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TO : THE DEPARTMENT OF STATE, WASHINGTON.

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SUBJECT:

Labor Briefs for April, 1957

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

The signal event of the month was the government intervention of the powerful Labor Federation of Electric, Gas and Water Plants on April 12. Because of its various economic and political ramifications, this event may well prove to be the most important labor development for the year of 1957.

1. CTC Participates in Batista Rally.

The Confederation of Cuban Workers (CTC) was heavily represented in the huge demonstration which took place in Habana on April 7 to pay tribute to President Batista. To the monster affair, which was attended by an estimated gathering of over 200,000, all federations affiliated with the CTC sent large delegations. Eusebio MUJAL, secretary general of the CTC, was one of the five principal orators of the day.

Previously, on March 29, Senor MUJAL led a group of over 200 top officials of the CTC to the Presidential Palace to congratulate General Batista on his escape from injury in the attack on the Palace on March 13.

2. Electric Workers' Federation Intervened.

The government intervened the Labor Federation of Electric, Gas and Water Plants on April 12. This drastic action was taken pursuant to a resolution signed by the Minister of Labor which, among other things, called for a two-year suspension from their offices, the leaders of the Federation and of the Habana Provincial Syndicate affiliated with the Federation. The Resolution also provided for a provisional governing board which is empowered to supervise elections within the Federation and its affiliated unions within 90 days.

The Ministerial resolution was issued immediately following a meeting of the CTC's National Council on April 12 when over 250 delegates to Council voted almost unanimously to withdraw the trade union rights of the leaders of the Federation as a disciplinary measure for alleged infraction of CTC regulations

1/ See Embassy Despatch No. 669 of April 9.

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and policies.

A major but not the sole issue of the tension existing between the CTC and leaders of the Electric Plant Workers was Decree 538 and its implementing Resolution 51 which requires screening for Communist sympathies of all new employees entering public utility companies. The CTC supports this newly-enacted legislation while the leaders of Electric Workers' Federation oppose it - not so much in principle but in the method provided to implement it.

Initial reaction to intervention was a three-day slow down in the Offices of the Cuban Electric Company. This was called off by its leaders after several arrests were made, and a truce was then declared in order to observe the Easter season. Labor tension, however, remained in the electric industry throughout the month.

3. Dispute Over Wage Equalization at COA.

When the management of COA (Cooperativa de Omnibus Aliados) did not comply with a Ministry of Labor Resolution requiring the company to pay the same rates of pay to drivers and conductors on other routes as those paid on Route 79, workers refused to accept their pay and threatened to strike on April 3. However, in view of the coming rally to pay tribute to President Batista on April 7, the workers agreed to postpone action until after that event.

In the meantime a conference was held by Facundo Pomar, general secretary of union, the employers, and President Batista. An agreement was reached that the company would pay 50% of the increase ordered by the Ministry of Labor pending a decision of the court to which appeal had been made by the company.

The operative section of the Ministerial Resolution to which COA management objected is as follows:

"To declare Cooperative de Omnibus as infringer of Article 62 of the Constitution of the Republic; and consequently to order that it place the wages of chauffeurs and conductors of the several city routes on an equal basis with those paid to chauffeurs and conductors of Route 79, namely, \$1.00 per hour for chauffeurs and \$.80 per hour for conductors."

NOTE: Article 62 of the Constitution states that "for equal work under the same conditions the salary will always be the same."

4. Government Extends Collective Bargainer's Agreements of the Bank.

By virtue of Decree No. 883, signed by President Batista on April 1, the collective bargaining agreements existing within the banks in Cuba have

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been extended 6 months. Due to expire on May 31, 1957, the agreements will run until November 30, 1957.

Reasons given for the extension of the agreements were "to maintain and develop social peace...and promote the stability and tranquility that are necessary for labor relations."

Bargaining agents for the overall Agreements are (1) The Association of Banking Companies and (2) Labor Federation of Bank Workers and its individual provincial unions.

The extension of the collective agreements drew strong criticism from the Bank Workers' Federation. This was directed more against the CTC than the government. Secretary General of the Bank Workers, Calixto Fernandez OTERO, charged Eusebio MUJAL, CTC secretary general, with being directly responsible for the decree and accused him of favoring the employers.

The Bank Workers Federation along with the Labor Federation of Telephone Workers has been supporting the Electric Plants Federation in its conflict with the CTC leadership.

A translation of Decree No. 883 is attached as Appendix 1.

5. New Decree Re Compulsory Check-off of Union Dues in Petroleum Industry.

The petroleum industry is now specifically covered in regard to the compulsory check off of union dues (la cuota sindical obligatoria). Up to the present there has been doubt¹ as to whether or not that industry came within the purview of Law Decree 1985 of 1955 which originally made the collection of union dues by employers obligatory. However, that doubt has been dispelled by Resolution No. 66 of April 12, 1957, which appeared in Official Gazette No. 77 of April 22, 1957.

A translation of the new Resolution is attached as Appendix 2.

6. Lockout at Sabates

Following a three-day slowdown by its employees, Sabates, S.A., a local subsidiary of Proctor and Gamble, closed its doors on April 29 and 30 to all of its workers except supervisory personnel.

As of May 2, the factory was operating normally. Later union and management representatives were brought together by the

1/ See Embassy Despatch No. 597, March 15, 1957

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Ministry of Labor to discuss and settle the issues in dispute.

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

Enclosures: *2* (2)

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Appendix 1

DECREE EXTENDING AGREEMENTS WITH BANK EMPLOYEES UNION.

MINISTRY OF LABOR
DECREE No. 883

Whereas: By Decree No. 3357 of October 13, 1955 published in the Official Gazette of November 2 of the same year, the Collective Bargaining Agreements entered into by the Association of Banking Companies and the member banks thereof, as well as with the banks included under Decree No. 3298 of 1953, on the one hand, and the respective Provincial Unions of Bank Employees and the Federation of Bank Employees, on the other hand, with the changes and other provisions contained in said Decree 3357 of 1955 were declared to remain in force until May 31, 1957.

Whereas: By said Decree No. 3357 of 1955, among other measures, an increase in the salaries of the bank employees included in the Collective Bargaining Agreements that will expire on May 31, 1957 was ordered as well as the maintenance of the obligation on the part of the banks to pay said salaries in the month of December as a Christmas bonus, measures also having been provided which tend to give more flexibility to the banking concerns for greater efficiency in the important service that they render.

Whereas: It is the main function of the Government to maintain and develop social peace by propitiating all those measures that it may consider fair and equitable on each opportunity for the respective factors of production.

Whereas: In accord with the above principle and in view of the present conditions of activities in the banking sector, the Government believes it proper in the interests of the bank employees as well as of the banks, to extend for six months more the Collective Bargaining Agreements that are to expire on May 31, 1957, maintaining and guaranteeing to the bank employees the benefits that they enjoy under the conditions established in their Collective Bargaining Agreements and those that have been granted by Decree No. 3357 of 1955, at the same time promoting stability and tranquility that are necessary for labor relations between the banks and their employees, which in the last analysis redounds to the benefit of the nation.

Therefore: In use of the powers vested in me, on proposal of the Minister of Labor and with the concurrence of the Council of Ministers

I RESOLVE:

First: To declare in force until November 30, 1957 the Collective Bargaining Agreements that are to expire on May 31, 1957 which were entered into, on the one hand, by the Association of Banking Concerns and the

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banks that are members thereof as well as by the bankers included under Decree No. 3298 of 1953 and the respective Provincial Unions of Bank Employees and the Federation of Bank Employees on the other, with the amendments and provisions contained in said Decree No. 3357 of 1955.

Second: The Minister of Labor is charged with the fulfillment of this Decree and is authorized to settle any doubts that may arise in its application.

Done at the Presidential Palace, in Habana, on this 1st day of April 1957.

(Official Gazette No. 73 of April 15, 1957)

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APPENDIX 2

MINISTRY OF LABOR:
Resolution No. 66

Whereas: Law-Decree 1985 of 1955 established the compulsory check off of union dues in commercial or industrial enterprises.

Whereas: It is proper to clarify in accordance with the opinion of the Court of Constitutional and Social Guarantees that the deduction of the union dues of workers does not carry with it the obligations of joining a union.

Whereas: Rules should be provided better to regulate the deductions of the union dues in the different specific sectors of national production.

Therefore: In use of the powers vested in me

I RESOLVE:

First: To declare that all employers and workers of the petroleum industry in general are included under the provisions of Law-Decree 1985 of 1955, as well as of petroleum refineries, the by-products of petroleum the distribution and transportation of petroleum and fuel of all kinds obtained from crude petroleum that are imported or produced throughout the national territory by the Oil Companies, as well as their subsidiaries or private distributors. Likewise all employers and workers in drilling companies and their subsidiaries engaged in geological or geophysical studies of the national subsoil, in the exploration and exploitation and production of oil fields.

Second: To exempt from said deduction persons not having the legal concept of workers, the directors, managers or persons holding positions of high responsibility in the companies in accord with the provisions of Decree 798 of 1938.

Third: To provide that the amounts withheld by employers on deposit be turned over within the first five days of each month as follows:

- a. 15% directly to the Finance Secretary of the CTC.
- b. 25% directly to the Finance Secretary of the National Federation of Petroleum Workers.
- c. 60% directly to the Finance Secretaries of each of the six Provincial Petroleum Unions and to the Finance Secretary of the General Union of the Esso Standard Oil Co. Workers, Cuban Division.

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Fourth: The employers shall make said payments by certified checks issued to the order of the Finance Secretaries of the above mentioned labor organizations in the percentage mentioned in each case and shall attach thereto a list showing the name of each worker, the item of the payment, the place where he works and the locality.

Publish the foregoing in the Official Gazette for general information.

Done in Habana, Ministry of Labor on this 12th Day of April, 1957.

(Official Gazette No. 77 of April 22, 1957)

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