

The AFL-CIO abroad:

By RUTH NEEDLEMAN

The fascist coup which overthrew the progressive Chilean government of Salvador Allende on Sept. 11, 1973, was not solely the work of Chile's generals, acting on behalf of the reactionaries in their country.

Recent exposures of top-secret hearings before a U.S. congressional committee document the involvement of the Central Intelligence Agency (CIA) and the Committee of 40, the U.S. government's top foreign policy body headed by Secretary of State Henry Kissinger. These exposures clearly showed the hand of the Nixon administration in its nearly three-year-long efforts to undermine Allende's Popular Unity government by secretly funneling millions of dollars into Chile as bribes and cash payments for Allende's opposition. Those efforts finally culminated in the bloody Sept. 11 coup, which saw the massacre and imprisonment of thousands upon thousands of people and the stripping away of all democratic rights, imposing fascism on the Chilean people.

Somewhat less well known, however, is the fact that the coup was also aided and abetted by the AFL-CIO, the U.S. labor federation.

Through the American Institute for Free Labor Development (AIFLD), an organization set up in 1962 by the federal government, multinational corporations and the AFL-CIO, federal funds and dues money paid by U.S. union members found its way into the hands of right-wing Chilean "trade unionists," who were instrumental in toppling the Allende government. Working in concert with the CIA, the AIFLD also helped "train" right-wing Chilean unionists in a special school set up by the institute in Front Royal, Va.

The AIFLD's trainees later played significant roles in the truck owners' lockout and other employer-inspired strikes, economic harassment of the Popular Unity (UP) regime which helped set the stage for the military coup.

How did this all come about and what is the common thread that linked the reactionary, anticommunist forces within the AFL-CIO with the CIA and Chilean fascism?

AIFLD's REAL ROLE

The fundamental objectives of AIFLD are reflected in its organizational and operational structure which functions on three levels. It was never just a labor educational institute, as it was advertised. Behind the educational institute is an intelligence-gathering agency. And hidden beneath an even deeper cover, a clandestine operations apparatus functions.

On the first level, AIFLD was to train Latin American labor leaders in class collaboration to win or buy support among key unions and key federations. On the second level, AIFLD was given the function of gathering information for the CIA, facilitating the infiltration of Latin American labor movements, and providing a cover for the systematic recruitment of informers and agents. On the third level, AIFLD provides an institutional cover for the transfer of CIA and other intelligence operatives in and out of countries quickly and quietly.

When the institute began its operations, it first assembled a team of U.S. trade unionists. Many had Latin American experience through the Inter-American field offices of the International Trade Secretariats. They had contacts inside

foreign labor movements as well as a U.S. trade union background.

Then, a second wave of AIFLD personnel began to function alongside the front-line trade unionists. For the most part, their backgrounds revealed no labor experience. These people included a retired Navy captain, two Air Force colonels, a recruit from the Department of Defense, and a crew of aggressive individuals whose professional training came through the Office of Strategic Services, the Counter-Intelligence Corps and the CIA.

From 1970 to 1973 a number of Chilean trade unionists moved back and forth between Chile and the United States. Most came from strategically placed, right-wing unions. In 1972, at least six groups of Chilean trade unionists toured the United States, meeting with important AFL-CIO, AIFLD and International Trade Secretariat (ITS) leaders. The groups were made up of unions whose leadership consistently opposed Allende and played strategic roles in the counter-revolutionary activities culminating in the Sept. 11 military coup.

FOOTING THE COST

AIFLD requires a substantial amount of funding. Currently, over 90 percent of AIFLD's budget is financed by the government's Agency for International Development (AID). AIFLD also has access to other funding sources. It has acquired a virtual monopoly over U.S. government and Alliance for Progress funds earmarked for labor in Latin America. Out of a total Alliance budget for 1967 of \$6.1 million, AIFLD collected \$4.5 million. Inter-American Development Bank and even OAS funds in the form of grants, loans and credit flow into AIFLD coffers. Finally, the AFL-CIO pledges about 23 percent of its regular budget to international activities and has doled out generous loans to AIFLD through its enormous pension fund.

Although it has dropped in recent years, AIFLD also receives financial support from private U.S. corporations. At present, large corporations provide about \$175,000 a year. AIFLD goes after corporate support and gets it from the largest multinationals with investments in Latin America.

The list of corporate contributors features W.R. Grace and Co., Rockefeller Brothers Fund, ITT, Kennecott Copper Corp., Crown Zellerbach, Anaconda Copper Co., First National City Bank, the Anglo-Lautaro Nitrate Co. and many others. According to a radio broadcast from Punta del Este, Uruguay in 1967, "Harold Geneen, head of ITT, was so impressed with the philosophical sales talk for AIFLD by labor's George Meany, that he doubled ITT's contribution." AIFLD's contribution to big business, needless to say, is by far the larger in this mutual aid relationship.

AIFLD channels substantial amounts of money directly into pro-U.S. unions in Latin America. But AIFLD is also an important intermediary or conduit for transferring funds to right-wing unions and individuals. The transfer takes place, however, so that the money cannot be traced back easily to the U.S. government. To launder the money, AIFLD relies on ITS, which performs the touchy job of allocating it among unions in Latin America. This operation is necessarily complex since it is performed to obfuscate the whole funding network.

The International Trade Secretariats are large, international labor federations



Chilean President Salvador Allende with copper workers after the nationalized U.S. copper interests.

Behind the Chile coup

organized along the lines of a specific trade or profession. Most national or international unions in the United States are affiliated to a corresponding ITS. The Communication Workers of America (CWA), for example, belongs to the Postal, Telephone and Telegraph Workers International (PTTI), an ITS very active in Latin America.

Whereas AIFLD plays an important administrative, educational and intelligence-gathering role, the Secretariats account for the principal activists and operatives in many Latin American trade unions. They can play this role more easily than AIFLD for three basic reasons: they are international organizations; they are deeply imbedded in the trade union structures; and, they have a long history of CIA connections.

The advantage of having an international bagman is especially evident in the funding of Latin American unions since it makes it almost impossible to trace the flow of funds from the point of origin to the final destination. The financial circuit that carries U.S. government (AID) money to Latin American unions centers around AIFLD and six U.S. unions affiliated to the ITS. The heart of the circuit is AIFLD's "Union-to-Union" program, initiated in 1967 as the alternative to the CIA's use of dummy foundations to fund labor organizations.

The money flows through this system on the basis of sub-contracts. First, AID contracts with AIFLD. Then AIFLD sub-contracts with one of six U.S. unions designed by the AFL-CIO's director of the International Affairs Department, formerly Jay Lovestone and now Ernest Lee, Meany's son-in-law. According to a 1968 letter to AID from Lee, the six unions were the Communication Workers of America (CWA), Brotherhood of Railway, Airline Clerks (BRAC), Retail Clerks International (RCIA), International Federation of Petroleum and Chemical Workers, Textile Workers Union (TWUA) and American Federation of Musicians (AFM).

Each of these unions, in turn, hands the money over to their respective ITS where it is earmarked for the ITS Inter-American Office. In most cases, there is no way to distinguish the U.S. union from the ITS Inter-American Office. Finally, the money is allocated by the Inter-American Offices for use "wherever necessary" in Latin America. Along the circuit, the money has lost its nationality, traceability and accountability. The ITS is not accountable to U.S. taxpayers or union members for the allocation of these funds, and so the link tying donor to donee has been broken.



Striking Chilean truck owners, whose efforts to sabotage the Chilean economy were backed by the CIA.

The class consciousness, militancy and organization of the Chilean proletariat has consistently frustrated the AFL-CIO's attempts to subvert the political struggles of that country's workers.

Allende's electoral victory in 1970 was precisely what AIFLD had feared but was unable to prevent. From the moment that the UP took over the reins of government, the U.S. labor network started operating to overthrow it. Their work was developed in coordination with overall U.S. and Chilean right-wing strategy. Their strategy, specifically, was based on three main objectives: to sabotage the economy, build a right-wing, mass-based opposition to the Allende government and undermine, however possible, the unity of the Chilean working class.

Supporting the campaign of economic sabotage already launched by the U.S. and Chilean ruling class was a high priority. Whereas the multinational corporations and the U.S. government implemented a

blockade of Chile through international, financial and commercial encirclement. AIFLD focused their attack from within Chile. AIFLD and the ITS relied on select friends and agents well-placed throughout Chile's trade and professional union structure to spearhead strikes to disrupt production. Any strike in a strategic sector of the economy, copper or transport, for example, could weaken further an economy already under attack.

Their success was apparent in April 1973, when the right-wing Central Confederation of Chilean Professionals (CUPROCH), as well as individual professional "gremios" (trade associations) and craft unions at the large El Teniente copper mine walked out on strike. Copper workers in Chile had always received better contracts than the majority of workers. For one thing, they received automatic cost-of-living increases periodically. In early 1973 they received such an increase to offset inflationary trends. Shortly after, however, the UP raised the wages of all workers by 100 percent to make up for the increased cost of living. In April, CUPROCH and the craft unions demanded that the government pay them their initial raise as well as the 100 percent increase. The government quickly settled with the majority of mine workers and they returned to work. The technical workers, however, did not return. For three months they sabotaged production in the mine, provoking a loss of approximately \$90 million in foreign currency and providing a focal point for reactionary attacks on the government.

FASCISM'S AGENTS

In October 1972 CUPROCH assumed a leadership position in the counter-revolution. Their participation in the month-long truck owners lockout which occurred at this time provided a turning point in reactionary efforts to mobilize a broader-based opposition movement to overthrow the UP.

When the October lockout petered out, reactionary forces formed a front command organization called the National Command for Gremio Defense to defend, according to them, "free trade unionism," or gremialismo. A gremio is a trade union, guild or association of people with a similar line of business. What line were Chile's gremio leaders in—the line of owning businesses. The leaders of the national command were presidents of the four most powerful entrepreneurial associations in Chile. The gremio leader "heading" the command was the president of the elite National Association of Manufacturers (SOFOPA). Around him were grouped the presidents of the National Society of Agriculture (SNA), the Chamber of Construction Companies, the Chamber of Commerce and the Growers Association. Only one gremio leader in the command did not represent Chile's most elite entrepreneurial associations: Julio Bazan, president of CUPROCH, a political analyst for former Chilean president Eduardo Frei and top-ranking engineer in the nationalized copper industry, the Andina Co.

Bazan's rise to power in CUPROCH was closely connected to AIFLD-ITS dictates. He was first maneuvered into a leadership position in CUPROCH and then stepped into the presidency during the October lockout. At that same time, the vice president of CUPROCH resigned because he felt the organization was being used as a front for the elite entrepreneurial groups. He also complained that from the moment Bazan stepped in, CUPROCH was suddenly flooded with money. He claimed that the U.S. was behind this sudden financial watershed but he couldn't figure out how the money got there. In fact, he had run into the last stop on the AIFLD-ITS financial conduit line and his inability to trace the money back to its source was a feather in the cap of AIFLD's Union-to-Union program.

The U.S. union involved in this particular transaction was the Retail Clerks (RCIA).

The Retail Clerks has one of the grimmest records for counter-revolutionary activities in Latin America. The head of the department of international and foreign affairs of the Retail Clerks was Gerry O'Keefe. O'Keefe had been the bagman for CIA money in the overthrow of Cheddi Jagan in Guyana in 1963. Still head of the clerk's



Chilean farmworkers [above] ousted feudal landowners during Allende administration.

international department and director of AIFLD's counterpart institute in Africa, O'Keefe remains a staunch activist.

An audit of RCIA's annual budget over the past three years shows that out of a total yearly net income of about \$10 million, approximately half of that went to pay for international counter-revolutionary work, euphemistically listed in the budget as "international salaries and international expenses." Compared to RCIA's strike funds during those years (between \$200,000 and \$780,000), the amount is notable.

In the Union-to-Union Program Report for 1973, RCIA lists two membership drives in Chile: one for CUPROCH and the other for the Confederation of Employes of Commerce and Industry (CEIC). Also, according to this report, RCIA-FIET intervened in support of right-wing unions during and after the October 1972 lockout. It provided strike assistance and then settlement support for the Union of Professional Mine Workers and the Bank Workers, as well as the CEIC Industry and Commerce Workers.

THE SEPTEMBER COUP AND AFTER

After years of plotting and preparation, the AIFLD, together with reactionary Chilean trade unionists, helped provide strategic support to the right-wing offensive which brought down the UP government. Even as the armed forces bombed and raided factories, these traitors issued statements praising the new military junta and prepared to take command of a labor movement that had never before been within their grasp.

What, in fact, did these AFL-CIO agents win for Chile's working class? Besides the immediate massacre of an estimated 20,000 to 40,000 Chileans, the arrest, brutalization, torture and, often, execution of an additional 6000 to 20,000, these labor reactionaries have helped boost to power the most ultra-right, anti-labor, military dictatorship in Chile's history.

In one of its first decrees, the junta abolished Chile's powerful central labor confederation, placed all trade unions in abeyance and outlawed strikes together with any form of labor protest. Without formal rights of any kind, Chilean workers have

been subject to speed-ups, enforced overtime, continual surveillance and a disciplinary system based on after-work roundups of potential dissidents. Without prior questioning and without notification to any friend or co-worker, such "suspects" are dragged off of bus lines and street corners, stripped, beaten and then sent either to detention camps or to the new Police Intelligence headquarters for interrogation and torture.

WAGES DOWN

Even those workers who have held onto jobs are living a slow death. The minimum monthly wage for blue-collar workers is 18,000 escudos. What can such a wage buy? A conservative estimate of the cost of a worker's barest essentials (food and emergency supplies) for one month exceeds 76,000 escudos. The monthly wage buys no more than sugar, cooking oil and maybe a pair of shoes. Since most workers support a family of four to six people, survival is a desperate struggle. In addition, inflation at the end of last year reached 709 percent. During the first quarter of 1974 alone, the Consumer Price Index rose more than 62 percent but there was no corresponding wage adjustment. Calling for sacrifice to aid Chile's "reconstruction," the junta has frozen salaries. This has meant an overall drop in real income for workers of well over 50 percent.

How did AIFLD view the counter-revolution? "Other than an unexpected change of government on Sept. 11, AIFLD activities were normal," reported Robert O'Neill, AIFLD's country program director in Chile. A month after the coup, as the slaughter became more hideous and systematic repression was initiated throughout Chile, O'Neill referred to a normalization process. "During the daytime," he wrote, "all appears normal, except for the limited number of troops who are on the streets. The automatic weapons carried by them as well as by the carabineros are also an innovation on the Santiago streets."

[This article is excerpted from a much longer study by Ruth Needleman, an independent researcher.]