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Labor Activists

**Aided by Washington,
AFL-CIO Unit Backs
Latin Goals of U.S.**

**AIFLD Promotes Moderate
And Conservative Unions;
Its Methods Can Backfire**

Does Piper's Payer Call Tune?

By CLIFFORD KRAUSS

Staff Reporter of THE WALL STREET JOURNAL
SAN SALVADOR, El Salvador — As AFL-CIO representative Donald Kessler tours a local textile union's sewing school, union leaders tell him that one of the buses used to take members to work needs \$8,000 of repairs.

Mr. Kessler promises to arrange an easy loan.

Later the American says he will delay approval of the loan until after the union's board election next March—so that the union's moderate leadership, which he supports, can use the prospect of the loan to help fend off a Marxist challenge. "I'm going to tell them that you can safely say, 'If we're elected, you'll get the loan,'" he tells a reporter.

As surely as any Green Beret trainer or pinstriped American diplomat, Mr. Kessler, a former Miami postal-union leader, seeks to advance U.S. aims in Central America. But he acts as a representative not of the U.S. government but of U.S. labor. He is an official here of the American Institute for Free Labor Development, or AIFLD (usually pronounced "A-field"), a largely government-financed arm of the AFL-CIO that has been operating in Latin America for 24 years.

A Major Force

Over the years AIFLD has been a major force in forming or assisting moderate and conservative trade unions throughout the region, where unions are traditionally seedbeds of radicalism. It has angered leftist governments in Brazil, the Dominican Republic, Chile and Guyana by helping organize and train workers who opposed official policies. Today it is doing the same in Nicaragua—by long distance because the Marxist-led Sandinista regime closed AIFLD's office there in 1981.

AIFLD also, though less frequently, has taken on the right; it was kicked out of El Salvador for five years in the 1970s be-

cause its support of land reform enraged a military regime.

"If it hadn't been for AIFLD," says Mr. Kessler, a 21-year veteran of the organization and currently its deputy director in El Salvador, "I'd hate to see what Latin America would look like today."

Under Attack

But in recent years, as the U.S. has become more involved in Central America, AIFLD's policies have increasingly come under attack.

Even its supporters say it creates dependent unions that often can't stand up on their own, and its heavy-handed tactics have in some cases, notably in El Salvador and Costa Rica, divided the very moderates it is trying to strengthen. It was embarrassed in 1984 when it was disclosed that \$20,000 it gave to a Panamanian union was used to promote the presidential campaign of the army-backed candidate—at a time the U.S. was trying to appear neutral.

"AIFLD is a disaster for workers," charges Adrian Esquino, an Indian peasant leader here, whose union lost its AIFLD financing, radio and jeep when it refused to join a new AIFLD-sponsored labor confederation. "AIFLD says if you do what we want, we'll give you money," he says. "The institute buys union leaders."

Relations With Washington

Perhaps the biggest source of controversy involves AIFLD's relationship with the U.S. government. The institute was founded in 1962, with the encouragement of President Kennedy, as an effort to promote democratic unionism in Latin America. From the beginning, AIFLD has received the bulk of its funds from the government—although it insists it sets its policy without official guidance. Last year, AIFLD had a total budget of \$20 million, of which more than 90% came from Washington. One often-used conduit is the Agency for International Development; in El Salvador, it contributed 98% of AIFLD's 1985 financing.

Today AIFLD, a unit of the AFL-CIO's International Affairs Department, operates in 22 countries and has a full-time staff of 175 in Washington and Latin America. Although it is active throughout the region, its current focus—like that of the Reagan administration—is Central America, where it has trained more than 200,000 union and peasant activists. It is helping build a moderate labor confederation in Guatemala, which is just starting down a shaky road toward democracy. It also has helped design and administer El Salvador's land reform, a central part of U.S. efforts to build a political middle here.

Until recently, few members of the AFL-CIO knew their organization even had a policy toward Latin America. (Or other

parts of the world, for that matter. Two other AFL-CIO arms carry out the same sorts of activities in more than 50 countries in Africa, the Middle East and Asia; but AIFLD's budget is larger than those of the other two combined.)

But that began to change in early 1981, when two AIFLD land-reform advisers, along with a Salvadoran peasant leader, were shot to death at a San Salvador hotel, apparently by rightists opposed to land reform. Now AIFLD no longer has a low profile, and some union leaders worry that the AFL-CIO is involved in an alliance with Republican conservatives to perpetuate repressive regimes and somnolent unions.

"Given the anti-union bias of the Reagan administration, are we able to do the job in Central America we want to do?" asks Victor Gotbaum, vice president of the AFL-CIO's American Federation of State, County and Municipal Employees. Referring to possible manipulation by Washington of U.S. labor activities in the region, he adds: "The one who pays the piper may be calling the tune."

Compounding the controversy is the fact that over the years, AIFLD has at times been rumored to have links with the Central Intelligence Agency. Several former CIA agents have said they worked with it in the 1960s. But most outside observers think the intelligence agency doesn't play a big role in AIFLD these days, and AIFLD denies any connection whatsoever.

Part of the official interest in AIFLD stems from the fact that it competes head to head with the Soviet bloc's World Federation of Trade Unions. That group, based in Czechoslovakia, provides money and training to Central American labor leaders through affiliates in Mexico, Cuba and even the Soviet Union. The head of Honduras's Marxist labor confederation, for example, was educated in Moscow. But the World Federation's activities are generally considered to be dwarfed by those of AIFLD.

Performance Varies

AIFLD's performance differs from country to country, partly because each country director has a considerable amount of autonomy, within wide guidelines set by the Washington office. But in Central America, it is possible to see the entire spectrum—from success in Honduras to tough slogging in Nicaragua to frustration in El Salvador.

Of the three countries, none is more controversial for AIFLD than Nicaragua, where it is still actively opposing the Sandinista government despite having been formally expelled from the country four years ago. AIFLD's executive director in Washington, William C. Doherty Jr., is a founder of Friends of the Democratic Center in Central America, a U.S.-based citi-

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