

of these transfers should be such as to preserve this link in some measure. There should be some assurance that funds, which originate at the national level, will be spent according to national priorities. Lacking this relationship, the revenue transfer may well result in a Balkanization of our expenditure structure, at the very time when a comprehensive national approach to public service programs is most needed.

To sum up, federal fiscal resources are not limitless, and cannot serve all needs at the same time. The most important policy objectives must be given priority, and the dispersion of funds for secondary and tertiary objectives

be set behind. The "everything-is-important" answer is no solution. The most crucial domestic issue before the federal government is the social integration of the Negro, and the closely related poverty issue. Notwithstanding all the talk, very little has been done to date to meet these needs, and that is the area where fiscal resources should be directed first of all.

State and local governments must play an important part in such an endeavor, and revenue transfers to states and localities will be needed. But these transfers should be assigned and guided as part of a broader program. They should not be applied in a shotgun fashion.

LOVESTONE, MEANY & STATE

AMERICAN LABOR OVERSEAS

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When the AFL-CIO Executive Council, at its meeting in Chicago last August, offered complete and unequivocal support of President Johnson's position in Vietnam, asserting that criticism of the war "can only pollute and poison the bloodstream of our democracy," it was remaining loyal to a conservative foreign policy which the country's major labor organization has followed from the start. This outlook is characteristic of George Meany and his chief adviser on international affairs, Jay Lovestone (director of the AFL-CIO International Affairs Department), as well as Irving Brown, William C. Doherty, Jr., and Andrew C. McLellan. These men have long been associated with the AFL wing of the giant labor confederation and, in active collaboration with the United States Government, they largely determine labor's foreign policy. Moreover, they conduct these very substantial overseas activities almost entirely without consulting the rank-and-file workers who help to subsidize them. To be sure, the International Affairs Department dutifully reports its activities to annual AFL-CIO conventions and throughout the year issues a voluminous barrage of publications. The reports usually either hail the accomplishments of labor's international efforts or warn of the ever-present danger that communism will sweep the free trade union movement of the world. Such rhetoric, however, does not stem from any views the members themselves may have. Instead, the workers tend to accept what the leaders tell them.

The main tenets of organized labor's present foreign policy were established in the early days of the AFL under the leadership of Samuel Gompers. Significant departures from the essential guidelines were nearly always forced responses to specific external events, rather than fundamental and permanent changes in ideas. Nor has successive leadership produced any noticeable shifts in policy.

The major exception to the general truth of this propo-

sition was the international outlook of the CIO unions that broke from the AFL in the 1930s. On the whole, the CIO tended to be less doctrinaire, more flexible, more willing to recognize that changes could be produced by indigenous social conditions, and were not always directed from Moscow. This viewpoint helps to explain the present strain between the leadership of the two major components of the AFL-CIO.

From the beginning, the AFL viewed the international scene in terms of such narrow domestic bread-and-butter issues as overseas competition from cheap labor and cheap goods. Consequently, the federation habitually endorsed measures that would protect it from competition, including immigration restriction, improved world-wide labor standards and, for much of its history, high tariffs on many items produced by constituent unions. But these goals were tied to an outlook which increasingly emphasized the virtues of business unionism, championed liberal capitalism, espoused a conservative trade union program, promoted the export of an AFL style of union, and resisted alternative labor ideologies.

It cannot be denied that the AFL helped to create unions in some areas where virtually no labor movement had existed. This was particularly true in Latin America. In time, it was believed, this development would benefit labor in the United States because the foreign unions would reduce the competition of cheap labor as they forced higher wages from employers. Moreover, higher wages would mean a larger market for many goods produced by union members in the United States. But the unions which the AFL promoted abroad were either patterned after the AFL unions themselves or were politically allied with the American labor federation. Finally, in a number of instances the federation sponsored unions to compete with an already existing labor movement. It initiated activities in other countries

For other insights into the activities of the AFL-CIO in nations abroad see: "Meddling in South America" by Stanley Meisler, *The Nation*, February 10, 1964; "Lovestone Diplomacy" by Sidney Lens, *The Nation*, July 5, 1965.

wherever and whenever it had the resources to do so, and increasingly collaborated with the United States Government in pursuit of common foreign policy objectives.

Records to document these tendencies exist from as early as the first decades of the century and continue to the present. The work of AFL organizers in Latin America and the Pacific after the Spanish-American War, Samuel Gompers' close association with the foreign policy of Woodrow Wilson, and union efforts (temporarily unsuccessful) in Europe during and immediately following World War I are but highlights of this long and conscious involvement in foreign affairs. The death of Gompers and the coming of the depression served momentarily to check labor's foreign activities, but there was no shift in basic policies. What changed was the degree of involvement.

In fact, the AFL's ultraconservative posture was confirmed and its efforts to influence the shape of overseas labor movements and official United States policy were renewed and intensified when the CIO emerged as a competitive force in the mid-1930s. While part of this attitude was in response to CIO activities abroad, especially in Latin America, the character of AFL policy was of its own making. William Green, then president of the federation, and his associates, Matthew Woll, John Frey, Chester Wright and George Meany, strongly opposed the progressive and nationalist Confederation of Mexican Workers (CTM), led by the Marxist-oriented Vicente Lombardo Toledano, and the oil-nationalization program of the Lázaro Cárdenas regime—both of which were endorsed by the CIO. The federation chose instead to support the impotent and conservative Regional Confederation of Mexican Workers (CROM) and those in the State Department who tried to resist the nationalization decrees.

This conservative position was repeated throughout Latin America, Europe and Asia during and after World War II. To be sure, the AFL was an early and vigorous opponent of Fascist and other right-wing authoritarian regimes which set out to destroy *all* trade unions. But it tended to tolerate, and sometimes to embrace, reactionary regimes that were vigorously anti-Communist and that permitted AFL-supported unions to function. Such was the situation after the war in Greece, in the Caribbean and Central America, in Bolivia and in China. Moreover, as the fighting ended, the AFL's campaign in Western Europe, Latin America and Asia received political and economic support from Washington.

Some of this union-government cooperation held over from labor involvement in wartime agencies, especially the Office of Inter-American Affairs (OIAA), headed by Nelson Rockefeller. Men associated with the AFL, among them John Herling, Serafino Romualdi (later in charge of the federation's Inter-American Affairs), Robert J. Watt and David Dubinsky, had either official or unofficial ties with the OIAA. Irving Brown, who probably did more than any other single person to promote AFL objectives in Europe and Africa after 1944, began this involvement as director of the Labor and Manpower Division of the Foreign Economic Administration (FEA) in which he served during the critical months of April to September, 1945. Brown then resigned from the FEA because he believed that

American policy makers in Germany were promoting labor policies which, in his words, served "the interests of the Soviet Union." But this disagreement did not terminate Brown's work for the AFL in Europe, nor end AFL cooperation with the government. In fact, the relationship was eventually formalized and the government leaned increasingly toward the AFL point of view in foreign labor matters.

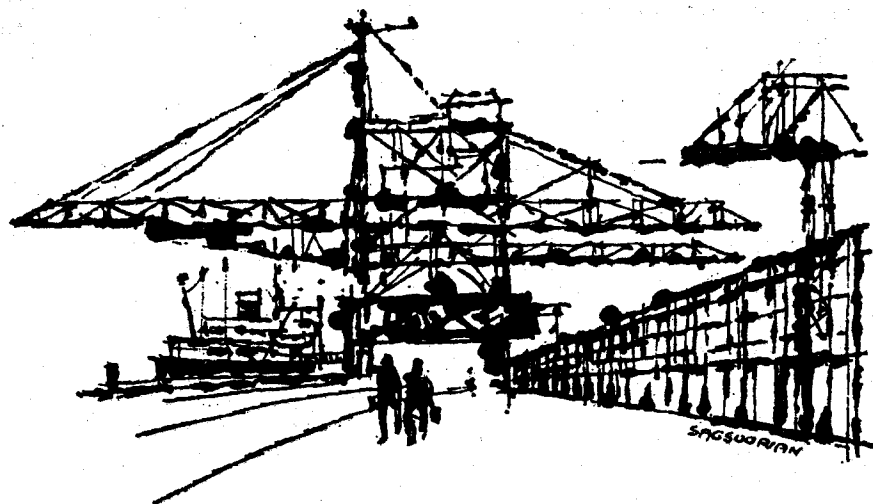
It is important to emphasize that AFL agents were proselytizing in Latin America, Asia and Europe well before it can be seriously argued that the Soviet Union was



Drawing by Anton Refregier

in any active sense intervening in those areas on behalf of Communist labor leadership. Soviet support and direction came after local Communists were already involved in unions on their own, as in France and Italy. Moreover, as even conservative journalists reported, the Communists in Western Europe were quite moderate and cooperated with non-Communist groups until 1947, when East-West relations turned exceedingly cold. The AFL intervened vigorously prior to these developments and did so on its own initiative. The intervention was surreptitious and designed to undermine labor elements already in existence or emerging from the chaos of World War II.

In Latin America the federation simply renewed its historical involvement. George Meany was sent to Mexico in December, 1944, to investigate the possibilities of working with conservative elements of the Mexican CTM in opposition to Vicente Lombardo Toledano and the hemispheric Confederation of Latin American Workers (CTAL) which he now headed. The AFL had changed its position



toward the CTM because it was clearly the dominant Mexican union and because it contained conservative men with whom the AFL might be able to join hands.

While the U.S. Department of State officially divorced itself from Meany's venture, it in fact gave assistance and encouragement. Meany reported on his findings to George S. Messersmith, the American Ambassador to Mexico. A year later, Serafino Romualdi, the official AFL Inter-American representative, traveled extensively through Latin America to seek support for a labor federation that would rival the CTAL. His trip was in part underwritten with public funds, since his ostensible reason for going south was to represent American labor at the regional International Labor Organization (ILO) Conference in Mexico City. State had a say in planning the rest of Romualdi's itinerary.

These events were followed by increased consultation between AFL and State Department officials, in particular Romualdi, Assistant Secretary of State Spruille Braden, and the chief of the division of labor attachés, Daniel Horowitz. From these meetings emerged the Inter-American Confederation of Labor (CIT), predecessor to the present-day Inter-American Regional Organization of Workers (ORIT).

In Europe, the AFL set out to establish anti-Communist cadres through heavy financial assistance, generous political advice and widespread underground activities. Its major instrument was the Free Trade Union Committee (FTUC) whose executive secretary was Jay Lovestone. Lovestone's chief man in Europe was Irving Brown. The method of operation was simple—dual unionism. Thus in France the AFL urged unions to split from the General Confederation of Labor (CGT), and materially assisted the formation of the rival *Force Ouvrière* (F.O.).

Brown also intervened in French strikes. The most famous of these episodes was a strike against the delivery of American arms at French ports in 1949-50. Brown supplied the funds and the manpower to get the material landed and thus helped to defeat the unions involved.

In France, as elsewhere in Europe, AFL showed little patience with those who saw distinctions between various

factions of the Left or who refused to consider all Communists mere Kremlin robots. Thus a long-time labor attaché to Paris, Richard Eldridge—whose knowledge of French labor was extraordinary, and who suggested a more flexible policy in dealing with the French Left—ran into the opposition of the AFL "activists." The whole story of Eldridge, who seems to have had the confidence of American Ambassador Jefferson Caffery, will probably never be known, but he is proof that not all American officials shared the AFL's almost theological view of foreign labor matters.

In Italy, Brown and Harry Goldberg opposed Socialists as well as Communists, and helped to splinter the labor movement in that country too. Similar courses were followed in Greece, Germany and the Orient. Richard Deverall, the top AFL figure in Japan, had previously served with the American military government. The AFL also sent him to India, and Harry Goldberg moved from Italy to Indonesia. The available evidence suggests that a great deal of money was pumped into these missions and that it came from government sources as well from the AFL.

No one disputes the right of the AFL to take whatever political stand its judgment dictates. But what was so disturbing about the ventures cited above was the means the leadership used to approach its goals. First, the AFL became thickly involved in the labor affairs of other nations. This not only violated another AFL principle—the autonomy of labor unions—but it paralleled the very practices of the Communists that the AFL daily condemned. Second, the activity was carried on without the knowledge or prior consent of most rank-and-file union members at home. Third, the AFL increasingly tied its overseas activities to United States Government agencies, including the CIA. None of these developments fitted well into the democratic tradition of American unionism.

Meanwhile, in the increasingly bitter atmosphere of the cold war, the CIO withdrew from the Communist-dominated WFTU and, along with the AFL, affiliated with the International Confederation of Free Trade Unions (ICFTU). Among other things, the agreement between the AFL and the CIO on foreign policy helped to create the climate for their

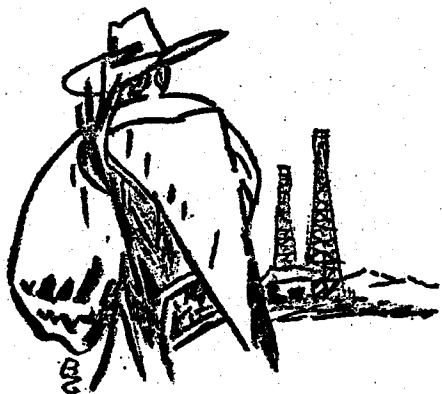
merger in 1955. Although many in the CIO had been disillusioned by their experience with the Communists in the WFTU, what happened in that situation was by no means inevitable. It was rather the outcome of a deteriorating relationship between the United States and the Soviet Union. Nor did the result necessarily vindicate either the premises or the practices of AFL foreign policy. Even so, AFL leaders stepped up their activities after the merger, despite the formal liquidation of the Free Trade Union Committee. Lovestone and his assistants have continued to the present their private espionage efforts abroad and have remained firmly in control of the foreign policy apparatus of the AFL-CIO.

George Meany estimated in 1963 that 25 per cent of AFL-CIO income—"plus a great deal more from our various affiliates—goes into these international activities." But this statement does not suggest the very substantial income from another major source—the United States Government. It has been estimated at \$110 million.

AFL-CIO involvement with official international policy has been expanded also by the increase of government personnel working in the field of international labor relations. By 1965, sixty-five labor attachés were assigned to United States embassies, 125 part-time labor officers and miscellaneous labor personnel were attached to embassies and missions of the Agency for International Development (AID) overseas, and twenty-one persons were employed as full-time workers in the State Department and AID in Washington. Nearly all these employees were cleared for appointment by the AFL-CIO, their militant anti-Communist credentials being scrutinized with particular care.

The attitude of the men who make American labor's foreign policy has produced a continuing dispute between them and Socialist-oriented unions affiliated with the ICFTU. Many in the world labor body would like to see a relaxation of tensions between East and West and less AFL-CIO dominance of the organization. Meany, Lovestone and company decidedly oppose this view. It is this sort of issue that provides the base for argument, not Mr. Meany's alleged quarrel with ICFTU officials over administrative matters or his concern about the personal morals of some ICFTU staff members.

A similar division between the AFL-CIO and the unions



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of other countries has occurred in the ICFTU's Latin American affiliate, ORIT. The AFL's first sustained overseas involvement was in Latin America, and it is still the scene of some of its most extensive activity. This is most dramatically illustrated in the work of the American Institute for Free Labor Development (AIFLD), now directed by William C. Doherty, Jr. (see "Labor Between Bread and Revolution" by Sidney Lens, *The Nation*, September 19, 1966). The AIFLD, with a budget running into the millions, maintains fourteen Latin American field offices and has trained more than 30,000 students in United States union policies, tactics and organizational procedures. Nearly 500 of these students have taken advanced courses in Washington, have been placed on the AIFLD's payroll for nine months after they returned home, and have engaged in political activities in their countries, designed to advance the interests of the AFL-CIO and the United States Government.

The objectives of the AIFLD training schools have been primarily political. Paul K. Reed, former international representative of the United Mine Workers, made this clear in an exchange with the employer of one trade unionist from Bogotá, Colombia. Requesting a year's leave for this man, a union official, in order that he might participate in the AIFLD educational program, Reed declared that "we feel strongly that through the education of the workers it will be possible to halt the wave of communism sweeping through Latin America."

What this means in practice has become all too clear. In British Guiana, the AFL, along with large American corporations, supported the successful opponents of the Cheddi Jagan leftist regime, and in Brazil the AIFLD has cooperated with the military dictatorship of Humberto Castelo Branco. Only recently, Doherty endorsed Castelo Branco during public ceremonies dedicating a housing project largely financed by AID. In the Dominican Republic, federation-supported right-wing laborites helped in 1963 to oust Juan Bosch. The American union activity was so heavy-handed that eventually the Dominicans demanded that Fred Somerford, United States labor attaché, and Andrew McLellan, the ORIT representative, leave the country. Nevertheless, the AFL-CIO strenuously opposed Bosch in the 1966 elections, following American military intervention. It accused Bosch's revolutionary party (PRD), on very little evidence, of being Communist dominated, and leveled the same charge at unions supporting him.

The AIFLD has been a chief supporting instrument of these and other AFL-CIO activities in Latin America. It has also carried on what it calls "social projects," a series of efforts largely financed by the U.S. Government through AID. These include housing developments, worker co-ops, credit unions, banks, apprentice schools, medical clinics and union halls. Many of them are impressive achievements, but all have been channeled to the "proper" political recipients and favored unionists. The money, thus, has been political money, dispensed in accordance with AFL-CIO political objectives.

In these ambitious undertakings, the AIFLD has enjoyed not only the active participation and cooperation of the U.S. Government but also the support of certain

private U.S. firms which have seen a controlled, anti-radical union movement as necessary to their well-being. The board of trustees of the AIFLD includes J. Peter Grace of W. R. Grace and Company, Berent Friele of the Rockefeller Foundation, Charles Brinckerhoff, president of the Anaconda Company, and Juan Trippe, president of Pan American Airways.

AFL-CIO ventures in the area have, of course, been severely denounced by Latin American Communists and some Socialists. But the opposition has not come only from the traditional Left. Supporters of former President Juan Perón of Argentina have been sharply critical and so has a group of labor organizations gathered in a growing organization known as the Latin American Confederation of Christian Trade Unions (CLASC), with its center of operations at Santiago de Chile. CLASC is affiliated with the International Federation of Christian Trade Unions (IFCTU), with European chapters in France, Belgium, Germany, Italy and Holland.

Though still small in numbers (about 50,000 dues-paying members), CLASC is a vigorous competitor of ORIT and a militant opponent of U.S. union activity and what it terms American "imperialism" in Latin America. But CLASC is also strongly anti-Communist and seems to borrow much of its central ideology and appeal from Peronista rhetoric. The emphasis is upon neutralism in the cold war and a revolutionary social program in Latin America. CLASC has been able to cause difficulties for Alliance for Progress trade union operations and thus to force U.S. officials to consider giving it a role in planning Alliance labor policies. This distresses the AFL-CIO, which has charged that CLASC "has traditionally opposed the U.S. type of economic system, has been anti-Alliance for Progress, anti-Organization of American States and anti-Pan Americanism."

However, not all the AFL-CIO leadership shares that estimate. Among those who take an apparently more open-minded view are Walter and Victor Reuther. Indeed, the Reuther brothers and their friends have increasingly objected to the entire Meany-Lovestone foreign policy. This schism has long been suspected, but recently there have been sharp public exchanges between the two groups over such matters as labor's relationship with the State Department and the CIA, the AFL-CIO boycott of the ILO after a Polish delegate was elected president, the role of the AFL-CIO in the Dominican crisis, the federation's position on Vietnam, and its foreign policy theories and tactics in general.

The latest meeting of the executive council on November 14 confirmed AFL control of organized labor's foreign policy. Walter Reuther, for reasons which are not yet entirely clear, chose not to attend the council meeting, which endorsed the entire eleven-year foreign policy record of the merged federation. *The New York Times* reported that when Mr. Meany was asked whether this meant that the council felt it had made no mistakes whatsoever during this period, he replied: "Yep"—a response which may be taken to indicate that the Meany-Lovestone outlook has become more rigid than ever.

By openly disputing the position of Meany and Lovestone,



Walter Reuther has probably risked his chances to succeed Meany as AFL-CIO president, but perhaps he has also set up the nucleus of a leadership able to challenge the established foreign policy of organized labor. He may elect to do this by dissociating the United Auto Workers from the foreign policy of the national labor federation, and by adopting an independent stand. It has been suggested that Reuther's absence from the November 14 meeting of the council was a first step in that direction. Whatever the strategy, Reuther could possibly provide a different direction for labor's international activities and also restore a portion of a badly damaged democratic labor tradition.

The alternative that Reuther represents is urgent for another and perhaps still more important reason. The present foreign policy of the federation contributes to an increased cold-war military build-up in the United States, because it emphasizes military responses to situations abroad. From Vietnam to the Dominican Republic, the AFL-CIO has endorsed the use of armed force. In so doing, American labor places its own hopes for domestic economic and social advance in severe jeopardy.

Contrary to official proclamations from Washington, the U.S. cannot have its guns and butter too. Already the Great Society programs have been slashed. That fact should be emphasized now, before anyone rushes to the defense of the Administration by ascribing those cuts to a future political consequence of Republican election successes. The cutbacks began long before last November and are mostly the result of the stepped-up war in Vietnam.

In the long run, American labor does not benefit from this situation, even if some workers in defense-oriented industries are temporarily the richer. The war boom must finally end, but it may not do so before conditions are created which deprive workers of important social programs, result in a postwar depression, or continue the military build-up to logical and totally disastrous consequences.

So, in the end, foreign policy and domestic politics are closely allied, and the AFL-CIO cannot pretend otherwise without injury to itself. From every point of view, therefore, it becomes a concrete and moral imperative for American labor to revise its assumptions about the role and goals of American labor abroad.