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TO : DEPARTMENT OF STATE 1965 FEB 22 AM 9 21

INFO : RIO DE JANEIRO

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ANALYSIS & DISTRIBUTION
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FROM : AmConGen RECIFE

DATE: February 15, 1965

SUBJECT: Labor in Rio Grande do Norte

REF :

On February 8, Consuls MacDougall and Exton had occasion to talk for several hours in Natal with Mr. Derval Bezerra Marinho, Regional Labor Delegate for the State of Rio Grande do Norte. Mr. Marinho was appointed to his job last August, after some 25 years as a labor inspector. He is a small, rather dark man with an air of friendliness and sincerity which inspires confidence. He appears to be definitely pro-American; he likes O Trabalhador and is preparing for us a list of unions in the state as rapidly as possible so that we can distribute material and he is in the meantime distributing copies of O Trabalhador for us himself. He is extremely anxious to obtain films from USIS to show to union audiences, and we have initiated contacts to arrange this for him. Like most Brazilians, and especially Northeriograndenses, he is a great admirer of the late President Kennedy, and is particularly fond of the quotation to the effect that if it is not possible to aid the many that are poor it will be equally impossible to save the few that are rich.

In Rio Grande do Norte, at least in the urban areas, he said, some 80% of employers are paying the local minimum wage of Cr\$ 25,300 per month, though this is wholly inadequate to support a worker with a family. The exceptions are largely in the entertainment industry; hotels, restaurants, and bars. Here almost nobody pays the minimum wage (though in swanky places---but not others---this can be offset by tips); employees are made to sign receipts for the minimum wage, however, so that it is almost impossible to take any action. He is thinking of requiring payment by check, but realizes that employers can still require kickbacks after the checks are cashed. Relatively few firms are paying more than the minimum wage, however, and

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many people---even State employees---are hungry and living only on bread and coffee.

Payment of the 13th month is less of a problem in the urban areas; at least 90% of firms have paid. Collection of union dues is more difficult, as some firms don't like to do it. ~~XXXXXXXXXX~~ in the Natal area where union membership is not usually necessary for employment, many workers prefer to stay outside the unions and avoid dues, since they will in any case receive the benefits which the unions can win. In this Natal differs markedly from Mossoró and Macau, where unionism among the salt workers is especially strong (see below). The family allowance is proving a big boon to those who claim it. Many workers, however, still do not understand the system or realize that they have to furnish birth certificates for their children under 14 in order to receive payments (Cr\$ 1,500 per child per month), even though they were, in effect, paying for it. Social Security charges amount to 22% of wages, 8% of wages deducted from the employee and 14% paid by the employer, to cover payments to the Institutes and family allowances. Unemployment, the Delegate thought, was very low among trained workers---indeed specialists had to be brought in from the South to work on the extensive construction projects in Natal. However, in ordinary work: "for every vacancy there are 100 applicants." His remarks on this subject were rather inconsistent and seemed, in effect, to distinguish between the few who had lost jobs, and the many untrained people who had never had any.

urban

In the/union field, the Labor Delegate is proud of the fact that there are no longer any unions under intervention in the state. This result has been achieved, however, by investigating all candidates for union office and vetoing any with subversive backgrounds. The strongest unions in the state are the salt workers unions in Mossoró and Macau. These completely dominate the industry with (though he did not use the terms) a closed shop and hiring hall system. They are thus able to demand, and get, dues amounting to 22% of wages (which, coupled with the 8% payment to the Institute amounts to almost a third); with this they have established elaborate free medical and dental services for members and their families. These include free supply of all drugs, and the union pharmacy in Mossoró has a stock of drugs worth over Cr\$ 40 million, purchased directly from manufacturers, and better than that of any private pharmacy in the state---the Institutes in Mossoró, therefore, are almost dead because the unions provide so much better service.

The salt industry is a seasonal one, only providing work during some seven months of the year. The union furnishes teams at the request of employers, and shares the work in rotation; thus though wages are some Cr\$ 7,000 per day, the individual worker gets only about 10 days work a month during the season. At present the industry is facing a serious jurisdictional dispute, which the Delegate was going to try to resolve in Mossoró this week; in recent years the loading of salt on board ship has been taken over by a separate loaders' (arrumadores) union, instead of being performed by the regular salt workers. As a result, and because the loaders were getting better pay, the salt workers are threatening a strike which could have serious consequences for the industry.

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