

# Public Service Union Abroad Aided by CIA

State, Municipal  
Employee Federation  
Got 1958-64 Funds

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Arnold Zander, former president of the American Federation of State, County, and Municipal Employees, revealed yesterday that for six years the Central Intelligence Agency subsidized the union's international activities.

Zander, now president of the United World Federalists, said the CIA subsidy began in 1958 at the rate of about \$7,500 a year. By 1964, he said, the agency was putting \$60,000 a year into the operation through one of its "dummy" conduits, the Gotham Foundation in New York.

Zander said he was unaware at the time that the money came from the CIA, that he had never inquired about the source of the funds, and that he still sees nothing improper in the arrangement. He said he learned that Gotham was a CIA front only in the last few days as a result of newspaper stories.

The money, said Zander, was funneled into Public Services International in London, the worldwide organization of unions representing members of the public bureaucracy at all levels of government.

PSI was engaged, said Zander, in an effort to organize public employees all over the world, especially in Africa and Latin America.

For this work it needed money which Zander sought to provide through private foundations in the United States. He started "shopping around," he said, and was put in touch with the "Gotham Foundation," which operated out of a New York law office run by a man with "a funny-sounding name" which Zander doesn't recall.

Zander said he made a proposal which Gotham accepted and supported from 1948 until 1964 when Zander retired as president of the American union and as a director of PSI. His successor in the

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American union, Jerry Wurf, disapproved of the subsidy and canceled it, Zander said.

He confirmed that PSI had been active in attempting to organize public employees in the former British Guiana who were opposed to the leftist Prime Minister, Cheddi Jagan, who was defeated in the elections of 1964.

But Zander denied that PSI had been subsidized by the CIA in order to work against Jagan.

"The connection (with the agency) began long before we began helping the workers in Guiana," he said.

Zander's disclosure of the CIA link to the American and the international labor movement was merely the latest in a series of similar revelations.

Last week it was disclosed that the CIA has put at least \$2 million in recent years into the foreign programs of the American Newspaper Guild and the Institute of International Labor Research.

It is believed that numerous other American unions have been heavily subsidized by the CIA in their international activities under programs that got under way in the 1950s at the height of the ideological cold war between the United States and the Soviet Union.

The CIA's involvement, it was learned authoritatively, began in Europe shortly after the end of World War II under the general guidance of AFL-CIO officials.

In more recent years, the

agency's interests in the international labor movement have shifted to Africa and Latin America. These interests are now directed at the CIA, it is reported on good authority, by Cord Meyer, who is said to be in charge of "international organizations." His predecessor was identified as Thomas W. Braden, who is now a California newspaper publisher and member of the California State Board of Education.

Among the American unions believed to be witting or unwitting recipients of CIA funds for international operations are the Retail Clerks, the International Food and Drink Workers Federation, and the International Federation of Petroleum Workers, which is located in Denver.

The Retail Clerks are known to have received funds from the Granary Fund of Boston, a CIA conduit, although their president, James Suffridge, has denied any links to the agency.

The Petroleum and Chemical Workers International, representing workers in many countries, also denied any CIA links yesterday, although the organization's general secretary, Loyd A. Haskins, refused to give any details about the source of his \$350,000 annual budget.

The money, he said, came primarily from the "Midland Foundation" of Indianapolis and the "League for Economic and Social Development" in Denver.

There is no record of any

"Midland Foundation" in Indianapolis in the foundation lists of the Internal Revenue Service. The "League for Economic and Social Development" was founded recently by several people, including O. A. Knight, a former president of the International Federation of Petroleum and Chemical Workers.

During Knight's tenure as president the Federation reportedly received a subsidy of \$25,000 a month from the Andrew Hamilton Fund of Philadelphia, a dummy foundation set up by the CIA.

Haskins denied that report and said the Andrew Hamilton Fund had never put money into the organization.

He refused, however, to describe the foundations now supporting his operation or to say how much they contributed toward his budget. Haskins said he was prepared to produce his records if called before a congressional committee.

The largest international program carried on by American unions is the program of the American Institute of Free Labor Development (AIFLD), which was set up by the AFL-CIO several years ago. It is administered by William C. Doherty Jr., who is said to be

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closely acquainted with CIA operations but whose principal financial support comes from the Agency for International Development.

AIFLD has \$13 million in AID contracts for training, housing, and institutional projects in Latin America and the Caribbean.

The financial support for AIFLD by individual American labor unions has been minimal—\$11,000 in 1964 and only \$500 in 1965.