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## THE FOREIGN SERVICE OF THE

UNITED STATES OF AMERICA

No: 219

REC D MAR.19

American Embassy

Habana, March 16, 1948

ACTION ARA

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Subject: Labor Interest in Cuban Merchant Marine

Activated by Recent Ship Purchases,

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ARMY NAVY CIA

LABOR

USMC

The Honorable

The Secretary of State, Washington, D. C.

Sir:

KU W

I have the honor to report that the recent acquisition by the Cuban Government of four merchant vessels appears to have stirred renewed interest on the part of labor in the development of Cuba's merchant marine and in the adoption of nationalistic shipping measures.

At the Fifth Congress of the National Maritime Workers' Federation held in Habana in February (See Embassy's Report No. 32 of February 4, 1948) the subject of Cuba's merchant marine constituted one of the principal topics of the deliberations at the Congress and numerous resolutions were adopted in this connection. Among these, the following are deemed particularly worthy of notice:

- To request the Government urgently to conduct negotiations for the purchase of two tanker-ships, in view of the difficulties being encountered in obtaining adequate supplies of gasoline and other petroleum products.
- To request the Government to designate a commission to study the purchase of additional vessels for coastwise traffic, transportation of fruits and vegetables, fishing operations etc., (This resolution contained the further statement that it would be feasiable to acquire more than 30 of such vessels through auction sales in the United States).
- To request the Government to consider the possibility of purchasing or ordering ships in Europe in exchange for Cuban sugar.

To

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4. To protest energetically to the Government on account of the delivery of the "Paula" docks in Mahama to a "foreign company which operates competing ships at low cost and prejudices the development of the Cuban merchant marine".

5. To request the Government to construct a dry-dock or shippard with a pacity for 20,000 tons of shipping, and the prohibit the repair of Cuban vessels abroad henever said repairs can be effected locally at less cost.

6. To take necessary steps to insure enforcement of labor regulations affecting Seatrain and carferry vessels and to prohibit the entry into service of new vessels of this type which carry laden trailers and trucks.

Several days after the Congress, representatives of the Maritime Workers' Federation met with representatives of Cuban shipping companies and it was agreed to constitute a "management-labor bloc" in defense of the Cuban merchant marine. It has been announced that at its next meeting, the "bloc" will propose that the "Paula" docks in Habana be devoted exclusively to the service of Cuban vessels and that discussions will also be conducted on the subject of "the scientific regulation of Seatrain and carferry vessels, which hinder the development of Cuba's merchant marine". These events presage an intensification of the highly nationalistic attitude maintained by Cuban labor on the subject of shipping and the possible formulation of new demands simed at reducing the competition of foreign vessels. In the past, Cuban labor has advocated that whenever an adequate number of Cuban ships should be available for service, the Congress should enact legislation requiring that a fixed percentage of Cuba's foreign trade should be carried in Cuben bottoms.

Respectfully yours,

For the Ambassador:

Harold S. Tewell Counselor of Embassy

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