

# Unions Turn To AID After CIA Pullout

By William Greider  
Washington Post Staff Writer

Blessed with new subsidies from the Government's foreign-aid program, the AFL-CIO is putting extra muscle into its worldwide operations to create counter-revolutionary labor movements in underdeveloped countries.

The money—about \$1,120,000 a year from the Agency for International Development—buys training seminars and field organizers, often hired locally, in Latin America, Africa and Asia. Their stated goal is "developing and strengthening free trade unions throughout the world."

In practice, this ranges from prosaic matters like pension-fund squabbles to ambitious schemes for overpowering the dominant leftist labor organizations in some countries.

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## AID Replaces

### LABOR, From A1

This "union to union" diplomacy, "uninhibited by a formal Government relationship," as one AID official explained, is just the sort of thing which the Central Intelligence Agency used to pay for secretly—before the CIA's cover was blown two years ago and it had to abandon its network of dummy foundations.

Indeed, two of the U.S. Labor organizations which now share in the AID grants arranged last June were identified as beneficiaries of the CIA's covert funding. Though their leaders denied the connection, the Retail Clerks International was linked to the Granary Fund of Boston and the International Federation of Petroleum and Chemical Workers received funds from the Andrew Hamilton Fund, both of which were CIA conduits.

After the sensational disclosures of how the CIA had penetrated domestic institutions, the Government declared that the secret financing would be stopped and in a few cases replaced by public subsidy. One CIA orphan picked up by AID was the Asia Foundation.

### Called Sheer Nonsense

According to the AFL-CIO's Assistant Director of International Affairs, Ernest S. Lee, it is "just sheer nonsense" to put the overseas labor activities in the same category.

American unions, he pointed out, have been carrying out international programs for years, both with AID grants and with their own money. "We have to give any support we can to free trade unions," said Lee, "so that they will not be jeopardized from any position—government, the Communists, business."

However, AID Deputy Administrator Rutherford M. Poats was more equivocal on

the question of CIA financing. "I know they were not CIA-financed at the time we picked them up," Poats said. "Whether they were at some time in the past I don't know."

Poats said he was told that the unions and their international affiliates had been paying for the network of organizers—with occasional support from foundations—but that they could no longer afford to maintain them. "I don't know," Poats said, "whether, among the foundations they turned to for help in the past, any of those were CIA conduits. I just don't know."

### Goes to 3 Institutes

When AID agreed to pick up the costs formerly borne by the unions, the package was arranged by AFL-CIO's Lee, who is assistant to Jay Lovestone, the Federation's international director, and is son-in-law to George Meany, the president. The AID money goes to three regional labor institutes which the AFL-CIO operates in Africa, Latin America and Asia, then is passed on by subcontracts to seven labor organizations, which are either U.S. unions or their international trade affiliates.

The arrangement was approved by the Labor Advisory Committee on Foreign Assistance, a labor-government group whose regular meetings are spiced with the spirit of international combat. Presided over by Meany, the committee oversees the Federation's housing, training and institutional programs in foreign countries, which receive about \$8 million a year from AID.

The main difference in the new AID spending, Lee said, is that Government financing now supports individual trade unions working with their counterparts within countries while the focus in the past has been on broader national labor confederations. The AID financ-

# CIA in

ing is no secret, but the new union activities do not require formal approval from the "host country" as most foreign-aid projects do.

Jay Lovestone, the elder eminence of American labor's cold-war operations, told the AID officials "that U.S. embassy sponsorship or close identification with these programs would be untendable and counter-productive."

## Subsidy in Nigeria

In Nigeria, the U.S. funds provide a modest direct subsidy to an infant union of oil workers whose dues will not support the union's activities "for quite some time to come."

In Colombia and Peru, the Retail Clerks International is concentrating on strengthening bank workers' unions. The budget proposal for Colombia listed the secretary general of the bank workers union as the locally-hired representative.

In Japan, the long-range objective is welding together all of the diverse unions representing oil and chemical workers into one national union, to be affiliated with the Denver-based International Federation of Petroleum and Chemical Workers (IFPCW).

While most of the U.S. organizations submitted brief, bland descriptions last year of how they would spend the AID money, the IFPCW's budget proposal detailed its struggle with the other side in 19 countries — how it sometimes battles dominant unions or even the Government itself.

Its affiliate in Trinidad, the IFPCW noted, had "come under the influence of the Communist leadership, if not under the direction of Communist leaders." It proposed to correct this by supporting a challenge by oil workers dedicated to the free trade union

movement.

In Colombia, the IFPCW intended to challenge "Fedepetrol," a rival federation. "Fedepetrol," it said, "is controlled by Communists and its leaders have recently increased their activities in attempting to organize chemical and pharmaceutical workers."

The AID-financed program would "assist the free, democratic trade unions currently in Fedepetrol to recapture their organization from its present Communist leadership control. We must continue to work with key persons employed by Ecopetrol, Colpet and Intercol (the three oil companies where the rival union has its membership strength.)"

At the same time, the U.S.-based labor group intended to beef up its own affiliate in Colombia "and assist it in developing a closer relationship with the government of Colombia. Eventually, merge Fedepetrol into our affiliate."

## Recruitment Set

In Peru, the objective is signing up unorganized workers in chemical and pharmaceutical plants. However, the IFPCW said, "a rival union exists which is oriented toward the Communist Party. Our program envisions a vigorous attempt to win these

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employees to the democratic trade union forces."

In Pakistan, the oil federation complained, "politically, the government is leaning toward the Communist orbit and constantly puts pressure upon our affiliate and the Pakistan National Federation of Trade Unions to entertain visitors from China and the WFTU (the Communist-sponsored international organization of unions). These organizations have been able to maintain their independence in spite of government pressure."

The ICFTU and others have discovered that the helping hand of American labor is not universally welcomed.

## "Harassment" Reported

In South Vietnam, where the AFL-CIO is pouring support into a tenant farmers' union, Lovestone complained to the State Department last year that the local labor leaders were continually harassed, even arrested, by South Vietnamese military leaders, whom the U.S. also supports. "This is a source of embarrassment to the AFL-CIO which is steadfastly supporting the U.S. war effort in Vietnam," Lovestone reminded the government.

When three AFL-CIO vice presidents landed in Nigeria on an inspection tour last spring, the airport officials at Lagos submitted them to a meticulous personal search, an embarrassment which the labor leaders blamed on Communist rivals.

In Brazil, a government decree ordered foreign labor organizers to apply for permission to operate in the country, but a year has passed and none of the applications have yet been approved.

"It will be necessary that we work within the framework of the present Brazilian labor legislation," the IFPCW conceded, "but we must also work for new labor legislation and the elimination of the repressive type."

## Activities Defended

AID officials defend these activities as a normal aspect of the foreign-aid program. The development of economic growth and stability requires free and strong labor unions just as it requires new industry and commerce, they contend.

"Our general view is that technical assistance to labor unions is and should be a continuing part of development," Poats said.

An AID labor advisor who covers Latin America explained: "Unions act as dividers of profits. The U.S. Government likes to see more purchasing power in the hands of these people rather than in Swiss banks."

Poats dismissed the domestic political overtones of the activities as an inevitable element. "The whole orientation is that they're out fighting the WFTU (the Communist federation) around the world," Poats said. "We are operating in host countries where the government favors a moderate, nationalist union as opposed to a Communist union."

Another AID executive put it this way: "Now, nothing is more political than labor union training. But we treat it as developmental."

## Stems From Cold War

The AFL-CIO's devotion to international operation stems primarily from Meany and Lovestone's commitment to help America fight the Cold War, an attitude which has drawn frequent attacks from Walter Reuther and the United Auto Workers, among others. The critics suggest that the labor federation's role in U.S. diplomacy inevitably affects its attitudes in U.S. politics such as the AFL-CIO's hawkish defense of the American role in Vietnam.

In any case, there is an acknowledged self-interest for the U.S. labor organizations that work overseas. Though they do not expect to benefit directly and immediately, they are in the business of gathering new members and affiliates into the fold. One AID official described "organizing aims" and the Government aims as compatible. "If we get what we want as a by-product of what the union wants, then it's worthwhile," he said.

And Lee offered this explanation of how the AFL-CIO views global unionism:

"It's a selfish thing, too. After all, free trade unionism is our bread and butter. You get unions taken over by the Coms or even by the right-wing Fascists, what happens? It becomes stagnant, a cheap labor market. That becomes a threat to us and the United States. Industry is concerned about it,