January, 1957
5. No. 536, March 4, 1957 - Recent Developments re Campaign of CPC Against Compulsory Checkoff of Union Dues
6. No. 568, March 11, 1957 - Cofiño-Samalea Feud Intensifies
7. No. 594, March 15, 1957 - Mujal Presents CTC Position on Investment and other Economic Items
8. No. 593, March 15, 1957 - Labor Minister Suspends Union Elections for 45 Days
9. No. 598, March 18, 1957 - Text of Decree Providing for Government Clearance of Public Service Employees
10. No. 597, March 15, 1957 - Legality of "Check-Off" of Union Dues
11. No. 610, March 21, 1957 - Labor Briefs for February, 1957
12. No. 611, March 22, 1957 - Regulations Pursuant to Decree 538 of 1957
13. No. 624, March 27, 1957 - Labor Leader Involved in Insurrectionist Activities
14. No. 630, March 28, 1957 - Two Labor Federations Oppose Decree 538

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