

**“USEFUL FOOLS” AS DIPLOMATIC TOOLS: ORGANIZED LABOR AS AN  
INSTRUMENT OF US FOREIGN POLICY IN LATIN AMERICA**

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## **ABSTRACT**

This paper analyzes the role played by organized labor in the formulation and conduct of US foreign policy in Latin America, with particular reference to the field of labor relations and the promotion of democracy in the region. It first traces the historical presence of US labor in Latin America, then moves to a disaggregated analysis of the ideological and economic bases of its foreign policy approach towards the region, an examination of the primary vehicles and instruments used in pursuit of its regional objectives, and brief case summaries as illustrative examples. The paper argues that for both ideological and economic reasons US labor has historically played a negative role in promoting democracy in the region, and in fact has actively engaged in subverting democratic regimes when these did not adhere to the type of economic and ideological guidelines advocated by the US government or the AFL-CIO. However, as a result of the adverse consequences of this traditional stance and of a changing international economic and political climate since the mid-1970s, organized labor has shifted towards a more consistent support for democracy for pragmatic rather than activist reasons. Consequently it now has the potential to be a major promoter of open government and democratic labor relations in Latin America.

## **RESUMEN**

Este artículo analiza el rol desempeñado por los sindicatos norteamericanos en la formulación e implementación de la política exterior de los Estados Unidos hacia América Latina, haciendo especial referencia al ámbito de las relaciones laborales y la promoción de la democracia en la región. El análisis delinea primero la presencia histórica de los sindicatos norteamericanos en América Latina. Luego, se analizan las bases económicas y sociales de su política exterior hacia la región, examinando los principales vehículos e instrumentos usados para la obtención de sus objetivos, ilustrados a través de breves estudios de casos. El artículo concluye que, debido a razones económicas y sociales, los sindicatos norteamericanos han jugado históricamente un papel negativo en la promoción de la democracia en la región, habiéndose empeñado activamente en subvertir regímenes democráticos cuando éstos no se adherían a la línea ideológica y política definida por el gobierno norteamericano o la AFL-CIO. Sin embargo, como consecuencia de los resultados adversos de esta postura tradicional y del cambio del clima político-económico internacional, desde mediados de los años setenta, los sindicatos han apoyado consistentemente la democracia, aunque por razones más bien pragmáticas que activistas. El autor concluye que este cambio de actitud hace del sindicalismo norteamericano promotor potencial de un gobierno abierto y de relaciones laborales democráticas en América Latina.

## **Introduction**

The role played by organized labor in the formation and implementation of US foreign policy has been a not very visible but important aspect of modern international relations. Accused on one side of being an imperialist agent dominated by obsessive anti-communism and anti-nationalist perspectives that slavishly respond to the ideological, economic, and security concerns of US government and business, North American labor has also been defended as a promoter of human rights, shop floor democracy, equitable socioeconomic and political development, and pluralist labor relations throughout the globe. Both versions of reality have been evident in Latin America, where the US labor presence has strong historical roots that assumed greater prominence in the aftermath of World War II.

This paper explores the role played by US organized labor in the conduct of US foreign policy towards Latin America, concentrating on its ideological and economic foundations, the vehicles and instruments utilized to further its ends, and the overall impact these have had on the prospects for democracy in the region.

### **I. Historical Background**

US labor's interest in Latin America began to take shape in the aftermath of the Spanish-American war. Concerned with potential competition from unorganized labor in the Philippines, Cuba, and Puerto Rico, in 1898 the American Federation of Labor (AFL) announced that it would support unionization efforts throughout the Western Hemisphere. AFL president Samuel Gompers worked hard to promote the emergence of AFL-affiliated unions in the former Spanish colonies, often in the opposition to local unions that were nationalist, anarchist, or classist in nature. This responded to a political view that saw all non-US supportive ideologies in Latin America as threats to US national security, and an economic view that saw Latin America as the preferred sphere of influence for US-based capitalist expansion. The pattern of opposition to nationalist or classist unions on economic and political grounds was to be accentuated and extended throughout the region during the course of the next half century.

Following a series of talks between the AFL and the Confederación Regional de Obreros Mexicanos (CROM), in 1918 the Pan American Federation of Labor (PAFL) was created in response to the regional activities of the Marxist Industrial Workers of the World (IWW). On matters of substance, the PAFL maintained a "...policy squarely in harmony with the policies of the

American Federation of Labor.”<sup>1</sup> Thus from the first days of its involvement, US labor’s interest in supporting regional labor organizations was based upon Latin American union support for the AFL position on issues of mutual concern, something that generated conflicts with non-aligned Latin American unions.

Born out of joint economic and security concerns that transcended labor interests strictly defined, the seeds for US labor and government cooperation in the field of Latin American foreign policy were also sown early in the century. US labor initiatives in the region were closely linked to US government objectives, which underwrote the AFL’s policy in Latin America.<sup>2</sup> According to Gompers, “(t)he fundamental policy...pursued in organizing the Pan American Federation of Labor is based upon the spirit of the Monroe Doctrine, to establish and maintain the most friendly relations between the *governments* of the US and Pan American countries.”<sup>3</sup>

Gomper’s death in 1924 (he fell gravely ill at a PAFL Congress in Mexico City) spelled the end of the PAFL as a viable regional organization. The last PAFL congress, poorly attended, was held in 1930. The onset of the Depression forced a retrenchment of the US union movement that shifted its attention away from foreign affairs in general. Also adversely affected by the Depression, PAFL-affiliated Latin American unions were unable to make up the difference created by the loss of US funding, and financial support for the PAFL languished. This allowed nationalist and classist union currents to make inroads throughout the region during the interwar period. An anarchist confederation, the Continental Workers Association (CWA), was established in 1928 as a regional branch of the International Workers Association (IWA). A communist confederation, the Latin-American Union Confederation (LUC), was established in 1928 as part of the Red Union International created at the Third Communist International held in Moscow in 1920. However, internal cleavages prevented both organizations from consolidating, and both collapsed by the mid 1930s.

Marxist efforts to establish regional labor confederations prompted the AFL to respond in 1934 by attacking “agents of radical and revolutionary European organizations” that were attempting “to destroy the confidence which Latin American workers had” in the AFL.<sup>4</sup> Opposition to independent unionism in Latin America took on special urgency in the AFL after the creation of the Congress of Industrial Organizations (CIO) in 1935. The CIO was comprised of a

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<sup>1</sup> Santiago Iglesias, former leader of the PAFL, quoted in George C. Lodge, *Spearheads of Democracy: Labor in Developing Countries*. NY: Council on Foreign Relations, 1962, p. 23.

<sup>2</sup> See R. Radosh, *Labor and United States Foreign Policy*. NY: Random House, 1969; and J. Scott, *Yankee Unions go Home! How the AFL Helped the U.S. Build an Empire in Latin America*. Vancouver: New Star Books, 1978.

<sup>3</sup> S. Gompers, *Seventy Years of Life and Labour*. N.Y. Dutton and Co., 1948, cited in Scott, p. 176.

<sup>4</sup> Proceedings of the 1934 AFL Annual convention, cited in Scott, p. 177, and Radosh, p. 354.

coalition of dissident and independent labor unions that included elements tied to the Communist Party, and who challenged the conservative, craft-based leadership of the AFL (by that time led by George Meany). With CIO support, the Confederación de Trabajadores de América Latina (CTAL) was established in 1938 to replace the defunct PAFL. Since it was affiliated with the IWW and later the Marxist-oriented World Federation of Trade Unions (WFTU), the AFL denounced CTAL as communist. At the same time that it struggled with the CIO on the domestic front, the AFL opposed CIO-backed moves such as the 1938 Mexican oil nationalization decree and its support for labor opposition to the Mendieta dictatorship in Cuba. This weakened the AFL position in the eyes of Latin American unionists while simultaneously strengthening that of the CIO, which capitalized on its increased stature by creating a standing committee on Latin America in 1939. (The AFL only created a Latin American Department in its International Affairs Office after World War II.)

The outbreak of World War II renewed US labor and government interest in Latin America, again out of a joint sense of shared political, security, and economic concerns that went beyond labor issues proper. The joint interest in combating the fascist threat led US labor and the government into a defensive tactical alliance with the socialist camp. The AFL and US government reversed their position of opposition to the IWW, CTAL, and other Socialist or Communist organizations, and instead extolled their virtues as antifascist allies. This was manifested in the Antifascist Latin American Labor Front created in 1943, which included CTAL and representatives of US, British, and Soviet unions, as well as a host of non-CTAL affiliated Latin American unions. The need for tactical expediency did not prevent the AFL, with US government support, from engaging in efforts to undermine CTAL at the very same time it was ostensibly collaborating in the antifascist struggle. During the war years Meany and other AFL representatives sponsored by the US government traveled to Latin America to establish “back door” contacts with non-CTAL affiliated unionists, who were then included in travel exchanges with US unions. The most persistent efforts in this regard were undertaken by Serafino Romualdi, a refugee from Italian fascism recruited out of the International Lady Garment Workers Union (ILGWU) for service in the OSS and later the staff of the Office of Interamerican Affairs (OIAA) in the State Department. The AFL appointed Romualdi as a roving “labor ambassador” to Latin America at the end of the war, while he was still on the staff of OIAA, and for the next twenty years he was the primary architect of its Latin American policy. From 1943 through 1947, Romualdi traveled the region extensively as he cultivated a network of pro-US unionists as an alternative to CTAL and its affiliates. His efforts paved the way for an eventual split with CTAL once the antifascist front was no longer needed. More generally, it was at this time that US labor participation in the foreign policy apparatus was formally institutionalized with the creation of Labor

Attach positions (most originally posted in Latin America) and various agencies in the Departments of Labor and State that addressed issues of international labor policy.<sup>5</sup>

Efforts to cultivate pro-US union support bore fruit in 1948, when the Confederación Interamericana de Trabajadores (CIT) was formed as an alternative to CTAL. A year later, the CIT allied itself with the anticommunist world labor federation backed by the AFL known as the International Confederation of Free Trade Unions (ICFTU). The CIO, after a brief dalliance with the WFTU (to which CTAL belonged), defected and joined the AFL at the creation of the ICFTU in 1949. This followed the purge of Marxists from the CIO begun in 1946 and carried out through the early 1950s, which preceded its unification with the AFL in 1955. Following the ICFTU mandate to promote regional organizations, in 1951 CIT was reincorporated as the Organización Regional Interamericana de Trabajadores (ORIT), becoming the ICFTU regional affiliate in Latin America. As was the case with the PAFL, ORIT was initially more of an instrument of the AFL than a regional labor confederation, and in that capacity responded closely to the anticommunist, probusiness directives of the AFL's foreign policy worldwide. Unlike PAFL, ORIT has continued to enjoy support and among Latin American unionists to this day.

Another postwar creation that has helped promote US labor interests abroad is the network of Free Trade Secretariats (FTS), world groupings of industrial unions arrayed by industrial sector or functional activity. These confederations act as international sounding boards for national union grievances. Headquartered in Europe and linked to the ICFTU, the FTSs (later known as International Trade Secretariats or ITSs) established Latin American offices in the mid-1950s. As with the ICFTU, the FTS/ITS network relied heavily on AFL-CIO affiliates for funding, making them very responsive to US labor's economic and political interests in the region. Where ORIT focused on the national confederational level, the FTS's emphasis was at the level of sectoral or industry federations, complementing the broader thrust of ORIT policy. Their utility as a political instrument was underscored by a US Labor Department official in the late 1950s and early 1960s, who noted that: "ITS flexibility, inner cohesion, and conviction makes the Secretariats especially effective anti-Communist organizations in the so-called neutralist areas, and thus extremely important to US objectives."<sup>6</sup>

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<sup>5</sup> On the formalization of US labor and government ties during this period, see Serafino Romualdi, *Presidents and Peons: Recollections of a Labor Ambassador in Latin America*. NY: Funk and Wagnalls, 1967, pp. 72-73; H. Spaulding, "U.S. and Latin American Labor: The Dynamics of Imperialist Control," *Latin American Perspectives*, V.3, N.1 (Winter, 1976), p. 48; and US Senate, Committee on Foreign Relations, Subcommittee on American Republics Affairs, *Survey of the Alliance for Progress: Labor Policies and Programs*. Washington, DC: Senate Document 17, 91st Congress, 1st Session (12844-2), Government Printing Office, 1969 (hereafter referred to as "Senate Document 17-91").

<sup>6</sup> Lodge, pp. 73-74.

Concerned that Latin American representation within ORIT and the different FTSs created divisions over matters of policy that would hinder the formulation of an effective regional labor program, in the 1960s US government officials and labor leaders saw the need to create a purely North American-operated labor vehicle in order to better combat the growing communist threat. In 1962 the AFL-CIO founded the American Institute for Free Labor Development (AIFLD) in response to perceived Castroite infiltration of the Latin American labor movement. On political and economic grounds it was held to reflect "...the unique pluralism and consensus in American society: Labor-Government-Business."<sup>7</sup> Beyond institutionally promoting class collaboration, AIFLD was projected as the US labor counterpart to ORIT and the FTSs, in which the North American approach to labor relations could be directly transmitted to Latin America through AIFLD field offices, educational programs, social projects, and extension facilities. This direct approach was designed to circumvent the more diluted and fractious activities of ORIT and the FTS network which, although supportive of the US position on labor matters in general, could not be counted on, due to the heterogeneous nature of its constituency, to adhere consistently to US anticommunist policy directives.

AIFLD's role in the implementation of AFL-CIO Latin American policy grew throughout the 1960s. Superseding the activities of ORIT and the FTS/ITS network, "AIFLD became the principal instrument of the US government for supplying technical assistance—education and training and social projects—to Latin American trade unions."<sup>8</sup> Its activities extended beyond that. AIFLD collaboration with the CIA in abetting the rise of conservative authoritarian regimes in Brazil in 1964, the Dominican Republic in 1965, and Chile in 1973 has been well documented, following earlier revelations of AFL-CIO-CIA complicity in a variety of covert operations, including the overthrow of labor-backed elected regimes in Guatemala and British Guyana.<sup>9</sup>

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<sup>7</sup> American Institute for Free Labor Development, "Progress Report to the President's Labor Advisory Committee on Foreign Assistance," March, 1967. Cited in Senate Document 17-91, p. 582.

<sup>8</sup> *Ibid.*, p. 581.

<sup>9</sup> For recounts of these activities, see among others, H.A. Spaulding, Jr., *Organized Labor in Latin America*. New York: New York University Press, 1977; Spaulding, "U.S. and Latin American Labor...", H.W. Berger, "Union Diplomacy: American Labor's Foreign Policy in Latin America, 1932-1955," Unpublished Ph.D. Dissertation, University of Wisconsin, 1966; G.C. Ross, *El Neocolonialismo Sindical*. Buenos Aires: Editorial La Linea, 1974; D. Torrence, "American Imperialism and Latin American Labor, 1959-1970: A Study of the Role of the Organización Regional Interamericana de Trabajadores in the Latin American Policy of the United States," Unpublished Ph.D. Dissertation, Northern Illinois University, 1975; J. Steinsleger, *Imperialismo y Sindicatos en America Latina*. Puebla, Mexico: Universidad Autonoma de Puebla, 1976; F. Hirsch, *An Analysis of Our AFL-CIO Role in Latin America, or Under the Covers with the CIA*. San Jose, CA, n.d., 1974; K.P. Erickson and P.V. Peppe, "Dependent Capitalist Development, U.S. Foreign Policy, and Repression of the Working Class in Chile and Brazil," *Latin American Perspectives* V.1., N.1 (Winter, 1976). A recent summary is offered in H.A. Spaulding, Jr. "Solidarity Forever? Latin American Unions and The International Labor Network," *Latin American Research Review* V.25 N.1 (Summer, 1989).

The rapid expansion of AIFLD's role and presence in Latin America responded to the requirements of the Alliance for Progress which, along with the exportation of counter-insurgency tactics and military assistance packages, included labor-oriented projects as part of its socioeconomic development program. AFL-CIO president George Meany was appointed chairman of the Labor Advisory Committee (LAC) to the Alliance for Progress, which shaped the content of AIFLD's programmatic thrust in the region. Following LAC guidelines, AIFLD educational, social, and economic projects were implemented throughout the hemisphere in conjunction with US government developmental programs administered by AID, the Peace Corps, the International Development Bank, and other agencies involved in the Alliance for Progress.<sup>10</sup>

Although AIFLD influence among Latin American unions increased considerably throughout the 1960s, the seeds of discontent with the thrust of its programs sprouted within and without the United States. In the United States, foreign policy divisions originated in the AFL-CIO over the issue of support for the Vietnam War. Walter Reuther, head of the Union of Autoworkers (UAW) publicly disagreed with George Meany's support for the war and, after withholding dues in protest, the UAW was suspended from the AFL-CIO in 1968.<sup>11</sup> In Latin America, AFL-CIO, AIFLD, and ORIT collaboration with the CIA in support of anti-labor authoritarian regimes fostered serious opposition within local union ranks. Reuther used revelations about these connections to challenge the whole basis of the AFL-CIO's foreign policy, its bureaucratic nature, and Meany's leadership. The result was an erosion of regional support for ORIT and AIFLD activities beginning in the late 1960s, which coincided with a more general reappraisal of the US role in world affairs in the age of superpower detente.

In 1969-1980 a series of developments unrelated to Latin America set the stage for a major shift in the AFL-CIO approach towards the region. In 1969 the AFL-CIO Board of Directors voted to withdraw from the ICFTU because of its alleged reapproachment with communist unions and, more pointedly, because the ICFTU was considering the dissident UAW's application for admittance. Since the ICFTU would not submit to the AFL-CIO's demands to harden its line on communism and dismiss the UAW petition, the AFL-CIO eventually withdrew from the ICFTU. The AFL-CIO did not rejoin the ICFTU until 1982, and during the interim major changes occurred within the ICFTU that had a decided impact on ORIT. The withdrawal of the AFL-CIO from both organizations removed their major sources of funding and ideological influence. In its absence, the ICFTU increasingly came under the influence of European Social and Christian Democratic thought, as these views gained credence in Europe and Latin America as a middle ground

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<sup>10</sup> A summary of these is offered in Senate Document 17-91, pp. 601-655.

<sup>11</sup> On this, see A.O. Hero and E. Starr, *The Reuther-Meany Foreign Policy Dispute: Union Leaders and Members View World Affairs*. Dobbs Ferry, NY: Oceana Publications, Inc., 1970.

between Stalinism and reflexive US anti-communism. The emergence of this ideological middle road found echo in the political platforms of the Acción Democrática (AD) and COPEI governments of Venezuela and the major Venezuelan labor confederation, the Confederación de Trabajadores Venezolanos (CTV), as well in the positions of various party and labor currents in and out of office in Costa Rica, Colombia, Ecuador, Peru, and Mexico.<sup>12</sup>

At the same time, AIFLD was forced into a position of retreat and retrenchment, having to downscale many country programs in the face of charges that it was a CIA front. AIFLD's prestige was especially tarnished by congressional revelations that it was involved in the 1973 *golpe* that ousted Salvador Allende in Chile. Placed under the light of suspicion, AIFLD diminished its regional presence during the course of the 1970s, a process eased by the appearance of repressive military authoritarianism in many Latin American countries. In the mid 1970s, confronted by the failure of its Latin American policy and the advent of a Democratic administration, the AFL-CIO switched to a position of support for human rights issues, especially with regard to rights of association and due process for persecuted labor unionists. The AFL-CIO endorsed the Carter administration's human rights policy, and from 1976-1980 worked with the State Department to support the cause of imprisoned labor leaders in the Southern Cone and Central America. In the late 1970s and early 1980s the AFL-CIO advocated boycotts of Argentine, Chilean, and Uruguayan products, and lobbied hard for restrictions on military and economic assistance to these countries as well as to the Central American autocracies. The shift in AFL-CIO foreign policy perspective followed the traditional pattern of taking the lead from the US government on issues of regional policy, rather than a genuine policy shift *per se*. Even so, when a wave of (re)democratization swept the region in the 1980s, US labor was in a position to reassert its ties to Latin American unions, although for ideological and practical reasons not in the measure seen previously.

For one thing, the situation of US labor had changed. With the advent of the Reagan administration, labor no longer enjoyed the favor of the US government. Economically, the recession of the late 1970s and early 1980s seriously weakened US labor's strategic position. In Latin America, even greater alterations in economic and social structures made local unions less receptive to unilateral North American labor dictates. The history of AFL-CIO regional involvement had clarified to Latin American unionists the nature of US labor's objectives, at a time when the AFL-CIO was forced into a defensive position at home. Both of these factors mitigated against the AFL-CIO reassuming a major role in hemispheric labor affairs. Even today, AIFLD influence is most strongly felt in the later-developing microcountries of Central America where the United States

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<sup>12</sup> J. Godio, *Historia del Movimiento Obrero latinoamericano*, V.3, Caracas: Editorial Nueva Sociedad, 1985, pp. 260-270.

government has invested heavily, and least felt among the more independent unions of South America.

Nevertheless, there are signs of a more durable change in the US labor's Latin American policy. AFL-CIO/AIFLD efforts to improve working conditions in Central America, even if made for ideological and strategic reasons, have slowly helped pave the way for the rise of nascent democracies in the region during the last two decades. Cooperative programs, land reform and educational projects, sanitary assistance and training, plus a wide range of other projects coordinated by AIFLD, AID, and the Peace Corps, have helped promote limited worker empowerment and some forms of economic and political emancipation in these countries. This was tragically underscored by the murder of two US AIFLD land reform advisors by a right-wing death squad in San Salvador in 1981, which demonstrated that not only the radical left has reason to oppose AIFLD.<sup>13</sup>

The point to be emphasized is that for internal and external reasons, as of the late-1970s US labor's influence on US-Latin American policy and regional labor organizations waned at the same time that it was forced to abandon its traditional foreign policy stance and adopt less interventionist and manipulative approaches towards labor relations and political issues in the region. The shifting international labor market and ideological climate at home, as well as political and economic realignments abroad, forced the AFL-CIO to reevaluate the ideological foundations of its foreign policy. With the decline of US regional hegemony and the end of the Cold War, the AFL-CIO found it necessary to reconstruct a more flexible international vision in order to better serve its economic and political interests.

## **II. Ideological Bases of US Labor's Latin American Policy**

The ideological foundations of US labor's Latin American policy must be disaggregated in order to reveal the two distinct perspectives that comprise it. The first is labor's political perspective, particularly its ideological orientation and international political-military outlook. The second is labor's economic perspective, here phrased as labor's material interests in the region and its view of the role of labor unions as collective agents in the international and national markets. Although intertwined and reinforcing, we examine each perspective separately before reincorporating them into a single ideological framework.

### **1. Political Perspective**

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<sup>13</sup> For a discussion of the AFL-CIO/AIFLD role in El Salvador, see W. Bollinger, "El Salvador" in G.M. Greenfield and S.L. Maram, eds., *Latin American Labor Organizations*, Westpoint, CT., Greenwood Press, 1987.

The political basis for US labor's foreign policy approach towards Latin America has its origins in the strategic perspective outlined in the Monroe Doctrine.<sup>14</sup> US labor traditionally viewed Latin America as part of the US's preferred sphere of influence, where US economic, military, and political interests would take precedence. This view held that extra-hemispheric attempts to make political and economic inroads in Latin America were dangerous to US security. In that light, US labor had a role to play in preventing such threats from finding root in the region's working classes. US labor's political approach to Latin America was consequently founded upon a defensive premise: resistance to extra-hemispheric political influences, specifically those of a "totalitarian" nature. This policy of opposition to extra-hemispheric forces took on special importance during the First World War and, as mentioned earlier, was a major impetus for the creation of the PAFL. To the defensive, "anti-totalitarian" political base was added concrete military security concerns about threats from the south instigated from abroad, an emphasis that continued uninterrupted for the next sixty years.

What did shift over time was US labor's perception of these totalitarian threats. This closely paralleled US government assessments of the global political-military balance, which led easily to government-union cooperation in the field of foreign policy in general, and on issues of Latin American policy in particular. During World War I, the emphasis was on the totalitarian threat of the Axis powers and the Bolsheviks; during the interwar years up until 1939 the focus was on Soviet communism and its international expansion; from 1939 to 1945 the emphasis shifted towards combatting the European and Japanese fascist menaces, and from 1946 to the present the emphasis has been on opposition to international Marxism-Leninism and nationalist-populist movements such as Peronism in Argentina, Vargism in Brazil and, more recently, Noriega's military populist coalition in Panama.

As mentioned, US labor was by no means uniform in its international political perspective. The AFL, following its historical line, remained closely aligned with the foreign policy of the US government throughout the interwar period, particularly during the Roosevelt administration. The CIO was divided between three ideological tendencies with different foreign policies. The right-wing faction adopted a political perspective much like that of the AFL, and was closely identified with the Roosevelt administration. The left-wing current, comprised of Communist Party members, adhered to the Soviet Party line on matters of international affairs. The isolationist wing, headed by John L. Lewis, advocated a retreat from European affairs and a consolidation of US ties

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<sup>14</sup> Samuel Gompers stated that the PAFL represented a means of safeguarding Latin America's "autonomous independence" from the "insidious attempts of autocratic forms of government" located outside the hemisphere," which if successful in their efforts would ensure that the "Monroe Doctrine and all that it implies (would) be destroyed and thrown to the four winds." S. Snow, "Samuel Gompers and the Pan-American Federation of Labor," Unpublished Ph.D. Dissertation, University of Virginia, 1960, cited in Radosh, p., 352, and Proceedings of the 1913 AFL Annual Convention, cited in Scott, p. 173. Also see Spaulding, 1977, p. 253.

with Latin America in the interests of securing a steady source of raw materials and a stable market for US industry.<sup>15</sup>

In 1939 events on the continent forced a shift in US union strategic perspectives. That year the USSR and Germany signed a Non-Aggression Pact. The CIO left-wing retreated from its previous position of support for a united front against fascism (which had included advocating a quarantine of Germany, Italy, and Japan), and moved to a position of isolationism and neutrality. This aligned the left-wing with Lewis' isolationist bloc in the CIO, which lasted until mid-1941. During the course of 1939 and 1940, the increasing threat posed by Nazi aggression in Europe and Japanese militarism in Asia consolidated the alliance of the AFL and CIO right wing in support of the Roosevelt administration's antifascist efforts, with both groups steadily gaining membership support at the expense of the left-wing/isolationist bloc. In 1940 the CIO right-wing defeated Lewis and his supporters in elections for the CIO national leadership. In June 1941 Germany attacked the U.S.S.R., and the CIO left-wing abandoned its policy of neutrality and isolationism in order to join the CIO right-wing and AFL in calling for total support for war against the fascist powers. With the December 7, 1941 Japanese attack on Pearl Harbor, the last vestiges of isolationist sentiment were swept aside and the three CIO currents joined with the AFL in support for the US government's move to a war economy. This was done to preserve labor peace at home while fighting on the antifascist front abroad.<sup>16</sup> The consolidation of US labor's political perspective served to strengthen union-government ties on issues of foreign policy, which resulted in the institutionalization of labor's presence in the foreign policy apparatus. It also established the bases for the unification of the two US labor confederations following the war in the aftermath of the purges of Marxists undertaken in the CIO as the Cold War deepened.

The AFL led the anticommunist labor crusade in Latin America immediately after the war. AFL regional activities were primarily directed towards promoting divisions within CTAL so that, given enough encouragement, there would emerge a consensus in support of the "eventual organization of an inter-American labor body, composed of free, independent, democratic unions."<sup>17</sup> The anticommunist foundation of the AFL's Latin American policy was clearly expressed at the 1946 National Convention, when its Committee on International Relations declared that "(w)e cannot exaggerate the vehemence and vigor with which the communists in Latin American have been conducting their campaign of vilification against the democratic ideals and the champions of the democratic way of life."<sup>18</sup> By "champions of the democratic way of life"

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<sup>15</sup> Scott, pp. 193-196.

<sup>16</sup> Ibid.

<sup>17</sup> Memorandum from S. Romualdi to M. Woll, FTUC Chairman, December 18, 1943, cited in Romualdi, p. 8.

<sup>18</sup> Proceedings of the 1946 Annual convention, cited in Scott, p. 213.

the AFL was presumably referring to the US government and labor, since at the time democratic regimes in the region were few and far between.

The fervor of the AFL's anticommunist crusade placed it to the right of the US diplomatic apparatus. This was because the State Department felt obligated to remain neutral with regard to the AFL-CIO conflicts over national leadership of the US labor movement and, in the years leading up to the Marshall Plan and Truman Doctrine announcements of 1947, wanted to downplay its commitment to the anticommunist struggle in order to reach some form of workable truce with the Soviet Union. As a result, many in the AFL accused the State Department of being "soft" on communism. Romualdi, in complaints that were to presage the McCarthy tactics of the 1950s, publicly accused the Latin American Division of the State Department in 1946 of containing people who had "...far too long remained silent and continue to remain so. If not openly allied, they are definitely supporting groups in Latin America who are enemies of the American way of life and who are followers of the Communist Party line."<sup>19</sup> Thus, although support for democracy and "free" trade unionism was introduced as a labor foreign policy objective after World War II, it remained tied to a defensive, anticommunist perspective that saw the eradication of the Marxist threat as the foremost foreign policy goal of the United States.

The Truman administration responded strongly to the AFL's calls for anticommunist action in Latin America. In 1946 the US government proposed the establishment of military training and exchange programs involving US and Latin American armed forces, an act which paved the way for the establishment of the Inter-American Defense Treaty of 1949. This was followed by a reorganization in the State Department that served to better align its Latin American and labor divisions with the thrust of AFL policy. In 1947, following a series of meetings with high-ranking State Department officials, Romualdi noted that "the attitude of the State Department towards our efforts to combat Communist and other totalitarian influences in Latin America will from now on be not only sympathetic but cooperative...the International Labor Division of the department had undergone a radical change...in the future it (would) be guided by different policies."<sup>20</sup> In July 1947, a policy of active cooperation was agreed upon between the AFL and the State Department, an arrangement that Romualdi felt was "most satisfactory."<sup>21</sup>

The reference to other totalitarian influences was a clear allusion to ideologies such as national populism. The specter of nationalism greatly concerned US policy makers, particularly when it was instilled in the working classes, for as John Foster Dulles was quoted as saying, "nationalism is the doorway to communism."<sup>22</sup> This view was reaffirmed in the 1960s by AIFLD,

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<sup>19</sup> Romualdi, p. 72.

<sup>20</sup> Ibid., p. 73.

<sup>21</sup> Ibid.

<sup>22</sup> Quoted in Godio, V. 3, p. 114.

which claimed that communists used “so-called ‘national liberation’ in a way such that social revindications give way to anti-U.S. action.”<sup>23</sup> Although this view may well reflect insight into the thrust of postwar Marxist revolutionary strategy (since both Marxist-Leninist and Maoist thought held that the best form of making a revolution was via a nationalist, anti-imperialist war that could later open the doors to socialist control), it failed to understand the precise nature of nationalist sentiment in many Latin American countries, which was anything but Marxist-oriented. Moreover, it subordinated support for democratic institutions to the dictates of the “anti-totalitarian” logic. Thus anti-Marxist and antinationalist views rather than an interest in democracy *per se* converged to form a “prodemocratic” or “free” trade union perspective that was oriented towards steering the Latin American masses away from totalitarian beliefs, both indigenous and foreign.

The Cuban Revolution magnified US fears that Marxism was gaining ground in Latin America, and redoubled US labor’s efforts to prevent that from occurring. As AIFLD official William Doherty stated in 1966, “In Latin America, the key question of our times is the future road of their revolution: toward Communist totalitarianism or toward democracy. For the American labor movement this is one of the paramount, pivotal issues; all other questions...must remain secondary. This is the direct challenge confronting free trade unionists.”<sup>24</sup> Given the ideological consensus on the part of the labor leadership, business leaders, and the US government around the issue of anti-communism, it was easy for them to jointly advocate international programs that would include a procapitalist labor component as part of “democratization” efforts. The Alliance for Progress was one such effort.

The conservative political thrust of the AFL-CIO’s Latin American policy continued until the mid-1970s. At that time, shaken by the compound effects of Watergate, the Vietnam War, revelations of AFL-CIO involvement in CIA activities in Latin America and elsewhere, and the sequels to the Meany-Reuther clashes over foreign policy,<sup>25</sup> many affiliate unions began to question the legitimacy and utility of that policy. Changes in the US economy, particularly in the composition of the unionized work force via the growth of service unions and the entrance of women and minorities into the labor market, gave added voice to the foreign policy debate within the AFL-CIO. These differences came to a head after a wave of military-bureaucratic authoritarianism swept South America in the 1960s and 1970s, where AIFLD complicity in their rise was not rewarded with the establishment of “free” and “democratic” unions, but with the whole-scale repression of unions in general, regardless of ideological identification.

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<sup>23</sup> AIFLD, “Educación Sindical. E. Movimiento Obrero en las Américas,” V. 1. Mexico, D.F. n.d., p. 74, cited in Ross, *El Neocolonialismo Sindical*, p. 74.

<sup>24</sup> “Town Hall Speech,” *AIFLD Report*, June 1966, quoted in Senate Document 17-91, p. 585.

<sup>25</sup> See Hero and Starr, *passim*.

Differences over foreign policy within the AFL-CIO have most recently been seen with regard to US Central American policy, and were openly expressed during the 1985 and 1987 AFL-CIO conventions. The 1985 debate was the first open floor discussion of a foreign policy issue at an AFL-CIO convention, and in 1987 over fifty percent of the membership opposed the federation's Central American policy platform. Bureaucratic rationales must now be defended before the membership, which in turn has forced the AFL-CIO foreign policy hierarchy to open up to new sources of rank and file input and compromise on several issues.<sup>26</sup>

In the 1980s, US labor began to adopt a less doctrinaire and more flexible political approach towards Latin American unions, since ideological diversity in the union movement has proved to be a major source of sustenance for many of the new democratic regimes. This is particularly the case with Christian Democratic and Social Democratic ORIT affiliates. US labor's current Latin American policy emphasizes muted anti-communism and a more explicit prodemocratic position. This has led to the renewal of AFL-CIO involvement in ORIT, direct collaboration with leftist unions on matters of common interest (e.g. the Chilean plebiscite of 1988), and a shift in emphasis within AIFLD towards projects that promote democratization of national labor relations systems.

(T)he outlook and purpose of the American labor movement's international work...rest on the belief that workers must have the right to organize for a measure of control over the conditions of their work. This means they must have the right to strike, and that they must have the right to express themselves politically, for what is won in bargaining can be taken away by the state. For labor there is only one standard for human rights. All people must have the freedom to create, organize, and control their own organizations and institutions independent of the state.<sup>27</sup>

The restatement of labor's vision of the world carries with it a renunciation of the isolationist stance that is periodically resurrected within the rank and file, as well as of the "relativist" or "lesser evil" approaches of the past.

As we reject isolationism, so do we reject the view that, in today's complex world of instability and conflict, it is impossible to uphold a consistent foreign policy based on clear principles and a single standard of respect for human rights. We believe there is a basis for a morally sound and prudent policy that draws on our nation's historic commitment to human rights and democracy—a commitment the labor movement helped to shape. At its center is freedom of association. No right is more basic to democracy and the guarantee of all other human rights. Without the capacity to associate freely and create their own institutions, men and women have no means of defending freedom of expression, freedom of assembly, and freedom of religion. They are powerless to form opposition political parties, change their governments, or assure the rule of law. Conversely,

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<sup>26</sup> See the discussion in H.A. Spalding, Jr., "Solidarity Forever? Latin American Unions and the International Labor Network," esp. pp. 255-57.

<sup>27</sup> AFL-CIO, The AFL-CIO Abroad: Perspectives on Labor and the World. Washington, D.C.: AFL-CIO Publication N. 182 (August, 1987), pp. 3-4.

the erosion of any of these rights gravely threatens freedom of association—the bedrock of free trade unionism.

For the AFL-CIO, there is a single standard for judging governments and societies: to what extent do they respect freedom of association? We denounce with equal fervor those on the right who justify the denial of free association in the name of fighting communism and those on the left who justify it in the name of fighting capitalism. Nor can we accept the notion that freedom of association and worker's rights are conditional on who owns the means of production...Peace, social justice, respect for human rights and democracy are the underpinnings of American labor's foreign policy based on freedom of association.<sup>28</sup>

According to the AFL-CIO Executive Council, the achievement of a stable US foreign policy based on the principles mentioned earlier is now in doubt. "Regretfully, such a foreign policy remains only an aspiration. Too often American foreign policy swings widely from reactive interventionism and paralyzing isolationism, between grandiose rhetoric and feeble performance. This disarray in purpose and execution has been all too apparent in the Reagan Administration."<sup>29</sup> The labor critique even extends to US domestic affairs:

The struggle for democracy abroad is not served by undermining democracy at home. The AFL-CIO is alarmed and repelled by the actions of some officials in the Reagan administration to circumvent the law and lie to Congress while attempting to fund the Nicaraguan contras...We urge the Reagan administration to pursue in good faith a diplomatic rather than military solution to the conflict (in Central America) within the framework of the Guatemala Plan (signed by the five Central American presidents on August 7, 1987), that will provide for guarantees of democratic freedoms along with a halt to outside aid to all armed opposition groups.<sup>30</sup>

In fact, the altered AFL-CIO position on Latin America, particularly its reapproachment with leftist and nationalist unions, has placed it squarely at odds with other parts of the US foreign policy apparatus.

"This stance reflects the recognition that the military and the AIFLD's democratic left union partners in Latin America are natural political enemies. Whereas some conservative commentators have seen military regimes as 'bulwarks against Communism,'... US labor has viewed them as incubators of Communism."<sup>31</sup>

After years of allowing its anticommunist obsession to dictate its political approach towards labor developments in Latin America, US labor has over the last decade shifted towards a more

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<sup>28</sup> AFL-CIO, Report of the AFL-CIO Executive Council to the 17th National Convention (Miami Beach, October 27, 1987). Washington, D.C.: AFL-CIO, 1987, pp. 249-251.

<sup>29</sup> Ibid., p. 251.

<sup>30</sup> AFL-CIO, Policy Resolutions Adopted October 1987 by the Seventeenth Constitutional Convention. Washington, D.C.: AFL-CIO Publication N. 3 (January, 1988), p. 113.

<sup>31</sup> AFL-CIO, AFL-CIO: Twenty Five Years of Solidarity with Latin American Workers. Washington, D.C.: AIFLD, 1987, p. 5.

neutral pro-democratic stance. The promotion and guarantee of freedom of association and political representation is the announced center of US labor's Latin American policy, following the more general shift of the US government foreign policy position on democratization.

## 2. Economic Perspective

The character of US trade unionism is summarized by Robert F. Hoxie:

The dominant philosophy of the American labor movement has been business unionism...a trade union movement which is essentially trade conscious, rather than class conscious. That is to say, it expresses the viewpoint and interests of the workers in a craft or industry rather than those of the working class as a whole. It aims chiefly at more, here and now, for the organized workers of the craft or industry, in terms mainly of higher wages, shorter hours, and better working conditions, regardless for the most part of the welfare of workers outside the particular organic group, and regardless in general of political and social considerations, except insofar as they bear directly upon its own economic ends. It is conservative in the sense that it professes belief in natural rights and accepts as inevitable, if not as just, the existing capitalistic organization and the wage system, as well as existing property rights and the binding force of the contract. It regards unionism mainly as a bargaining institution and seeks its ends chiefly through collective bargaining.<sup>32</sup>

Craft-oriented "business" unionism is oriented towards class collaboration rather than class conflict, the latter serving as the philosophical base for "revolutionary" or "classist" syndicalism tied to Marxist ideologies. Unlike its militant counterparts, business unionism adopts a cooperative rather than confrontational premise which views capitalism as a public good rather than a social cost.

As we have seen, the ostensibly apolitical nature of US business unionism was quite transparent in the area of foreign relations. Beyond this political orientation lie the material interests that override US labor's ideological perspective on foreign policy. The traditional US union interest in promoting North American-style unionism in Latin America stems from the equally traditional interest in securing raw materials and expanding markets for US goods. A primary means to expand markets for US goods is through increases in working class wages in importing countries. Unions are seen as the main vehicle for ensuring that this occurs, but only if they act as economic agents rather than political instruments. The promotion of business unionism in extractive industries and vertically integrated component manufacturers also ensures a steady supply of raw materials and parts required for the production of US finished goods. As consumers of US goods, workers of US trading partners have a vested interest in ensuring the uninterrupted supply of raw materials to the United States. All of this maintains high levels of union employment and wages in the US, organized labor's *raison d'être*.

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<sup>32</sup> Senate Document 17-91, p. 578.

By the end of World War II there emerged a consensus among US labor leaders, government officials, and the corporate community that viewed the extension of the US export market as essential for domestic prosperity, and that saw controlled promotion of business rather than classist unionism as a means for incrementally increasing working class wages and consumption within capitalist frameworks both in Europe and Latin America.<sup>33</sup> This perspective was expressed by Walter Reuther in 1955.

(I)t is in our self-interest in terms of providing a market for finished goods from American industries, a market for goods manufactured by American workers, to see the living standards of others raised—to see their own indigenous economies developed and strengthened.<sup>34</sup>

The 1946 AFL convention anticipated this view:

Production and prosperity in the US depend to a very large extent on our ability to secure, through fair and square international trade and commerce with our Latin American neighbors, certain vital raw materials. Similarly the improvement of the working and living conditions of the Latin American peoples are, in large measure, dependent upon their ability and readiness to supply us with these materials and at the same time to develop their own countries' modern industrial techniques and skills.<sup>35</sup>

AFL-CIO official James Carey added the equally important strategic observation that “we must also remember that many raw materials come from the underdeveloped countries of the world, areas threatened by the Soviet sphere of influence. If they were under Soviet control, our industries would be hard pressed to continue full production at all.”<sup>36</sup> These remarks echoed those voiced earlier. Speaking on Labor Day, 1939, John L. Lewis remarked that “Central and South America are capable of absorbing all of our excess and surplus commodities...Obviously, increased trade volume with the Latin American countries would result in improved political and cultural relationships and make for increased security for the United States when the day comes that some imperialistic foreign power challenges the Monroe Doctrine.”<sup>37</sup>

Another tenet underlying US labor's economic perspective on Latin America was its support for capitalism in general and for US business investment in the region in particular. In this view, regional development was pursued exclusively within capitalist market frameworks, using US private investment and US government economic assistance as the preferred vehicles for promoting economic change. This perspective came to be called Wall Street internationalism. Only via the infusion of US investment in an economic climate of unfettered capitalism following international market dictates, US labor reasoned, could Latin American sociopolitical development

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<sup>33</sup> Radosh, p. 359; Scott, p. 197.

<sup>34</sup> Scott, p., 197.

<sup>35</sup> Proceedings of the 1946 AFL Annual Convention, cited *ibid.*, p. 208.

<sup>36</sup> *Ibid.*, p. 197.

<sup>37</sup> United Mine Workers Journal, September 15, 1939.

occur. No alternate form of economic structure, be it socialist (even democratic socialist), or endogenously controlled state capitalism, satisfied the requirements of this vision. Both jeopardized the repatriation of business profits in the US, and thus threatened the material standards of organized US workers. The structural dependence of organized labor on US capital for the realization of its material interests gave them a vested stake in the pursuit of profit abroad. Material self-interest dictated that US labor adopt anti-socialist and anti-nationalist postures in Latin America on economic as well as ideological grounds, since any limitation on US-dominated capitalist development would diminish labor rewards at home. For both US labor and US capital, the primary Latin American policy objective traditionally was to promote stable investment climates in which profitability was protected, to which political preoccupation with promoting democratic institutions was subordinated.

For this reason US labor and business shared grounds for agreement on foreign policy issues. According to George Meany, “we believe in the capitalist system, and are members of capitalist society. We are dedicated to the preservation of this system, which rewards the workers, which is one in which management also has a great stake. The investors of risk capital also must be rewarded.”<sup>38</sup> The promotion of business unionism was thus seen as a primary means of ensuring that working class demands remained within the confines of “bread and butter” issues resolvable by US-dominated capitalist development, and therefore did not threaten the profitability of US investors upon which US union wages depended.

As with its political perspective, the AFL-CIO economic perspective has recently begun to change. The realities of economic competition in the late twentieth century forced a reappraisal of the basic tenets of Wall Street internationalism. US investment abroad no longer necessarily brings with it “trickle down” benefits at home. On the contrary, what is increasingly seen is the phenomenon of capital flight leading to “runaway jobs,” whereby US factories shut down, unionized employees are dismissed, and employers move abroad in search of cheaper labor costs and less restrictive employment climates (in terms of occupational safety, worker benefits, employment stability, etc.). In addition, foreign countries with repressive labor policies, in which standard rights of association, petition, and grievance are curtailed along with wages, pose an increasing threat to US workers in the form of competition in trade waged on the backs of exploited foreign workers. With this in mind, US labor has sought to include “trade with justice” and “social” clauses in US trade legislation and international trade standards.<sup>39</sup>

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<sup>38</sup> George Meany, quoted in Scott, p. 225, Radosh, p. 419, and Romualdi, p. 418.

<sup>39</sup> On the AFL-CIO position on the Generalized System of Preference (GSP), GATT, and the issue of workers’ rights, see the June 1, 1987 letter and attachments from AFL-CIO Director of International Affairs Tom Kahn to David P. Stark, Chairman of the GSP Subcommittee of the Office of the United States Trade Representative; the *American Federationist*, V. 93, N. 7 (November 8,

The AFL-CIO opposes US business investment that it considers exploitative and/or constrictive of labor rights abroad. Two examples of new phenomena that US labor opposes are the *maquiladora* assembly plants on the northern Mexico border and the rise of employer-created “company” unions known as *solidarismo* in Central America, especially Costa Rica. In the *maquiladora* program, US-based firms have established labor-intensive assembly operations in Mexican border towns, importing US-made components from parts warehouses on the US side and exporting the finished product back to the US. Low transportation costs coupled with dramatically reduced labor costs make the “twin plant” phenomenon an attractive option for labor intensive manufacturers. The average wage in *maquiladora* plants is \$45.00 for a 45 hour, 5 day work week (nine hours daily), in a region of high unemployment and minimum subsistence wages. High turnover rates and the use of female labor help keep the comparative real wage down and the workers quiescent.

The AFL-CIO has pledged to resist this practice. According to a 1987 AFL-CIO policy statement, “(a) sincere, long-term strategy for making the jobs of American workers more secure does not include racing to a foreign country to take advantage of cheap labor. There can be no shortcuts to ‘competitiveness’ by employing low-wage workers in Mexico in jobs that perpetuate rather than relieve their poverty because of pitifully low wages. Production for export in Mexico does nothing to increase the goods available to Mexican workers that would allow them to raise their living standards.”<sup>40</sup> In that light, the promotion of autonomous trade unionism abroad is seen as an essential step in evening out the gross imbalances in the global labor market encouraged by such capitalist practices, thereby preserving union employment and wages at home.

Company-created “workers associations” and “alternative unions” known as *solidarismo* pose another threat. The logic of these associations is simple: workers give up the right to strike over pay and working conditions in exchange for company-determined representation and employer-provided benefits. For US labor, such “yellow” or “company” unions are extremely dangerous, not only to working class interests but also to democracy in the region as a whole. Hence the AFL-CIO has added opposition to this type of employee association to its long-standing opposition to government controlled unions. In a resolution issued in October, 1987, the AFL-CIO Constitutional Convention announced that “(i)n many countries company unions that do the bidding of the employer and the state have emerged to stifle legitimate expression of worker interests. A recent troubling manifestation of this trend to ‘company unions’ can be found in Latin America in the Solidarismo associations, that do not represent workers and pose a grave

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1986); and the AFL-CIO *Bulletin of the Department of International Affairs*, V. 3, N. 1 (January, 1988), p. 2.

<sup>40</sup> AFL-CIO, *Policy Resolutions*, 1987, pp. 45-46.

threat to trade unionism. Such organizations must be denounced and vigorously opposed.”<sup>41</sup> This stance placed the AFL-CIO at odds with sectors of the US government foreign policy establishment who see the *solidarismo* movement in a positive light precisely because of its docile anticommunist character.<sup>42</sup>

Concern with opposing company unions also brought the AFL-CIO into disagreement with the US government on Latin American developmental projects that it initially supported. One such effort was the Central American Development Organization (CADO), endorsed by the 1984 report of the Kissinger Commission on Central America. Projected as a regional organization formed by tripartite delegations of the government, organized workers, and employers of the countries involved (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama), the objective of CADO was to promote a coordinated system of Central American development. The US government did not follow up on the accords and left the CADO project to languish. More pointedly, the Reagan administration attempted to use CADO as a way of promoting *solidarismo*-type unions throughout the region, including the *maquiladora* industry. The AFL-CIO responded that it could “not allow its strong support for economic development and social reform in Central America to override its rejection of company unionism, which the Administration and its allies in the region have sought to insinuate into the CADO proposal. To do so would be to cooperate in the destruction of the independent trade union movement in all of Latin America.”<sup>43</sup>

At another level, the AFL-CIO has begun to selectively promote the introduction of Employee Stock Option Plans (ESOPs) in the region. Making workers co-owners (even if a minority) of the firms in which they are employed is believed to increase their stake in the company’s success, as it makes a more direct link between individual worker productivity and overall profitability. It also gives the worker a voice in management decisions, which reinforces individual involvement in the productive process. The concept of joint worker ownership through stock options has gained credence in the US, although not without some labor skepticism. That is because in many instances ESOPs have been used to break unions rather than strengthen their stake in the productive process. On the other hand, under specific guidelines, (specifically, union

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<sup>41</sup> AFL-CIO, *Policy Resolutions*, 1987, p. 106.

<sup>42</sup> See e.g. the testimony of John T. Joyce, President, International Union of Bricklayers and Allied Craftsmen, AFL-CIO, before the Subcommittee on International Economic Policy and Trade of the Committee on Foreign Affairs, US House of Representatives, on the formation of the Central American Development Organization (CADO), April 13, 1988, especially Appendixes IV (ICFTU Resolution), V, and VI (memorandum and telegrams from USIA officials in Washington, and San José, Costa Rica proposing invited visitor status for *solidarismo* leaders with attendant justifications).

<sup>43</sup> AFL-CIO, *The AFL-CIO Abroad...*, p. 10 and AFL-CIO, *Report of the Executive Council to the Seventeenth Convention*, p. 253.

control of ESOP's) organized labor has found ESOPs to be a beneficial way of maintaining employment, practicing wage restraint, increasing productivity, and expanding worker benefits. Two significant examples of US labor's export of this concept are occurring in El Salvador, where AIFLD has begun to advise the Sindicato General de Trabajadores de la Industria Pesquera y Actividades Conexas (SGTIPA-CGT) and the Unión Nacional Obrero Campesina (UNOC) on the means by which they could go about establishing ESOPs in their respective sectors. Among the suggestions are a maximum of 60 percent employee ownership in order to encourage private business collaboration, the use of private management as a source for expertise, the need for worker education as part of the process, the solicitation of government support, the separation of union functions from Board of Director or management functions, and the like.<sup>44</sup> AIFLD has found support for these efforts from AID, which issued a directive to its field offices to encourage broadening of the ownership stake of workers in national economic development.<sup>45</sup> In this sense, the promotion of ESOP's in Latin America by the AFL-CIO responds to a logic Elizabeth Cobb ascribes to progressive US business interests when promoting joint ventures with Latin American investors: a share in the company is the economic equivalent of a vote in the political process, enfranchising the worker at the point of production in a fashion comparable to voter registration in electoral systems.<sup>46</sup>

All of this is a far cry from the days when the unqualified pro-business mentality pervaded labor 'seconomic thought. As a consequence of the lessons of the past and the economic challenges of the present and future, North American labor has begun to restructure its foreign economic policy. Although this economic perspective is ultimately grounded in the defense of workers' material interests at home, its reorientation has permitted US labor to play a more productive economic role in Latin America.

### C. The Overall Picture

Having examined the two main threads of US labor's ideological perspective on Latin America, we reaggregate them in order to get a better idea of the general vision underpinning labor's approach to the region. In schematic form, the traditional perspective underpinning US labor's Latin American policy can be represented as follows: capitalism—> pluralism—> business unionism—> anti-totalitarianism. Yet US labor activities in Latin America very seldom

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<sup>44</sup> See the November 23, 1988 letters written by AIFLD official John J. Heberle to the two unions mentioned, in which he outlines the general program, offers the suggestions cited, and includes literature prepared by and for the AFL-CIO on the subject of ESOPs.

<sup>45</sup> Memorandum from Alan Woods, Administrator of AID, to AID Mission Directors and Overseas Offices, May 6, 1988.

<sup>46</sup> "Democracies or Dictatorships: Does Business Care?" Manuscript version of chapter in this volume, p. 19.

brought with them the advance of union or political democracy, much less the material well-being of individual workers. On the contrary, these ends were more often juxtaposed against each other due to the highly exploitative nature of Latin American capitalism and long history of class conflict and authoritarianism in the region. The conflict between ends was most often resolved in favor of support for capitalism over democracy because US labor's material interests were seen as guaranteed by the former, not the latter. Anything that opposed US capitalist expansion in Latin America was consequently regarded by US labor, capital, and the government alike as a threat to the welfare and security of the United States.

This is because the incorporation of organized labor in the US foreign policy establishment was a condition for the maintenance of the *status quo* in the United States. The postwar experience has shown that under conditions of advanced monopoly capitalism, organized labor is incorporated into an alliance with the state and capital in order to guarantee the economic stability needed for democratic political reproduction.<sup>47</sup> The bases of working class consent to this incorporation are material and ideological. The material gains are tangible: a higher standard of living measured in wages, benefits, and the like, all derived from corporate profits in increasing measure made abroad. The ideological bases were class collaboration at home and denial of the material and political interests of workers abroad. This approach entailed that US labor willingly support a US foreign policy in Latin America that historically promoted the suppression of working class political strength in favor of a segmental, economic, and disarticulated form of business unionism and that favored the promotion of capitalism over the promotion of democracy. In this sense, US labor has historically been a conservative foreign policy actor. It has sought to conserve its organizational privileges and prerogatives at home at the expense of workers elsewhere.<sup>48</sup>

Once policies are considered in terms not of class conflict but on a cross-class, hegemonic interest-group framework, labor by and large joins with capital and the state in the role of interest group. Organized labor, then, fully shares with its coalition partners an interest in current relationships of domination, for it harvests with its partners the fruits of the structure of dependency. Most of labor's

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<sup>47</sup> This in turn depends on the ideological stance of government incumbents, the extent of state intervention in the economy, the political orientation and strength of working class organizations, the conditions of the labor market, and the overall state of the economy, using either corporatist or pluralist mechanisms of interest representation of varying degrees of comprehensiveness.

<sup>48</sup> On the role of trade unions in advanced capitalism, see L. Panitch, "Trade Unions and the Capitalist State," *New Left Review*, N. 125 (1981), pp. 21-41. For a critique of the view that the AFL-CIO is somehow "conservative" on both domestic and foreign affairs, see D.C. Heldman, *American Labor Unions: Political Values and Financial Structure*. Washington, D.C.: Council on American Affairs, 1977, especially pp. 14, 38-40.

activities in Latin America in the past half century, including its close cooperation with US intelligence agencies, are comprehensible only in those terms.<sup>49</sup>

Such is the ideological foundation of the imperialist labor aristocracy mentioned in the Marxist literature:

The political position, the privilege, of the labor aristocracy rests on maintaining the suppression of the particular autonomies of oppressed nationalities (and analogous groups) within the working class, while the economic position, the surplus wage, of the labor aristocracy rests on maintaining the general hegemony of the existing state sovereignty within the metropolis and over all territories, possessions, colonies, semi-colonies, and dependencies in the entire imperial sphere.<sup>50</sup>

In his own blunt way, long-time AFL-CIO president George Meany understood this fact well: "You can't dictate to a country from any angle at all unless you control the means of production. If you don't control the means of production, you can't dictate. Whether you control them through ideological methods or control them through brute force, you must control them."<sup>51</sup>

During the last fifteen years US labor has been forced to modify this perspective in light of changed international realities and domestic criticism. Sobered by the results of previous forms of intervention, US labor tempered its strategy and broadened its ideological perspective in Latin America. The AFL-CIO now accepts the notion that working class consent is essential for successful capitalist reproduction both at home *and* abroad. Continued support for autonomous unionism in the economic sphere is coupled with a political reapproachment with some sectors of the democratic left. In an era of declining US hegemony in Latin America within a general climate of readjustment of the international capitalist market, Soviet *perestroika*, and superpower *glasnost*, and in which there has been a global wave of redemocratization efforts that cut across ideological and economic frontiers, the combination of political pluralism, union autonomy and increased workplace participation on the part of workers is deemed by US labor to be the most effective means of empowering Latin American labor in the productive and political processes, something that ultimately provides the best defense of organized labor interests at home.

This shift finds economic foundation in the worsening condition of organized labor in the United States during the last decade. The reorganization of the US productive apparatus

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<sup>49</sup> I. Katznelson and K. Prewitt, "Constitutionalism, Class, and the Limits of Choice in U.S. Foreign Policy," in R.R. Fagen, ed., *Capitalism and the State in U.S.-Latin American Relations*. Stanford, CA: Stanford University Press, 1979, p. 35.

<sup>50</sup> M. Nicolaus, "Theory of the Labor Aristocracy," *Monthly Review*, V. 21, N. 11 (April, 1970), p. 97. Also see *Argentina in the Hours of the Furnaces*. NY: NACLA, 1975, pp. 56-77.

<sup>51</sup> House of Representatives, Committee on Foreign Affairs, Subcommittee on International Organizations and Movements, *Winning the Cold War: The U.S. Ideological Offensive*, 88th Congress, 1st Session, Part II, April 30, 1963. Washington, DC: Government Printing Office, 1963, p. 134,

undertaken in the 1980s had as an intended result the structural weakening of organized labor, paralleling the harsher anti-labor measures associated with the implementation of monetarist economic policies throughout Latin America in the 1970s. This strategic weakening gave material foundation to the decrease in political influence US labor was able to wield in the area of national and domestic foreign policy. The neoclassical tenets underpinning the Reagan administration's structural transformation project were complemented by a political approach that was overtly pro-business and anti-labor in nature (again, paralleling the exclusionary labor policies of modern Latin American authoritarians). The reassertion of the US government's pro-capital stance and the shift in the US economic nucleus from heavy industry to high technology and services responded to the competitive exigencies of the evolving international market. The move was facilitated by enforcement of legislation that authorized firing of strikers and "right to work" (no closed shop) statutes at the state level, and that eased bankruptcy reorganization schemes permitting union-busting at the federal level. The Reagan administration's anti-labor campaign exploited public antipathy towards the authoritarian, bureaucratic, inefficient and uncompetitive traits of the US labor movement, and was evident in the composition and rulings of the National Labor Relations Board during the 1980s. At the level of production, elimination of Taylorist and Fordist productive schemes was countered by cutbacks in employer-provided benefits, real wages, and an increasing tertiarization of the workforce within a general picture of union membership decline and loss of jobs in traditional industries. In addition, shifts in union membership towards service industries with large Hispanic memberships, coupled with the gradual appreciation of class-based solidarity on the part of North American workers placed on the defensive and increasingly forced to shoulder the burden of sacrifice imposed by the structural transformation of US capitalism, forced a general reevaluation of US labor's economic and political platforms. In the face of by this scenario, there was a move to reappraise the AFL-CIO foreign policy stance, if for nothing else than to help protect labor's institutional position at home. In particular, the bankruptcy of the anti-totalitarian, pro-business approach that traditionally characterized the AFL-CIO's foreign policy forced the adoption of a more flexible approach to Latin American labor relations.

The changing labor market and political climate in the United States and counterproductive results of previous patterns of intervention altered the AFL-CIO's Latin American policy within a general context of US foreign policy reappraisal begun in the late 1970s. The belief in US labor benefit through foreign trade fell hard in the face of an increasingly complex and interdependent international division of labor, with US unions forced to wage a defensive struggle for the preservation of wages and jobs at home. As a result, US labor cautiously accepts the legitimacy of certain non-business unions and the need for constraints on US investment in Latin America. It does so not because it believes in national self-determination or the political role of unions, but because it believes that increased unionization and class militancy, coupled with

union political activity under democratic frameworks, will either deter firms from investing in the region or will force them to operate under conditions similar to those of the US, thereby balancing the international labor market equation. It is the dictates of material self-interest in a changing world economy, rather than altruism, that have prompted US labor to shift its Latin American policy towards selectively working with nationalist or socialist unions on projects of democratic institution building.

### **III. Vehicles and Instruments of US Labor's Latin American Policy**

During the last century, US labor has cultivated a broad network of vehicles and instruments to promote its Latin American policy objectives. Vehicles have included union to union bilateral exchanges; regional organizations such as the PAFL, ORIT, and the Free Trade Secretariats; quasi-public agencies such as AIFLD; public agencies such as the Agency for International Development, the International Relations Division of the US Department of Labor and the Office of International Labor Affairs of the US Department of State (to which belong Labor Attachés stationed abroad), and the CIA; regional organizations such as the OAS and the Inter American Development Bank (IDB); international organizations such as the International Labor Office and its Latin American regional affiliate, the Confederación Interamericana de Administración de Trabajo (CIAT); and nongovernmental agencies such as human rights organizations, solidarity groups, religious organizations, etc. The instruments used by these vehicles have incorporated material and nonmaterial resources including educational, welfare, and housing programs, organizational assistance, legal and technical advice, loan, grant, credit, and other financial aid packages, union salary allowance support, and direct payouts in the form of bloc allocations of a discretionary or covert nature. A complete review of all of these vehicles and instruments would be impossible to accomplish within the confines of this essay, so attention here will concentrate on reviewing and highlighting some of the more salient mechanisms utilized by US labor in pursuit of its Latin American foreign policy objectives.

#### **1. ORIT**

ORIT was created as the ICFTU-affiliated, anticommunist regional labor confederation through which pro-capitalist business unionism could be promoted throughout Latin America. As the ICFTU regional affiliate, ORIT nominally receives its policy guidance and funding from that organization. However, the AFL-CIO presence in ORIT was very strong from the beginning, and despite having Latin Americans in many leadership positions, ORIT remains largely dependent upon the AFL-CIO for both direction and financial sustenance. In fact, half of ORIT's 25 million

affiliates still belong to the AFL-CIO.<sup>52</sup> Since delegate representation is proportional, with 16 million members the AFL-CIO continues to hold a majority position in ORIT executive committees. With under 3 million affiliates, the next largest delegations from Mexico, Canada, and Argentina lag far behind in representation in the ORIT hierarchy.

ORIT membership is divided between 20 to 50 national labor organizations, while the majority of the membership comes from the AFL-CIO. Although its primary source of funding is the ICFTU, over half of the ICFTU grant comes from the AFL-CIO as well as a number of other nonunion sources, including US government agencies and international organizations.<sup>53</sup> In 1985 and 1986 the AFL-CIO provided over \$100,000 directly to ORIT.

Even so, the creation of AIFLD undermined AFL-CIO support for the ORIT mission. Whereas in the 1950s it received the bulk of AFL-CIO funds directed towards Latin America, as of 1961 funding for ORIT was reduced while that of AIFLD rose. In the 1960s the ORIT budget remained at an average of \$323,000 per year, while that of AIFLD increased from \$640,000 in 1962 to \$5,475,186 in 1967.<sup>54</sup> Disagreements with ICFTU comptroller regulations led to additional AFL-CIO cutbacks to the ICFTU in the latter half of the 1960s, thereby increasing ORIT's financial dependence on the AFL-CIO at the same time the overall scope of its activities were being reduced or subordinated to those of AIFLD. Even now, with a downscaled AFL-CIO presence in the ORIT directorate, it still contributes nearly 2/3 of the ORIT budget, with the remainder largely derived from the Canadian CTC, the Venezuelan CTV and the Mexican CTM.

Initially headquartered in Havana, ORIT moved to Mexico City after the 1959 Cuban Revolution. At its second congress in 1952, it outlined the foundations of its regional perspective: opposition to dictatorships and support for the "democratic system;" support for ECLA economic policies, including such later derivatives as the Alliance for Progress; recognition of the need for reforms that would humanize the existing systems of private property, including acceptance of the rule of capital; promotion of a system in which, as an important interest group, "free" unions would be utilized as implementary vehicles for the reform of the socio-economic conditions of member nations; and opposition to collaboration with Marxist labor organizations.<sup>55</sup> For two decades ORIT argued that Latin Americans must accept the fact that the US occupied a hegemonic position in the hemisphere, and must tailor their development accordingly. It believed that unions should remain nonpolitical, that it endorsed no political ideology, and that it

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<sup>52</sup> D. Torrence, "American Imperialism and Latin American Labor, 1959-1970: A Study of the Role of the Organización Regional Interamericana de Trabajadores in the Latin American Policy of the United States," Ch. 2.

<sup>53</sup> Spaulding, 1977, p. 257.

<sup>54</sup> Senate Document 17-91, p. 584, 658.

<sup>55</sup> J. Steinsleger, *Imperialismo y Sindicatos en America Latina*, p. 32; also see Romualdi, Chs. 8-9.

participated in no political acts. Yet, if one considers the foundational premise upon which ORIT originated, anti-communism and business unionism, its political orientation is obvious. This explains its traditional subordination to US labor's regional directives.

As of 1980, ORIT encompassed 24 national labor confederations and 38 percent of the unionized work force in Latin America, compared to 13 confederations and 20 percent for the Christian Democratic CLASC-CLAT, 10 confederations and 16 percent for the Cuban-sponsored CPUTAL, and 17 independent confederations covering 26 percent of the organized proletariat. The biggest labor confederations in Latin America, the Mexican CTM and Argentine CGT, are ORIT affiliates, as are the AFL-CIO, Canadian Labor Confederation (CLC), and many autonomous labor federations.<sup>56</sup> Outside of the state-controlled Cuban, Nicaraguan, and Surinamese labor unions that are linked to CPUTAL, only in Uruguay and Chile, where autonomous Marxist unionism is the norm above and underground, and Brazil, where the rise of the Marxist-oriented Novo Sindicalismo in the last decade has added a strong classist orientation to labor-capital relations, has there been reluctance to associate with ORIT.

ORIT activities are primarily oriented towards union education programs. In 1951 it began a trade union school at the University of Puerto Rico, and in 1962 it founded a trade union institute in Cuernavaca, Mexico. When the CTM assumed control of the Cuernavaca Institute for its own "superior syndical education school" in the 1970s, ORIT's training facilities were moved to Guatemala and Costa Rica, where they remain. It runs courses and seminars on the role and function of "free" unions, the organizational needs of peasants and women, collective bargaining, etc. In this it has collaborated with outside agencies such as the Alliance for Progress and UNESCO. Yet here again the creation of AIFLD seriously curtailed ORIT activities, as AIFLD educational programs duplicated and eventually replaced many of those initially offered by ORIT. In the 1960s ORIT drew heavily upon the AFL-CIO and AIFLD for its leadership. The interchange between AIFLD and ORIT positions became commonplace, with individuals moving smoothly from one agency to the other without having to redefine objectives or mission. By 1965 most of ORIT's decision-making positions were filled by AIFLD-connected North Americans.<sup>57</sup> Thus, ORIT did not have an autonomous voice in the formulation and implementation of regional labor projects, and was instead utilized by the US foreign policy apparatus as a semi-autonomous implementary agency. According to a US Senate study, this was a major cause of its diminished prestige in the 1960s.

More fundamental, perhaps, has been the tendency of ORIT to support US Government policy in Latin America. ORIT endorsed the overthrow of the Arbenz regime in Guatemala and of the Goulart regime in Brazil. It supported Burnham

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<sup>56</sup> J. Godio, V. 3. Caracas, pp. 284-285.

<sup>57</sup> Torrence, Ch. 2.

over Cheddi Jagan in Guyana, and it approved the US intervention in the Dominican Republic. To many Latin Americans, this looks like ORIT is an instrument of the US State Department.<sup>58</sup>

In the 1970s, with the infusion of social democratic thought and funding, ORIT began to re-establish its identity as an autonomous regional labor grouping. It redefined its mission as social democratic and political rather than apolitical and anticommunist, and at its 10th Congress held in 1981 revised its charter to reflect this new orientation, putting distance between its activities and those of AIFLD, the AFL-CIO, and the US government. Hence, the post-*detente* reapproachment of ORIT and the ICFTU, coupled with its ideological move away from the traditional AFL-CIO foreign policy line and towards social democratic perspectives, has restored much of its credibility in the eyes of Latin American labor while decreasing its utility as a US labor instrument, although ideological battles between SD “reformers” and pro-AFL-CIO “traditionalists” continue within ORIT to this day.

## 2. AIFLD

AIFLD was founded in August, 1961 as a private, nonprofit corporation. Its formal objectives were listed as “assisting in the development of free, democratic trade union structures in Latin America through labor leader training centers and social development programs in such fields as housing, worker’s banks, credit unions, consumer and producer cooperatives and related socio-economic activities.”<sup>59</sup> The pro-capitalist orientation of AIFLD was obvious from the start.

AIFLD urges cooperation between labor and management and an end to class struggle. It teaches workers to help increase their company’s business and to improve productivity so that they can gain more from an expanding business. It also demonstrates in a very concrete fashion that workers can have better living conditions within the framework of a free, democratic, and capitalist society.<sup>60</sup>

To that end, AIFLD official William Doherty testified in 1967 that “we are collaborating with the Council on Latin America, which is made up of the primary US business institutions that have activities in that area. Our collaboration takes the form of trying to make the investment climate more attractive and more inviting to them.”<sup>61</sup>

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<sup>58</sup> Senate Document 17-91, p. 581.

<sup>59</sup> Radosh, p. 416.

<sup>60</sup> Speech given by J. Peter Grace (AIFLD Board of Director member) at Houston’s International Trade Fair, September 16, 1965, cited in Romualdi, p. 418, Scott, p. 225, and reprinted in amended form as an AIFLD Pamphlet, September, 1965.

<sup>61</sup> US Senate, Committee on Foreign Relations, Foreign Assistance Act of 1967, 90th Congress, 1st Session. Washington, DC: Government Printing Office, 1967, p. 1096.

More recently, AIFLD has redefined its mission so that it includes strengthening democratic trade unionism in Latin America, fostering self-reliant and independent hemispheric unions, and thus making trade unionism a powerful force for democratic development and social change. It now affirms that strong and democratic unions are necessary to give voice to legitimate demands of workers in Latin America and the Caribbean, as they are believed to contribute to the sectoral pluralism AIFLD maintains is essential for the full development of democracy. According to this view, where workers are denied voice through their unions in the political, social, and economic decisions that affect their lives, democracy itself is at risk. All of this speaks to a shift in AIFLD's posture. Promotion of democratic labor relations institutions, rather than pro-capitalist anti-communism, is now AIFLD's foreign policy objective.

In line with its collaborative nature, AIFLD's first board of trustees reflected a tripartite character, with 21 labor representatives, (including the AFL-CIO president, who doubles as AIFLD president, and 11 Latin American union leaders), 4 business representatives, and 5 drawn from various professions (education, etc.). Business representation on the board was taken from US corporations represented in The Council on Latin America, including W.R. Grace and Co., United Fruit Co., Pan American World Airways, the Anaconda Co., Kennecott Copper Co., Bristol Myers, Johnson and Johnson, Monsanto, Union Carbide Co., Gulf Oil Co., Mobil Oil Co., I.T.T., I.B.M., several banks, and various Rockefeller family holdings. In 1980, after much criticism of the business presence in AIFLD, coupled with increased differences between the business and labor representatives over the direction of AIFLD policy, employer representatives abandoned the board. AIFLD is now a bipartite labor-government venture in foreign policy implementation, with an increased Latin American unionist presence on its 25-member Board of Trustees. This has helped ease long-standing Latin American fears that AIFLD was merely a US business front by giving it a greater Latin unionist voice.

Headquartered in Washington, D.C., in space provided by the Communications Workers of America (CWA), AIFLD has at one time or another established offices in virtually every Latin American country. Today it is represented in 18 Latin nations, save Cuba, Paraguay, Nicaragua, Suriname, and most recently, Panama and Colombia. AIFLD has often been forced to close its field offices, either because it was expelled by the local government (Peru, 1971; El Salvador, 1973; Nicaragua, 1980; Panama, 1988) or because conditions become too hazardous to operate effectively (Argentina, 1974; Colombia, 1987). Since 1962 AIFLD has operated labor leader training institutes in the US, first at Front Royal, VA., Georgetown University, Trinity College, Mt. Vernon College in Washington, D.C., and Loyola University in New Orleans, then, as of 1979, at the George Meany Center for Labor Studies in Silver Springs, Maryland. AIFLD has offered courses in labor economics, collective bargaining, "democracy versus totalitarianism," comparative labor organization, productivity, industrial organization, social security, labor legislation, workplace

safety, human relations, union education and financing, organizing tactics, grievance procedures, etc., both in the US and through its field offices. In 1965, recognizing that the needs of urban and rural workers differed considerably, an Agrarian Union Development Service was launched.

As part of its educational activities AIFLD publishes a broad array of periodicals in English, Spanish, French, and Portuguese. AIFLD Reports, along with the more episodic literature, constitute yet another ideological tool in the AIFLD repertoire. Educational programs vary from country to country, depending on the organizational and educational levels of the work force, and the ideological climate of the government and unions in question. Courses last from one week to three months, and are also taught in each of the respective national offices. Outstanding graduates are sent to the US to receive advanced leadership training in these subjects.<sup>62</sup>

Entire semesters are occasionally dedicated to specific themes, such as a 1974 Front Royal course for banana workers from Central and South America, and a spring, 1988 course on land reform for peasant leaders held in Caracas, Venezuela. At the present moment, the basic curriculum of the Advanced Labor Studies program operated by AIFLD at the Meany Center includes the following: Economics (introductory), The Labor Movement (historical survey of trade union development and structure), Democracy and Development, Labor and Development, Comparative Economic Systems, Labor Economics, Collective Bargaining, Organizing Techniques, Economic Development, Leadership and Group Dynamics, Union Women and the Trade Union Movement, Comparative Labor Movements, Labor Education Techniques, The Labor Movement and Trade Union Rights, Labor Relations, Cooperatives, Manpower, Technological Change, International Economics, Social Security, Democratic Theory and Totalitarian Ideologies. The program consists of two six-week courses, presented simultaneously for two separate groups of approximately twenty participants each. The programs include visits to labor organizations in the US<sup>63</sup>

Upon completing their US coursework, AIFLD graduates were initially sent home under a nine-month salaried internship program in order to disseminate new skills and knowledge among their compareros. The current norm is for graduates to return to their unions without AIFLD financial support. The graduate re-enters the local union bureaucracy as a technical expert specializing in aspects of the labor process and relations of production and also engages in ideological dissemination functions, promoting anti-corporatist views of labor relations. In some cases, such as during the tenure of military-bureaucratic regimes in the Southern Cone and Central America in the 1970s, unionists were invited to attend AIFLD courses in the US as a means of freeing them from the oppressive labor climate at home and, more importantly, in order

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<sup>62</sup> Among many others, see Ross, pp. 117-149.

<sup>63</sup> AIFLD, *The Advanced Labor Studies Program of the American Institute for Free Labor Development*. Washington, DC: AIFLD, 1988, pp. 14-20.

for them to set the foundations for eventual reorganization of their unions once the dictators departed.<sup>64</sup>

From 1962 to 1988, AIFLD trained 602,484 unionists in Latin America, the Caribbean, and the United States. 597,445 were trained in-country, 4,834 graduated from advanced courses at Front Royal Institute or the George Meany Center for Labor Studies, and 205 were trained as labor economists at participating US universities. The largest number of students came from Colombia (71,839), followed by Brazil (67,361), the Dominican Republic (63,500), Ecuador (62,291), Peru (56,880), Honduras (41,044), Bolivia (36,437), Guatemala (33,941), Chile (27,952), the Caribbean (23,450), and Uruguay (22,164). The remaining countries, save Suriname and Cuba which do not have any AIFLD graduates, have had AIFLD student enrollments of less than 20,000 but more than 1,000. Most recently (1987), Guatemala had the largest number of students enrolled in AIFLD programs (11,856), followed by the Dominican Republic (9,524), Brazil (3,096), and Argentina, Chile, Costa Rica, Ecuador, El Salvador, and Peru with between 2,000-3,000 students each.<sup>65</sup>

In the late 1970s, at the behest of the Latin American members of the Board of Trustees, AIFLD formally recognized its political role in supporting “free” trade unionism, and now devotes half of its efforts to political activities. This shift responded to several factors. The conservative anticommunist language and apolitical pro-business *façade* needed to survive in the US political climate of the Cold War era was replaced by a moderated ideological tone and more overt political role as AIFLD’s position within the foreign policy apparatus became institutionalized in the 1970s. Secondly, the post-*detente* world, particularly the evolving posture of the Socialist International, the failure of Marxist revolutionary movements in Latin America and the upheaval in the authoritarian socialist world, allowed AIFLD to establish bases for dialogue with Democratic Socialist and Christian Democratic union currents. In this regard, while it continues to selectively employ divide and conquer tactics in countries such as El Salvador and Nicaragua, AIFLD has shifted its general posture in the face of changing global and regional political realities.

AIFLD receives the majority of its funding from the US government, an uncommon situation for a private, nonprofit corporation. In 1967 AIFLD received 92 percent of its budget from the US Government, a total of over \$4.8 million dollars. Of the \$17.4 million allocated to AIFLD from 1962 to that year, 89 percent (\$15.4 million dollars) was channeled through AID which amounted to 67 percent of the total allocated for labor programs under the Alliance for Progress. By 1971 AIFLD was the fifteenth largest recipient of AID contracts worldwide.<sup>66</sup> The entire Social

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<sup>64</sup> Interview with Dr. Hugo Belloni, Program Coordinator, AIFLD Argentina, June 28, 1988.

<sup>65</sup> AIFLD, *Annual Progress Report, 1962-1988: 26 Years of Partnership for Progress*. Washington, DC: AIFLD, 1988, pp. 1-2.

<sup>66</sup> Senate Document 17-91, pp. 582-583; Spaulding, 1977, p. 260.

Projects division of AIFLD (with jurisdiction over all noneducational programs) is funded by AID. In 1987, over \$13.3 million (90 percent) of the \$14.8 million AIFLD budget came from AID, with the remainder donated by the AFL-CIO (\$230,000 or 1.5 percent) and the conservative-dominated National Endowment for Democracy (\$1,326,811 or 8.9 percent).<sup>67</sup> The remaining appropriated funds go to AIFLD educational activities. Reliance on AID funding has posed constant problems for AIFLD, for it often limited the freedom of action AIFLD was allowed to exercise when using those funds. Disputes over funding priorities and comptroller responsibilities plagued the AID-AIFLD relationship for years, although today AIFLD has greater control over in-country administration of AID contracts. Much of AIFLD's funding was originally channeled into ORIT and the ITS's in order to support educational and social projects. As of the late 1960s, AIFLD increasingly assumed direct control of these projects.

During its first two decades, CIA funding of AIFLD activities was extensively documented in the press and in congressional hearings. Covert funds were directed towards securing the cooperation of key labor leaders, funding organizational attempts and destabilizational activities, and generally lubricating means of access to influential government bureaucracies and political personalities. Most of the CIA funding for AIFLD was channeled through fronts such as the Gotham, Andrew Hamilton, and J.M. Kaplan foundations, through cooperative ITS's, and through agencies such as the Institute of International Labor Studies and other labor educational facilities installed throughout the region. The scope of this funding, though difficult to calculate, was significant. Sources claim that between 1961 and 1963 alone over one million dollars were channeled from the CIA to AIFLD.<sup>68</sup> Although revelations of AIFLD-CIA connections led to cutbacks in covert funding in the 1970s, the link between the two agencies is generally believed to continue. In addition, the National Endowment for Democracy now provides high profile sponsorship that replaces previous covert funding of AIFLD projects.

The CIA also provided numerous agents for work in AIFLD country offices throughout the 1960s. Along with agents similarly designated as Labor Attachés, the purpose of the AIFLD cover was to provide a convenient means of gathering intelligence on union factions, individual leaders, dissidents, and anti-US foci, and generally to keep agency headquarters directly apprised of developments in the labor field. This reflected a reluctance to rely on non-CIA sources for labor-related information in strategically important countries, which was in part a product of bureaucratic imperatives and in part a lack of confidence in non-CIA sources. In any event, the obsession with intelligence gathering eventually hindered the formal mission of AIFLD in several countries, either because these activities were exposed or because they developed to the point that the quality of the formal programs suffered. Particularly notorious instances of CIA penetration in AIFLD were

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<sup>67</sup> AFL-CIO, *The AFL-CIO Abroad*, p. 12.

<sup>68</sup> Spaulding, 1977, p. 260.

recorded in Argentina, Brazil, and Chile during the 1960s and early 1970s. After revelation of these practices, AIFLD made a concerted effort to clean its image by recruiting known unionists for its field offices.

Along with its educational activities, AIFLD's efforts have centered on various social projects, including housing construction, loan and credit programs, literacy, vocational, health and sanitation training, and so-called Impact Projects that involve material donations to needy unions. By 1977 AIFLD had spent over \$77.3 million on the construction of 18,048 housing units in 13 countries throughout the hemisphere, including showcase projects in Mexico City (3,104 units for the Graphic Arts Workers Union at a cost of \$12 million) and Argentina (6627 units at a cost of \$31.2 million).<sup>69</sup> Through its loan and credit programs and Impact Projects, AIFLD has funded consumer cooperatives, credit unions, and worker-operated enterprises. As of 1988, 631 impact projects had been approved, totaling \$1.48 million. By way of example, in Peru four impact projects were underwritten in the 1960s and early 1970s, providing funding for a printing firm, a bus line, a sewing cooperative, and a textile factory.<sup>70</sup> By the mid-1970s a Regional Revolving Loan Fund underwritten by AID grants and administered by AIFLD had dispersed \$6.25 of the \$8.12 million distributed by AID to twelve Latin American countries for five year periods at little or no interest.<sup>71</sup> One hundred and fourteen projects have been funded through this fund. In addition, a Special Projects Fund established in 1976 disbursed \$257,000 for 73 projects by 1988. With AFL-CIO support, additional monies have been appropriated for emergency relief, such as those awarded to earthquake victims in Chile, Peru, El Salvador, and Nicaragua (in 1974), flood victims in Brazil, and hurricane victims in Central America and the Caribbean.

Once established, AIFLD assumed control of the AFL-CIO's Latin American policy, replacing the Latin American department in the International Relations Office. Today it is virtually autonomous from the AFL-CIO Department of International Affairs with regard to issues of policy implementation. Although both agencies continue to be guided by the general tenets of the AFL-CIO's foreign policy, they no longer respond instrumentally to US government directives. This distancing has been most evident in the 1980s, with AIFLD and the AFL-CIO opposing the Reagan administration on a number of political and economic issues both at home and abroad, and where the thrust of AIFLD approaches towards political and economic questions in Latin America ran counter to many of the policies advocated by the Departments of Defense and State. At a time when the military commanders of the region were signing a hemispheric security agreement against precisely such groups (the November 1987 Pact of Hemispheric Security signed in Mar del Plata, Argentina, which identifies such groups "as Marxist fronts and infiltrators"),

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<sup>69</sup> Ibid., p. 262; Radosh, pp. 430-431; AIFLD, *Annual Progress Report, 1962-1988*, p. 3.

<sup>70</sup> Spaulding, 1977, p. 262.

<sup>71</sup> Spaulding, 1976, p. 56.

AIFLD was openly working with many democratic socialist unions to stabilize the nascent democratic regimes of the region.

Despite protest by senior AIFLD officials and claims by many critics that it has not changed its orientation over the years,<sup>72</sup> it is clear that the contrary is true. Although it remains a political instrument and economic vehicle of the AFL-CIO, AIFLD has moved from a reflexive anticommunist, pro-business posture towards a flexible pro-democratic stance when addressing Latin-American labor and political issues. It has re-emphasized bread and butter labor education over ideological conflicts within union ranks, and from an abjectly pro-business approach it has become increasingly pro-worker in orientation. No less importantly, from covertly **interventory** it has become more openly participatory in the political and economic life of the nations to the south. The change is no less real than it is remarkable.

### C. Labor Attachés

The responsibility for formulating US government labor policy belongs to the State Department, where the Coordinator for International Labor Affairs, in conjunction with AID's Office of Labor Affairs, communicate policy directives to the labor attaches stationed in US embassies abroad.<sup>73</sup> The Office of Inter-American Affairs for Policy and Coordination oversees labor policy application in Latin America. There is however no overarching labor policy in the State Department beyond support for I.L.O. standards on labor rights. There is no discrete labor policy for individual countries either. State Department labor policy in Latin America is post-oriented and reactive, taking its lead from both events on the domestic labor front and AIFLD initiatives in-country. Only when labor issues become especially sensitive does policy formulation and approval shift to headquarters in Washington.

Labor attaches serve as official US government liaisons with national labor administration (Labor Ministries), ORIT, the ICFTU, and labor unions in their host countries. They also serve as AIFLD contract monitors when AID funds are used for AIFLD projects, and more generally, are classified as technical and political supervisors of both AIFLD and union to union activities. This has caused problems of coordination and turf battles with AIFLD administrators, who prefer to operate as independently as possible from embassy scrutiny.<sup>74</sup>

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<sup>72</sup> In an interview with AIFLD Executive Director William C. Doherty, Jr. on February 7, 1989, this writer was told that global realities, not AIFLD's posture, were what had changed over time. When it was pointed out that the present definition of AIFLD's mission clearly contradicts the stated mission it had in the 1960s, Doherty continued to maintain that this was mere tactical expediency rather than a shift in its fundamental anti-totalitarian emphasis.

<sup>73</sup> Senate Document 17-91, p. 577.

<sup>74</sup> Ibid., pp. 616-617.

Labor attaches are traditionally drawn from four sources: the AFL-CIO, the State Department, the Labor Department, and the CIA. More often than not, personnel from the first three organizations are recruited from their Department of International Affairs (in the case of the AFL-CIO), or from the International Labor Offices of the respective public bureaucracies. Assigned to embassies as political officers, labor attaches serve a function analogous to that of military attaches, i.e., official liaisons and intelligence gatherers that serve as primary points of contact between the US government and local unions. Where trade relationships are important (such as East Asia and Western Europe), many labor attaches come from the Labor Department; where the relationship between the US and the particular country is of less strategic importance, the position is most often filled by a foreign service officer; where local union relations with the AFL-CIO are particularly good, the position is often filled by a unionist; and where Marxist influence in the local labor movement is strong, the job frequently goes to a CIA officer. In countries with particularly large, politically active, and/or well organized labor movements, more than one specialist is assigned to the Labor Attach's office. The specifics of each case depend on the precise combination of these factors, mixed in with geopolitical and ideological considerations of a multi- and bilateral nature.

AFL-CIO influence over labor attaches has at times been considerable. Writing in 1966, journalist Dan Kurzman commented on the influence exercised over labor attache's by AFL-CIO International Affairs director Jay Lovestone:

"Lovestone is Meany's foreign minister, with his own private network of ambassadors, aid administrators, and intelligence agents. Labor attaches in key countries, or their assistants, are often more loyal to him than to their diplomatic superiors. Many of his agents overseas are believed to work closely with the Central Intelligence Agency. Considerable government aid money is channeled through his 'ministry'—after he decided who deserves to receive it...So valuable is Lovestone regarded that the appointment of labor attaches in many embassies, including such key posts as London, Paris, Rome, and Brussels, usually must receive his approval, according to responsible labor sources. If the attach is not a 'Lovestone man,' his assistant often is, and he realizes the quickest way to advancement is to keep Lovestone posted on his superior's activities. A former labor attach in a Latin American embassy said that he had refrained from meeting with local labor leaders not acceptable to the AFL-CIO for fear that Lovestone might find out."<sup>75</sup>

Even if considerable at times, organized labor's representation in US foreign policy agencies has not been of a uniformly high quality. To be sure, men such as Lovestone, Romualdi, Irving Brown, Andrew McLelland, and William C. Dougherty Jr. were and are men of considerable intellectual and practical ability, articulate, cunning, and determined in their promotion of the US labor perspective abroad. However, with the exception of Romualdi's

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<sup>75</sup> D. Kurzman, "Lovestone's Cold War," *The New Republic*, June 25, 1966.

wartime service, none of these men served the US government in an official capacity, allegations of CIA connections notwithstanding. Moreover, for every individual of this caliber US labor has sent many more into government service as labor attaches and labor advisors without the proper qualifications, either as a form of reward for their activities in the union movement, as a form of patronage, or in order to remove them from positions of influence in the AFL-CIO hierarchy when they were no longer useful. This led, in the words of one labor historian, to a situation in which

“a substantial group (of unionists) should never have been permitted to enter government service...Not only jobs with limited responsibility but also some positions of considerable importance have been filled with unqualified labor personnel...The image of the labor movement has generally suffered as a result, certainly among government officials who quickly perceive the shortcomings of their new colleagues from labor and among members of the public here and abroad who come in contact with them.”<sup>76</sup>

For their part, unionists over the last decade have not been interested in becoming labor attaches, subordinated to ambassadors with Republican connections. Nor are most ambassadors keen on having non-foreign service officers in that position, particularly given the current ideological differences between the Republican administration and the AFL-CIO.

As a result, the unionist presence in the current corps of labor attach in Latin America is very low. Of the 16 labor attaches currently stationed in Latin America and the Caribbean, only 2—in Jamaica and Argentina—have union-related backgrounds. The rest are classified as foreign service officers, ostensibly recruited because of their “sympathetic” views towards labor issues. Nor is the position of labor attach in US Latin American embassies as important as it once was. In many of the smaller countries it is considered to be a most undesirable post. Only in countries with special importance—Argentina, Brazil, Chile, Nicaragua, El Salvador, Peru, Venezuela, and Jamaica—are labor attaches given some prominence within embassy political sections, often, as in the case of Nicaragua, because of their obvious intelligence-gathering functions.

#### D. Direct Union Contacts

One of the more effective ways of promoting US labor foreign policy objectives in Latin America has been through direct contacts between US and Latin American unions. This practice began early in the century, with the AFL-CROM discussion of US-Mexican labor issues, and continued during World War II with exchanges between AFL affiliates and several non-Marxist Latin American unions. Be they in the form of simple travel exchanges between individual labor leaders, formal correspondence between union directorates, the establishment of cooperative programs, educational tours, or financial interchanges, support for boycotts or calls for political

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<sup>76</sup> J.P. Windmuller, “Labor: A Partner in American Foreign Policy?” *The Annals of the American Academy of Political and Social Science*, V. 350 (November, 1963), p. 113.

pressure to be applied on both the US and foreign governments, US unions have found increased contact with their Latin American counterparts to be an efficient means of promoting their economic and political perspective on the region.

A productive means of exchange has been for Latin American unions to request assistance from their US peers when confronting US based transnational corporations on bread and butter issues. For example, in 1953 the AFL pressured both the United Fruit Company and the State Department to accept a negotiated settlement with agricultural workers for the first time in the UF Honduran affiliates' history, something that occurred soon thereafter.<sup>77</sup> AFL-CIO and ITS pressure on the US-based parent company was critical for the success of unionization efforts in Guatemalan Coca-Cola plants in the late 1970s and early 1980s.<sup>78</sup> More recently, workers at a Union Carbide plant in Brazil appealed to the AFL-CIO for support when contract talks with the company stalled. "The Industrial Union Department of the AFL-CIO asked member locals to call or send letters of protest to Carbide headquarters. Copies were sent to media contacts and soon reporters were also calling company headquarters. Not long thereafter, the company agreed to recognize the Brazilian union and to negotiate a contract."<sup>79</sup>

Direct US union support for Latin unions is not limited to bread and butter issues. US unions have also made direct contact on political issues as well. Defense of Latin American unionists confronted by political repression has been one area where US unions have been particularly effective. Unlike the 1950s and 1960s when silence was the norm, the AFL-CIO and a host of affiliate unions regularly protested the violations of unionists' rights under the military-bureaucratic regimes of Argentina, Brazil, Bolivia, Chile, Uruguay, Peru, and Central America in the 1970s, and 1980s. US unions have also been quick to denounce human rights violations under the socialist authoritarian regimes of Cuba and Nicaragua. This represents another shift. Criticism of right-wing authoritarian regimes, with the exception of the Peronist regime in Argentina, historically was not as consistently given as that directed towards the socialist camp. Only as of the mid-1970s, when human rights became a central issue in US foreign policy, did US unions take a more critical position on AFL-CIO foreign activities and adopt a consistent and neutral stand against labor repression in Latin America.<sup>80</sup>

During the last two decades there has been a trend towards more direct union intervention on behalf of Latin American labor groups on issues of specific concern. This stems

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<sup>77</sup> P. Taft, *Defending Freedom: American Labor and Foreign Affairs*. Los Angeles, CA: Nash Publishing Co., 1973, pp. 184-185; Romualdi, pp. 268-269 (FF 17).

<sup>78</sup> See H.A. Spaulding, Jr., "Solidarity Forever?" pp. 262-264.

<sup>79</sup> *People's Daily World*, September 29, 1988, p. 7A. Given that this periodical is a mouthpiece for the Communist Party, U.S.A., the approving tone of the coverage is all the more remarkable.

<sup>80</sup> See F. Hirsch, *An Analysis of Our AFL-CIO Role in Latin America, or Under the Covers with the CIA*; and the sources cited in Spaulding, "Solidarity Forever?"

not only from the rise of dissenting voices within the US labor movement and a concern with imposing some ethical content on US labor Latin American policy, but also out of the past failures of the AFL-CIO and umbrella organizations such as ORIT and AIFLD to address many of the immediate concerns of Latin American unionists. With the need to protect US union jobs in light of the international economic realities of the late 1980s, US unions have been quicker to directly support the demands of their Latin American brethren, if for no other reason than out of a finely honed sense of self-preservation.

## V. Conclusion

Though often critical, this essay is not intended to be an attack upon US labor and its foreign policy objectives as they have applied to Latin America during the course of this century. Nor does the absence of an assessment of their labor policies in the region imply ignorance of Marxist-Leninist attempts to gain control of Latin American labor, which had much to do with shaping the thrust of the traditional US labor approach in the region. What this paper has endeavored to demonstrate is the contradictory nature of US labor's Latin America policy. It has done so by arguing that the promotion of "free" trade unionism in Latin America has both helped and hindered the cause of democracy in the region. It has helped in that it has, especially as of the 1960s, provided Latin American workers with a series of educational programs and other forms of assistance that are designed to empower them in the workplace, and to improve their general standard of living. However it also has, to a far greater extent, hindered the cause of democracy in Latin America for over a half-century by adopting a doctrinaire anti-totalitarian line behind the faade of apolitical business unionism, which left it blind to the realities of class struggle in Latin America and the non-Soviet nature of many Marxist and nationalist movements in the region. For an equally long time US labor unquestioningly accepted a developmental logic that saw US-promoted capitalist expansion as the panacea for all social ills, to which democratic advocacy was subordinated. Anything that ran counter to this view brought about a reflexive, reactive response from the North American labor hierarchy, paralleling the US government response, that often served to undermine the cause of democratization in Latin America.

The greater the regional hegemony of the US and depth of the Cold War, the more regressive was the US labor response to labor developments in Latin America. The less the regional hegemony and US influence over a given Latin American country, the more flexible US labor's approach, particularly during the recent periods of improved superpower relations. Traditionally, with regard to AFL-CIO Latin American policy, the bludgeon was used where the scapel sufficed. US labor long found it more comfortable to work with capitalist dictators than social democrats, to promote divide and conquer tactics along ideological lines rather than help strengthen ideologically heterogeneous and organizationally centralized labor movements as agents of socioeconomic and political change, and to thereby acquiesce to policies that served to perpetuate the exploitation and subordination of its working class comrades to the south.

Hence, when the US was the dominant regional actor both economically and politically, US labor tended to support the US government foreign policy *status quo*. In some measure, it continues to take its lead from the incumbent administration, following a time-honored practice. However, with the decline of US economic and political influence and in the absence of a viable

US government foreign labor policy, US labor has put some distance between it and the US government on Latin American matters.

The AFL-CIO's schizophrenic posture has a structural root. The position of organized labor in the US economy historically compelled it to follow a foreign policy line that was pro-capitalist and anti-worker, when not anti-democratic. The material standards of living of organized workers in the US traditionally rested on their reaping the "trickled down" benefits of US capitalist expansion abroad. The mutual quest for profit lent easily to the type of "pluralist" foreign policy vision codified in agencies such as AIFLD.

Political and economic factors recently forced a reassessment of the traditional approach. US labor has retreated from its once highly visible conservative foreign policy stance in most of Latin America, and has turned to emphasizing the promotion of democratic institutions and educational programs related to workplace, "bread and butter" issues. In parallel, the changing international division of labor, and the shifting US position within it, forced organized labor to reassess its former position of unqualified support for US capitalist expansion recesses. The quest for profit abroad no longer brings with it benefits for organized workers at home, but instead has resulted in an increasing tide of "runaway jobs" and unfair competition in trade. The era of Wall Street internationalism is over.

As the US economy adjusts to an era of increased international competition, US labor has been forced to assume a basic defensive position, that of protection of rank and file wages and employment via opposition to further US corporate investment in Latin America and elsewhere. This has prompted US labor to accept the rise of a more political, classist, and militant unionism in Latin America, because it now believes that the presence of such labor groups will deter or constrain US investors, equalize labor climates worldwide, promote "fair" trading practices, and thereby protect rank and file material interests at home. To that end, organizational tactics and other forms of educational projects oriented towards strengthening working class participation in the political arena and the productive process has been emphasized by agencies such as AIFLD without as much concern over the ideology of the unions involved.

The AFL-CIO no longer has the influence over Latin American labor that it once had, but it does remain guided by one fundamental logic, a logic which has prompted its shift in posture with regard to Latin America: the logic of material and organizational self-preservation. If it has not entirely abandoned manipulation and intrigue as foreign policy tools, the economic and political circumstances of the international moment require that the AFL-CIO foreign policy apparatus adopt a more pliant approach to Latin American labor issues in order to reproduce its own organizational bases. The rationale behind this approach maintains that it is both foolish and counterproductive to play the role of diplomatic tools of a foreign policy elite increasingly unconcerned with the material and political foundations of domestic union consent to its activities

overseas. Instead, the logic of organizational survival is compelling US labor to become a reluctant agent for the promotion of democracy abroad, fulfilling the “progressive” mantle that it has long claimed but seldom seen fit to wear.