

TELEGRAM

INCOMING

Foreign Service of the
United States of America

BRASILIA

SUBJECT

ACTION
POL-2
INFO
FILES
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Classification

Control:

350

Recd:

15 JULY 67
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R 142107Z JUL 67
FM AMEMBASSY MONTEVIDEO
TO RUEHC/SECSTATE WASHDC 2423
INFO RUESBA/AMEMBASSY BUENOS AIRES 559
RUESUA/AMEMBASSY RIO DE JANEIRO 425
RUESUZ/AMEMBASSY BRASILIA 68
STATE GRNC
BT
CONFIDENTIAL MONTEVIDEO 127

SUBJECT: LABOR SITUATION REPORT - COMMUNIST AGITATION
CONTINUES INCREASE

REF: MONTEVIDET 101

1. COMMUNIST INITIATED LABOR AGITATION AS PRELUDE TO
GENERAL STRIKE SCHEDULED BY NATIONAL LABOR CONFEDERATION
(CNT) FOR JULY 20 INCLUDES WORK STOPPAGES JULY 14 AND 17
IN BANK OF REPUBLIC AND SEVERAL GOU CENTRAL ADMINISTRATIVE
OFFICES AND STRIKE IN METALLURGICAL INDUSTRY. AT SAME
TIME COMMUNIST-COMINATED UNIONS OF BUS DRIVERS, NEEDLE-
CRAFT WORKERS, LEATHER WORKERS AND TANNERS, WORKERS
IN CHEMICAL INDUSTRY, COOKS AND WAITERS, AND WHITE COLLAR
WORKERS ANNOUNCED JOINING GENERAL STRIKE. DEMOCRATICALLY
ORIENTED FEDERATION OF BEVERAGE WORKERS ALSO JOINING
GENERAL STRIKE AND IS FIRST IMPORTANT NON-CNT UNION TO
DO SO. FEDERATION PRESIDENT INFORMED EMBASSY SOURCES
THAT HE IN FULL AGREEMENT WITH CNT REJECTION OF ALLEGED
GOU WAGE FREEZE POLICY AND WITH SEVERAL OTHER ECONOMIC
ISSUES PUBLICIZED BY CNT AS MOTIVATIONS FOR STRIKE.

2. STRIKE AND LOCKOUT IN NEWSPAPERS ENTERING THIRD
WEEK WITHOUT SOLUTION IN SIGHT IN SPIE EFFORTS BY
UNDERSECRETARY LABOR TO MEDIATE. MANAGER ONE MAJOR
PXBICATION TOLD EMBOFF THAT NEWSPAPER OWNERS GUILD
BELIEVES IT MUST DEFEAT UNIONS ON ISSUES OF WAGES AND
REDUCTIONS IN FORCE IF PAPERS ARE TO REMAIN IN BUSINESS.

3. ON POLITICAL SIDE, COMMUNISTS HAVE SCHEDULED FOR
JULY 14 INDOOR RALLY AT WHICH FIDEL SENATOR ENRIQUE

LAB-6

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RODRIGUEZ AND OTHER FIDEL LUMINARIES WILL CENSURE GOU ECONOMIC POLICIES, DEMAND BREAK WITH IMF, INSIST ON NATIONALIZATION OF PRIVATE BANKING INDUSTRY AND FRUM UP SUPPORT FOR LASO. SPEECHES BY RODRIGUEZ AND OTHERS WILL MOST LIKELY BE PUBLICIZED AT LATER DATE AS AMONG REASONS URUGUAYAN WORKERS ANSWERED GENERAL STRIKE CALL. IN FACT, SEEMS LIKELY CNT MAY ADOPT THESE POLITICAL SLOGANS IN THEIR STRIKE CALLS IN NEXT FEW DAYS.

4. COMMENT: COMMUNIST DAILY EL POPULAR STILL ONLY MORNING PAPER PUBLISHING AND COMMUNIST TAKING FULL ADVANTAGE ITS PRESENT TO STIR UP SUPPORT FOR GENERAL STRIKE. SO FAR GOU HAS MADE NO EFFORT COUNTERACT COMMUNIST STRIKE EFFORTS IN THE ONE EVENING PAPER STILL PUBLISHING OR IN OTHER MEDIA, ALTHOUGH FINMIN VAS-CONCELLOS EXPECTED REPORT TO PUBLIC OVER WEEKEND NEW GOU ECONOMIC POLICIES. HE MAY ANNOUNCE GOU WAGE POLICY, AND CALL FOR WORKER COOPERATION WITH GOVERNMENT. MEANWHILE, PROPAGANDA ADVANTAGE TOGETHER WITH CLEVER CNT APPEAL FOR STRIKE ON ECONOMIC GROUNDS MAY GIVE COMMUNISTS LEVEL OF SUCCESS THEY HOPE ATTAIN ON JULY 20.

GP-3. HOYT
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