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Authority State Letter 1/1/12By WJ NARA Date 7/27/88

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NOTE

SEE 818.504/24 FOR #983FROM Costa Rica (Eberhardt) DATED July 19, 1932
TO NAME 1-1127 ...

818.00B/42

REGARDING:

Communists in Costa Rica:-Discussion of the serious unemployment situation, and report of a few demonstrations fomented by professional agitators branded as --.

plc

holdings to support themselves and their families
 without working part time for the larger proprietors
 and there are also the people who rely exclusively
 for their living on work on the larger estates or

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No. 933

San José, Costa Rica

July 19, 1932

UNEMPLOYMENT IN COSTA RICA

in urban enterprises. (These urban include artisans, industrial workers and professional workers). The sort of the last two categories has, through the present economic crisis, become a difficult one although, due to the standard of living and climate of Costa Rica, their suffering is not as great as might be the case in other countries.

For political reasons, the condition of these 75,000 persons who are capable of becoming unemployed, although the legislative bureau probably do not exceed 4,000 words, has been factored wholly in the legislative body with accompanying press publicity. Bill No. 27 was passed by the Congress on July 9, 1932 (1932).

The Honorable from La Orosia - DIRECTOR OFFICIAL NO.

In The Secretary of State

Department Washington unemployed could have been obtained

thereby from authorities as the identity tax based on

Sir:-

Incumbent (Vice Governor No. 155) of November 15, 1931

I have the honor to report that the unemployment situation in Costa Rica has commanded appreciable attention during the past fortnight. As has been reported on many occasions in the past, Costa Rica is essentially a country of small landholders.

There are, however, upwards of 75,000 persons who either cannot earn sufficient from their land holdings to support themselves and their families without working part time for the larger proprietors and there are also the people who rely exclusively for their living on work on the larger estates or

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Authority State Letter 1/1/12By WJ NARA Date 7/22/98

- 2 -

in urban enterprises. (These latter include artesans, industrial workers and professional loafers). The sort of the last two categories has, through the present economic crisis, become a difficult one although, due to the standard of living and climate of Costa Rica, their suffering is not as great as might be the case in other countries.

For political reasons, the condition of these 75,000 persons who are capable of becoming unemployed, although the destitute jobless probably do not exceed 4,000 today, has been featured unduly in the Legislature, with accompanying press publicity. Bill No.39 was passed by the Congress on July 5, 1932 (see attached copy from LA GACETA - DIARIO OFICIAL No. 155 of July 14, 1932). Additional funds for the occupation of the unemployed would have been obtained thereby from increases in the Identity Tax based on Income (vide despatch No.681 of November 16, 1931 et seq), from a 5 per cent tax on gold currency deposits, inland and abroad, of individuals and corporations, and from a mineral water excise tax. President Jiménez vetoed this bill on the 13th of July 1932, giving as his reasons that the sources from which the money was to be obtained would be insufficient to meet unemployment demands and that moreover, the setting aside of funds for public works schemes would tax beyond the limit an already overburdened fiscal system.

Since the Presidential veto, the unemployed

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Authority State Letter 1/1/82
By WJ NARA Date 7/22/88

- 3 -

of San José have attempted several demonstrations, including parades, which, while possibly justified by the sort of some of the demonstrators, were definitely inspired by professional agitators.

The word "communism" has been bandied about very freely, yet in so far as I am able to learn, none of the officials of the Government have attempted to assure themselves whether or not emissaries of Moscow are attempting to foment discontent.

President Jiménez has stated to various workmen's delegations that the unemployed have his complete sympathy and that he considers it his duty to do what he can to remedy their conditions. He has added, however, once publicly and several times privately, that he will give consideration only to the delegates of unemployed workmen if and when he can obtain assurance that they come to him as Costa Ricans in no way associated with Communism or any foreign organization organized solely for the purpose of fomenting unrest and discontent among the working classes.

Work is being given to the unemployed up to the limit of the financial resources of the Government and the various municipalities. However, an example of the scarcity of work appeared this morning when 400 persons applied at once for thirty positions on pavement work which the municipality of San José had to offer.

The

DECLASSIFIED
 Authority State Letter 1/1/82
 By WJ NARA Date 7/24/88

- 4 -

The remaining 370, led by some unknown person, attempted to make a public demonstration, but were prevented from so doing by the police.

Respectfully yours,

CHARLES C. EBERHARDT

850.4

A true copy
 of the signed
 original.
 MOCW/EZ