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IDEOLOGY, CONSCIOUSNESS AND INTERNATIONAL LABOUR SOLIDARITY
CASE STUDY: UNITED STATES AND EL SALVADOR

by

BRADLEY ALAN HORNICK
B.A. (Honours) Queen's University, 1986

THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
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Abstract

Member unions of the American Federation of Labour/Congress of Industrial Organizations (AFL-CIO) established bonds of solidarity with unionists of El Salvador in the 1980s. In doing so they threatened long standing traditions of effective control by the official hierarchy of the AFL-CIO over matters of labour foreign policy.

This thesis examines the logic and motivations for the creation of these bonds in the context of the history of AFL-CIO foreign policy. It also analyses the global political and economic changes in the 1980s which created an environment that was more propitious for an international solidarity movement to occur.

The official hierarchy of the AFL-CIO in past decades has been inflexible with respect to change in its support for the general goals of US foreign policy. Because of issues related to the global specificity of US political economy, the wider US union movement in the past has acquiesced to this complicity. Yet in the 1980s, because of changes in their immediate work environment, some US unionists recognized affinities with the Salvadorean counterparts and built practical mechanisms of mutual understanding and support.

While this solidarity accomplished unprecedented advancements in building new organizations, forging a new international consciousness and challenging AFL-CIO policy, by the end of the decade the AFL-CIO remained intransigent with respect to new policy directions.
Acknowledgements

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It is an axiom of Marxist theory that objective social conditions - for example, the contradictions inherent in capitalist development - become "real" only if they are given expression through the conscious actions of the working class. In other words, a contradiction is an abstraction if it is not identified as such and used as the basis for strategizing class struggle.1

In order to dominate matter, the artist must first understand it; if he (sic) has understood it, he cannot be its prisoner, no matter how severely he has judged it. And even if he has accepted it wholeheartedly, he has accepted it only after seeing its wealth of implications and after discerning, without disgust, the tendencies that may seem negative to us.2

If the philosophy of praxis affirms theoretically that every "truth" believed to be eternal and absolute has had practical origins and has represented a "provisional" value (historicity of every conception of the world and of life), it is still very difficult to make people grasp "practically" that such an interpretation is valid also for the philosophy of praxis, without in so doing shaking the convictions that are necessary for action.3

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Introduction

Main Arguments and Summary

This thesis documents the history of AFL-CIO foreign policy with specific concentration on El Salvador. The first chapter outlines the themes of ideology, consciousness and international solidarity. Two subsequent chapters establish the economic context and point to the historical continuities in the AFL-CIO's approach to foreign affairs. The final chapter describes the intense battle waged within the AFL-CIO in the 1980s illustrating that member unions are divided over important policy questions. It demonstrates that the voice of labour in the United States is not homogenous and that through the building of personal ties of international solidarity, substantial dissent and a process of political regeneration is occurring to some degree within the AFL-CIO. The specific case study of El Salvador also shows that despite this activity and by the end of the decade of the 1980s, the official hierarchy remained uncompromising with respect to new policy directions.

The economic crisis and political vacuum of the 1980s in the two areas under study are central to understanding dissent within the AFL-CIO. The US ideological and strategic foreign policy focus on El Salvador in the 1980s occurred in a decade that witnessed a remobilization of global capital. The social power of labour was the target of this capitalist offensive - which greatly effected the domestic situation of trade unions in the US and El Salvador. The consequent need to defend labour's
rights created an environment more propitious for a 'counter-hegemonic' movement within the AFL-CIO to organize itself.

The ideological offensive against the social power of labour in both countries must be understood in the context of the Reagan Administration's 'resurgent America' and the US attempt to regain ascendency as a global superpower. At the home front, labour rights were suppressed and delegitimized as industrial restructuring commenced. On the international front, the repression of the popular movement in El Salvador was an important 'test case' for the US repertoire of technologies of domination as well as its 'resolve' internationally.

The decade of the 1980s in El Salvador saw unprecedented marshalling of popular forces to confront the structural roots of the economic and social crisis. Simultaneously, in the US, member unions of the AFL-CIO monitored AIPLD's operations as they had not done previously as a result of two factors: issues relating to the specific tragedy of El Salvador itself, and those relating to the motives and rationale behind 'resurgent America'. The predisposition to look at the AFL-CIO's foreign policy in a new way, it is argued, was a result of the new situation US workers faced domestically. It became easier to draw parallels between their own fate and that of unionists thousands of miles from home.

Part of the US State Department strategy in El Salvador was a concerted effort to reorganize and manage the internal balance
of class forces and their organizations. The impact of global restructuring in El Salvador in the 1980s required the further de-nationalization and trans-nationalization of the economy, the state and, thus, the constituencies that support the state. To do so, previous US administrations attempted to construct accords, however tenuous, between Salvadorean ruling regimes and a social base rooted in the union movement. Their policy instrument was AIFLD, the foreign policy arm of the American AFL-CIO. In the 1980s the process intensified because of economic crisis and political polarization. While AIFLD achieved substantial success, it was not without intense financial manipulation and bitter political machination.

By 1985, unions representing the majority of the membership of the AFL-CIO were publicly criticizing AIFLD's role in El Salvador. The unprecedented movement for a new AFL-CIO foreign policy was based both on ethical and intellectual considerations. Individual speeches, resolutions, policy papers and other documents on the subject reflect both moral outrage and a sound understanding of the underlying logic of AFL-CIO foreign policy.

While the AFL-CIO purports to uphold the principles of free and democratic trade unionism internationally, its critics contend that it has undermined the very same. In El Salvador, moreover, they contend that the AFL-CIO has conspired in a brutal counter-insurgency war against 'the people' by dividing and thus debilitating trade unions, a strategic sector of opposition to
the ruling oligarchy. US unionists, politicized by the transparently contradictory role the AIFLD plays in El Salvador have connected this situation to a broader understanding of such issues as: the changing nature of the US and global economies; their own position in the capitalist labour process; the collaborationist role of the AFL-CIO with anti-labour interests internationally and domestically.

This thesis examines the themes of ideology, consciousness and solidarity within the context just described. It is through the building of formal and personal ties to unionists in different parts of the world that a degree of global class consciousness has been developed. While it is not my contention that this is 'new' or dramatic alteration for the US and Salvadorean trade union consciousness, a significant movement has crystallized within the two regions based on objective economic conditions and a process of political struggle.
Chapter One

US - El Salvador Labour Solidarity

An international solidarity movement developed in the 1980s between unionists in the United States and El Salvador. It progressed as individual workers became aware of mutual affinities and dependencies across borders - the creation of traditions through cultural exchange. Amy Newell, the National Secretary-Treasurer of the United Electrical, Radio and Machine Workers of America describes this process:

As we made these exchanges and deepened our relationships we were not surprised to find that a union hall in Los Angeles isn’t much different that a union hall in San Salvador, and that the aspirations of a worker in Managua aren’t much different than those of a worker in Massachusetts...1

Workers’ consciousness in both El Salvador and the United States is informed by their environment, by the structural and conjunctural conditions of the socio-economic system in which they live. The experience of organizing unions and other communities of resistance in El Salvador is a consequence of the shared experience of super-exploitation in a torture state within the context of the overwhelming influence of the regional hegemon, the United States. Labour organizations out of which the solidarity movement in the US arose are presented with much different conditions.

The leap of consciousness demanded of individuals from the United States in building this solidarity is enormous. But, as the following essay will explore, an earlier global context where "majority of mankind [are] suffering from hunger whereas in certain countries the workers are struggling to acquire washing machines" in following decades. The economic context of the 1980s mean that bureaucratic organizations which have grown in the environment of the latter potentially may be losing their base of support. The conditions which in the past presented barriers to solidarity between unionists in El Salvador and the US opened up avenues of participation - for the possibility of international solidarity. Through speaking tours, visits of unionists to the homes and workplaces of their counterparts in different regions of the world, projects of twining unions, of sympathy strikes, and international boycotts - concerted energy has built new mechanisms of international solidarity. Its basis has both objective and subjective roots.

To some US unionists, intellectual and ethical recognition of the connections between their individual lives and the torture of a Salvadorean peasant are clear. "Because we know injustice when we see it," says Amy Newel, "and because we see injustice in Central America today and it’s stamped ‘Made in the U.S.A’... We cannot do business with these butchers without being stained by the blood of their victims." And, importantly, claims Newel,

3 Amy Newel, op. cit.
foreign policy is more than just a question of morality -- it's also a class question -- and up to now the ruling class of this country has been successful in setting a foreign policy that serves their interests, not ours.4

While these US unionists must battle the US State Department, they must also come to terms with the traditions of the their trade-union movement itself. A movement emerging within the bowels of the old has to face internal opposition. Yet it is clear that US workers, through sober and 'objective' analyses of their 'real' links to Salvadorean workers, are presenting creative and consequential strategies for change. Two key factors contribute to this awareness between unionists in El Salvador and the United States in the 1980s: the global economic conjuncture which has produced a crisis of US and Salvadorean society; the intensity and repercussions of the specific strategic focus of US foreign policy on El Salvador in the 1980s. Together they represent a critical environment which has catalyzed a 'solidarity' and 'counter-hegemonical' movement in the 1980s within the ranks of the largest union federation in the US, the AFL-CIO - in solidarity with progressive unions in El Salvador. It embodies:

1. non-recognition and counter-definition of norms and reality 2. the location of and rooting of these in the counter-society 3. the confrontation of the predominant value system at central points of tension and contradiction 5. the concretization of these definitions and experiences in new institutions and projects expressing these counter-norms and meanings.5

4 Ibid.
In practical terms, this movement's critique of US State Department foreign policy as well as that of the AFL-CIO is based on a number of points. These include different interpretations of such things as: what constitutes the democratic centre in El Salvador; the appropriate role of US aid and other forms of intervention; the motivations for the AFL-CIO's cooperation with the State Department - the underlying economic and political rationale for this collusion.

The objective operation of the global political economy is the structure within which the new consciousness develops, and, in the words of Althusser, may overdetermine a basis for a new international trade union solidarity. But, as the experience of the critical theorists pose, human agency must intervene to 'make real' this objective basis. Newel is representative of the stirrings of this solidarity consciousness that is the object of study of this paper: "We know that our rights as workers in the United States will never be secure", she says, "until basic labour rights are guaranteed the world over."6

Workers in El Salvador...don't work for pennies an hour because they want to steal jobs from American workers. They work for pennies because our government sends billions of dollars every year to dictators around the world to buy the guns and bullets and bombs they need to crush all union activity.7

6 Amy Newel, op. cit.
7 Ibid.
International Solidarity, Or Making Class Contradictions 'Real'

When you give a gift, you shouldn't expect anything in return. In this, one must preserve one's integrity.8

When we kill for words, we are killing for their referents, for what they signify.9

The term solidarity refers to the process of building communities of common understanding and connotes most of all, collective action. It implies participation and the mutual elaboration of goals. The practical mechanism of cultural exchange is explained by Beaudrillard. A cultural symbol whether it is an object, gesture or social position is shared while the tangible form it takes is unimportant: "it is inseparable from the concrete relation in which it is exchanged, the transferential pact that it seals between two persons."10

As a medium between two individuals, solidarity signifies something that is lacking between them - a way of admitting mutual absence and dependence.11

Becoming part of community is accomplished by recognizing one's symbolic connectedness to another - by partially surrendering to an identity pre-constructed by social positions as peasants, or as labourers. Contributing to this self-sustaining social web,

11 Ibid., p. 64.
consists of digesting its values, and alienating oneself to it - to truly know and become the community.

A new project is thus palpably constructed authenticating the leap of faith, belief, hope, trust and commitment between two people. In this way, a sense of collective consciousness is woven from a profoundly personal, unique and complex patchwork of linkages generated in the attempt to confirm a sense of connectedness to a community. They compose a cultural history in the form of what Antonio Gramsci calls a 'myth prince':

a political ideology which is not presented as cold utopia or as a rational doctrine, but as a creation of concrete fantasy which works on a dispersed and pulverised people in order to arouse and organize their collective will.12

This process must involve continuously elaborating a body of mutually understood meaning and action.13 The community's vitality will depend on the strength of its own built-in mechanisms for flexibility - its capacity to sustain a participative process. The alternative is a rigid, bureaucratized, anachronistic social formation, unable to adapt to the changing conditions which it confronts. The social nexus which once formed the basis of solidarity will degenerate to a form of ritual, a habitual, and routine collective consecration of belief.14 A ritual, unlike the experience of solidarity, is

a way of sharing a mutual distance between those who are participating. The experience is one of acquiescing to a set of formal or ceremonial procedures and defining a culture without a clear and rational decision to do so. It is a way of replacing direct or total experience with idols or objects. Two tendencies must, thus, coexist in a dynamic tension:

that of the myth and that of criticism of the myth, since "every pre-established plan is utopian and reactionary". The solution was left to irrational impulse, to 'chance'... 'vital impulse'...or to 'spontaneity'.15

An dynamic process of solidarity - identifying oneself with one's brothers or sisters is an act of cultural regeneration - it stimulates critical transcendence. It forms the basis of opposition to dictatorial, bureaucratic, capitalist or functionalist rule and is also, for this reason, a threat to some entrenched interests.

It is this deep meaning of consent to shared norms with which Gramsci is concerned in his political writings. Within national boundaries there are great reservoirs of common experience and associated myths which are peculiar and distinct from other national realities. Within the traditions of certain labour movements there are common experiences and language which provide a basis for the development of solidarity. This type of critical awareness of class history represents an alternative set of deep myths from the "reservoir of themes and premises"

which sustain a culture and provide the "trench systems of modern warfare" from which to demystify the culture of the oppressor.16

**AFL-CIO and Labour Aristocracy**

There are limits to the development of international labour solidarity. Marxist theories of ideology contain two broad definitions: referring to an idealistic 'false consciousness', and; as the medium through which people make their history as conscious actors.17 These correspond to the varying conceptions of consciousness of Marx, Lenin and Gramsci: on the one side economistic, spontaneous or contradictory consciousness and on the other political, socialist or hegemonical consciousness. For Gramsci, it is the project of the myth prince to politicize and extend the necessary reformist politics of trade unionism to effective confrontation with capital and the state.

The practical contradictions of capitalist society pit the interests of workers and capitalists interests against each other. Working people have struggled in order to maintain or improve wages, job security and working conditions as well as improving broader social conditions of the community and gain greater control over their lives. Capitalists, on the other hand, seeks to minimize wages, maintain a flexible workforce,

control the labour process and replace labour where possible with machines.

The system of capitalism has a dynamism of its own. In its constant cycle of exchange, production and realization, capital is inherently expansionary. Its tendencies are toward the continual development of productive forces and to the destruction of all limits to the productivity of labour. In the incessant requirement of surplus-value capital searches for new markets and raw materials, it develops economies of scale for global competition while continually commodifying new areas of social and material life.

Capital's drive to increasingly expand its geographical boundaries is part of the dynamic of accumulation and class struggle. At the state of monopoly capitalism there is a high concentration of economic, political and military power. In its ability to direct investment to regional concentrations of weak labour, and reinforce the relations to these areas through political and military means, capital's mobility becomes a strategy of class struggle in its ability to outflank workers. Yet capital's mobility are adaptations to its own tendencies toward crisis, made in part by the simultaneous development of new strategies by workers, as Gramsci relates,

A crisis occurs, sometimes lasting for decades. This exceptional duration means that incurable structural contradictions have revealed themselves...and that, despite this, the political forces which are struggling to conserve and defend the existing structure itself are making efforts to cure them within certain limits, and to overcome them.
These incessant and persistent efforts form the terrain of the conjunctural and it is upon this terrain that the forces of opposition organize.18

The historically peculiar aspect of present society is the private ownership of capital in the hands of a particular class. In capitalist societies, it is the working class that embodies the basic contradiction between labour and capital, although exploitation in 'core' and 'peripheral' areas of world capitalism affects a wide range of social groups. Because of this, Marx theorized a progressive collectivization of the working class exploding first local and regional then national boundaries. The internationalization of capital, the state and labour is this new terrain to which Gramsci refers. So forms the potential for the basis of international class solidarity - rising from structural and subjective roots.

Lenin was one of the first to explain a particular impediment to international class solidarity - the factors that stratified different factions of labour. The expansion of the labour aristocracy thesis to global proportions was a logical corollary to theories of uneven development of capitalism creating unequal regions within different industries and regions of the same economy. In this context, an economistic labour movement fragments into 'selfish' segments each pursuing its own interest in alliance with its own employers at the expense of the rest.19 Eric Hobsbawm explains, quoting Lenin in Imperialism:

18 Antonio Gramsci, Notebooks, p. 179
upper stratum "becomes bourgeoisie" while at the same time "a section of the proletariat allows itself to be led by people who are bought by the bourgeoisie, or at least in their pay".20

The existence of the labour aristocracy is explained in terms of the emergence of monopoly capital which is home to a small number of nations world-wide and permits capitalists:

to devote a part (and not a small one at that!) to bribe their own workers, to create something like an alliance...between the workers of a given nation and their capitalists against the other countries.21

For Hobsbawm, this ideological 'embourgeoisement' is a result of a form of syndicalism, or "the abuse of bargaining power of labour and other sectional interests at the expense of the general interest".22 At the international level, economistic labour organization becomes 'bourgeois' when it is committed to the defense of immediate economic interests within the confines of capitalist political economy. Its characteristics are economism, bureaucracy, lack of consciousness and limited political programs. As John Kelly relates:

The limited coverage of workers by trade unions; their organization by trade; their involvement in collective bargaining over terms and conditions of employment; and their use of full-time professional negotiators all stamped them with a profoundly capitalist ideological character.23

20 Ibid.
21 Ibid.
Here, it is not just union hierarchy, but whole work-forces that are part of the labour aristocracy. The contention is that in advanced consumer society a number of dispensations such as the 'social consumption norm' privilege workers of the advanced countries creating additional means of cultural integration. As Aglietta remarks about consumer society:

Classified as fragments of a single social labour-power, but simultaneously isolated by the wage contract as individual labour-powers in mutual competition, workers are inevitably tied to capitalism by the individual consumption of the commodities provided by mass production.24

It is not just the dominant ideology of capitalists or labour elites that ensures control. The implication is that these workers are 'bought-off' by the benefits of their own economy: relatively high levels of employment, wages and social benefits. Gramsci elaborates the criticism of the traditional theory of ideological 'false consciousness' by emphasizing the underlying consensual or universally accepted premises of this so-called spontaneity to capitalist norms of Lenin's 'trade union consciousness'. Consent is an empirical fact of acceptance, he argues, in the day to day experience of workers - which is not necessarily explicit.25 Consent is not habitual or subconscious conformity, that made under duress, or a pragmatic acceptance, but an active and conscious agreement with core assumptions of a society, and thus being bound with the term legitimacy.26

26 Ibid., p. 38.
Consent through voluntary agreement can vary in intensity. On one extreme, it can flow from a profound sense of obligation, from wholesale internalization of dominant values and definitions; on the other, from their very partial assimilation, from an uneasy feeling that the status-quo, while shamefully iniquitous, is nevertheless the only viable form of society.27

Workers are very much tied to capitalism through the wage system and the social consumption norms. Labour, thus has an interest in capital accumulation just as capital has an interest in eliciting 'consent' to exploitation through wage increases... The combination of capitalism and democracy is a compromise in which those who don't own the means of production consent to private property while those who do own the mean of production consent to political institutions that organize an uncertain but limited redistribution of resources.28

One of the points made in this thesis is that, in the terrain of foreign policy, the AFL-CIO not only accepts the agenda of the US State Department and the interests of the corporate world, but champions these interests. In Gramscian terms, the state disorganizes subordinate classes while it organizes the dominant classes into a power bloc. The economistic trade union of which the AFL-CIO is a classic case, is one of those institutions in civil society which plays a role in this power bloc maintaining bourgeois hegemony, legitimacy consensus, and domination.

While the AFL-CIO for most of its history has developed a bureaucratic inertia and perceived concerns that have

27 Ibid., pp. 39-40.
accommodated the corporatist agenda, any attempts at transcending this narrow consciousness will be viewed as an attack on labour movement traditions itself. To re-ground AFL-CIO international policies, placing workers first, would demand a truly hegemonical struggle.

On the other hand, capitalist strategies do include isolating the leadership of labour organizations. Where hegemony starts to become fragile, the dominant bloc attempts to incorporate the cultural, political and economic leaders - "potentially hostile groups into the elite network", the result being "the formation of an ever broader ruling class".29 One of the defining characteristics of the capitalist state is, according to Ernest Mandel, its ability to "draw upon and co-opt cadres from trade unions and businesses to serve on its committees".30

A counter-hegemonical struggle within the AFL-CIO would thus necessitate activity at different levels. It would require a battle against a firmly entrenched leadership, as well as against a pervasively ingrained acceptance of the present capitalist system by rank and file workers. To continue with the global economic analysis...

29 Femia, The Concept of Hegemony, p. 47.
Trade Unions In the Periphery

Uneven development assumes the mobility of capital and relative immobility of labour and labour organization. The hyper-exploitation of workers in the periphery depends on confining labour solidarity within national confines. National specialization in particular commodities and the process of fragmentation and relocation of industrial production stratifies and rigidifies whole productive systems and corresponding work forces according to national boundaries in what has been termed the 'New International Division of Labour'.

In advanced capitalist nations, unions do play a consumptionist role. Workers, in general, are more educated, have higher standards of living, and work in industries with greater 'value added'.

Alienation of the domestic social product means that in peripheral economies there is no organic connection between the producer and consumer. In the advanced areas, social articulation produced a seemingly endless expansion of consumerism and the social welfare state as a result of an internal market which only develops as 'internal' capitalist social relations of production expand.

In the countries of the 'periphery' structural conditions of an export-based, disarticulated economy deepened. In peripheral

economies, both 'export production' and 'import substitution' models present a barrier to social articulation. In an export-based economy, profit levels are determined by the level of external demand and thus the objective basis for remuneration to workers is absent. In the case of import substitution, production is still tied to a country's balance of payments and its ability to pay for imported technology, etc. Thus, there is strict discipline in avoiding high costs of commodities resulting from wage demands. The benefits of improved productivity were being experienced only in the centres of world capitalism in the form of profits and higher wages. Improved productivity in the periphery was simply exported in the form of cheaper primary goods. Later it would also be siphoned away in the form of capital flight and debt repayments. In these societies, there is a perpetual downward pressure on wages.

Hence, class struggles in the periphery lack the objective basis for compromise that characterize center economies and tend to polarize radical workers' movements on the one hand, and governmental terrorism and repression, on the other.32

Emmanuel's theories of unequal exchange imply that higher remuneration to the working class of the advanced countries was thus largely founded on the same international structures which permitted the super-exploitation of workers in the periphery. In fact, any increase in productivity in the North or South accrues to the benefit of the Northern consumer.33 In the

centre there is a convergence of interests in a relatively high wage economy.

The ideology of 'business unionism' that has evolved within the AFL-CIO in the United States is a product of very specific historical conditions and has little relevance in other parts of the world. If the conditions for U.S. style collective bargaining are not present in most 'developing countries', it should not, therefore, come as a surprise that efforts to export the model are counterproductive.

Efforts to transfer it to areas where material advances for the workers are necessarily modest and the effectiveness of collective bargaining generally dubious are bound to fail. Whatever the merits of free private and competitive enterprise in advanced industrial nations, the system holds little appeal to farm workers or even to those working in modern industries in the Third World.34

The lack of true international solidarity between union movements in the past must be explained, claims Emmanuel, in that there is actually a convergence of interests between labour and capital in the advanced countries against the interest of labour, or its actual repression in the periphery. Class antagonism within the industrial centre of the U.S. was replaced by a conflict between rich and poor nations, or core and peripheral areas of world capitalism. Imperialism created a privileged stratum or 'labour aristocracy' on the international

p. 130.
plane in advanced countries. And 'national integration has been made possible in the big industrial countries at the cost of international disintegration of the proletariat.'

While the privileged position of US workers implied increased acceptance of large conglomerates and international capital, the situation was different in the periphery. "Where investment in extractive economies in the periphery intensified, the result seems to have deepened the struggle between domestic labor and foreign capital." As Spalding relates, US labour has sided with US capital:

Specifically, capitalist labor strategy aims at fostering counter-revolutionary labor movements and by extension a counter-revolutionary working class. This would allow for the continued existence of capitalism and imperialism and create a safe business climate everywhere. While a greater share of the benefits accrue to big business, North American labor bureaucrats also gain. Having made the accommodation into the capitalist system, labor's bosses have a stake in its continuing strength.

**Critique of Labour Aristocracy**

Critiques of Emmanuel's 'unequal exchange' deny the importance of surplus extraction from 'dependencies' in the development of rich countries, arguing genuine capitalist production and

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36 Ibid.
relations of production have occurred as a result of foreign investment. Similarly, the promotion of an export sector need not lead to skewed domestic development or disarticulation. Furthermore, critics contend that general living standards in advanced nations are based on their own increased productivity, or 'relative surplus value'. The causal or structural relationship between wage levels among workers in the two areas of world capital is thus down-played and considered only one element of a more complex scenario. While unequal relationships do exist, claims Charles Bettelheim, "the expression of 'unequal exchange' indicates in ideological terms a phenomenon that is far from being reducible to mere 'exchange'".

The factors which produce low wages are thus part of a larger complex of phenomena - economic, political and ideological. It "means that wages are not determined solely by capitalist production relations, but are subject to a certain number of other determining elements" including the effects of class struggle, and "effects of the different instances in a complex social formation". The internal relations of production thus play a major role in the nature of peripheral societies - including low wage levels. These in turn, are affected by the structures of global capitalist relations which help create the 'objective basis' of low wages and 'unequal exchange'.

41 Ibid., p. 272.
42 Ibid., p. 287.
43 Ibid., p. 288.
We have seen, however, that when we do not treat wages as an 'independent variable,' we are led to relate the low wages in the poor countries both to the low level of development of their productive forces and to the productive relations that have hindered and continue to hinder the growth of these forces.44

Criticizing this notion on the economic level that workers of the rich countries appear as 'exploiters' of workers in poor countries, Bettleheim first explains that exploitation "expresses a production relation" which relates to "class relations". Technically, workers in the poor countries are exploited by the capitalists of the periphery as well as by the capitalists of the core.

A mere transfer of surplus value from the capitalists (or other exploiters) of the poor countries to the capitalists of the rich ones cannot be described as 'exploitation', in the strict sense of the word, since only working people can be exploited, but not other exploiters.45

The claim that workers in 'poor countries' are 'more exploited', then, is an ideological notion, not economic. Workers of the 'rich countries', on the contrary, are more exploited, in fact, because of the level of intensity and productivity, than their counterparts to the South because, "the more the productive forces are developed, the more the proletarians are exploited."46

While the proletarians of the industrialized countries are not subject to 'super-exploitation' as are the proletarians of the dominated countries, they are more intensively exploited. The capitalists, who cannot be accused of not

44 Ibid., p. 288.
46 Ibid., p. 302.
knowing how to do their sums, are not deceived: they know that, generally speaking, it is more profitable to exploit the proletarians of the industrialized countries than their brothers in the poor countries.47

Bettleheim frames the problematic in a different way contending that labour has a common enemy and we "must grasp an essential fact, namely, that domination by imperialism is based above all upon the exploitation of the proletarians in the imperialist countries".48 Investment in 'poor countries' similarly "blocks" the development of the productive forces - including for wage, other social benefit levels, structural change - for workers in the north:

although there is a grain of truth in the old argument that the super-exploitation of Third World labour does result in cheaper consumer goods and food products of the workers of the advanced capitalist societies, this is far less significant than the manifold ways in which the pillage of immiserated labour-power in the South is used to bludgeon the workers of the North.49

Bettleheim thus contends that there were not, in contradiction to Emmanuel, fundamental contradictions between workers of the 'poor' and 'rich' countries and that "on the contrary, there are objective bonds of solidarity between them, since they are all subjected, directly or indirectly, to capitalist exploitation, or are threatened by it".50

It is because the working of capitalist world economy essentially requires both maintenance of the

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48 Ibid., p. 303.
exploitation of the working people in dominated countries, with the draining off part of the surplus value resulting from this exploitation to the metropolitan countries of imperialism, and 'blocking' of the development of the productive forces in the dominated countries, that it is possible to say that world domination by the capitalist mode of production is based upon a twofold foundation of exploitation - that of the proletarians in the imperialist countries (exploitation of whom increases with the development of the productive forces of these countries) and that of the working people in the dominated countries, exploitation of whom also increases, but more slowly, just as the productive forces of these countries develop more slowly.51

While Emmanuel's technical arguments concerning theories of unequal exchange have received much criticism, as the following pages will show, his theories of labour aristocracy are very much applicable to the case of US labour foreign policy. Yet, Bettelheim shows that the working class in all countries share objective reasons for creating solidarity. As the following chapters illustrate, the conjunctural economic conditions since World War Two for this alleged aristocracy of labour has dramatically changed.

Chapter II

Post-War US Political Economy

The appearance that monopoly corporations and the Keynesian state were the supreme managers of a new contradiction-less capitalism arose out of a particular conjuncture: the cleansing of stagnant and inefficient segments of capitals during the depression and the war; post-war pools of cheap raw material and skilled labour; clusters of technological innovations attuned to mass consumer demand as well as productivity growth; the availability of new markets and relatively open trade under American international hegemony; and, by no means least important, the weakening of trade union militancy during the Cold War.52

In 1950 the U.S. produced 40 percent of the world's goods and services. The great depression in the US had destroyed and devalued capital creating the conditions for new investment. The war economy concentrated and integrated "scientific knowledge, rationalized management techniques into technological production, created a symbiosis of state, economy and the military, and extend the production model beyond the factory to the scientific organization of foreign policy and war."53 Entry in World War II and the vast new arms production along with the European market provided the seed money to encourage the new post-war investment.

Because of virtual the lack of competition, U.S. corporate capital could expand its productive base at home and abroad and accommodate the social power of labour that went with that

54 Giovanni Arrighi, "A Crisis of Hegemony", Dynamics of Global
expansion. The privileged position of US labour depended on the reconstruction of the post-war world-market and a "rapid spread of the structures of accumulation on which the social power of labour in the US rested." Here is the basis for the 'post-war settlement' between U.S. capital and labour where the latter accepted industrial legality, a corporatist accommodation and a stable work-place in return for a larger share of the economic surplus, or corporate profits.

Postwar global political economy was fashioned by a dual dialectic: the first is between production and circulation and the second, between the centre and the periphery. The nature of the relationship between these factors in the US would be determined by the strength of different factions of capital on the one side, and labour on the other in the following decades. The tension was between 'capital-widening' - expanding mass production to make basic consumer goods widely available throughout the world, or 'capital-deepening' - concentrating on innovation to the benefit of a more narrow number of people instead of distributing them universally. "As capital accumulated, business had to choose the degree to which it would expand labor proportionately to the growth of capital, or

55 Giovanni Arrighi, op. cit., p. 47.
conversely, the degree to which they would substitute capital for labor."58 In the immediate postwar years,

capital per worker was raised, the rate of expansion of the industrial labor force was slowed down, and a dualism was created between a small, high wage, high productivity sector in advanced countries, and a large, low wage, low productivity sector in the less advanced.59

In the United States capital and labour realized that continued valorization depended on a new social contract where both would accept the responsibilities of a collective infrastructure. The concentration of capital and the rise of conglomerates required increased management of systems of production and distribution to avoid mutually adverse consequences of competition.60 The accumulation model (variously described by Amin as 'autocentric accumulation'61; De Janvry as 'articulated development'62; Lipietz & Aglietti as 'intensive accumulation'63) was politically legitimated by Keynesian liberal political economy. Aglietta explains the post-war US economic and political system in terms of 'Fordism' which:

marks a new stage in the regulation of capitalism, the regime of intensive accumulation in which the capitalist class seeks overall management of the production of wage-labour by the close articulation of relations of production

59 Ibid., p. 391.
60 A. Portes and J. Walton, op.cit., p. 5.
62 De Janvry, op. cit.
with the commodity relations in which the wage-earners purchase their means of consumption. Fordism is thus the principle of an articulation between process of production and mode of consumption.64

The Fordist 'regime of accumulation' was regulated national development. "It was predicated on the internal transformation of industrial production processes and on the growth of their internal domestic market through the development of mass consumption and rising real wages linked to productivity and growth."65 A highly complex, domestically articulated market economy, based on real connections between the rate of profit and real wages, has as one of its components an 'organized' working class. Labour fought a hard struggle to widen its share of economic surplus. For the capitalist class as a whole, higher wages mean more consumption and thus profits. Thus an objective basis for the increase in wages is present in an articulated economy. The leaders of the AFL-CIO recognized that the 'social contract' begun by Roosevelt and which continued with Truman promised an increased 'social power' of labour.

It would involve not only increased wages, but a whole series of legislated commitments to ensure the continuity of the consumption process (welfare, unemployment insurance, minimum wages, insurance funds against the immediate financial consequences of dismissal, and pension funds for retirement, etc.)66. The institutional forms of regulation include the

64 Michael Aglietta., op. cit., pp. 116-117.
66 Aglietta, op. cit., p. 194.
'collective contractualization of wages', the welfare state, and government intervention in terms of monetary and fiscal policy. This 'organized' capitalism was a way to manage crises by means of a "state economic sector (military Keynesianism), state economic planning, the substitution of bureaucratic for democratic decision-making, and 'corporatist' wage fixing."67

These policies were formulated as the United States and its allies began constructing the post-war international trading regime and stabilizing the global economy. The United States was the engine of world economic growth and as such had virtually unlimited power to shape its institutions. By 1942, US State Department planners in what was called the "War and Peace Studies Program" developed geo-strategic concepts of "Grand Area Planning" which determined which areas of the world would have to be "open" "to investment, the repatriation of profits, access to resources, etc." in terms of what was "strategically necessary for world control"68. Grand Area planning essentially meant accommodation to US hegemony and co-optation of national capitalism and incipient socialism in any form.69

69 Ibid., p. 21.
70 Dean Acheson in Jeremy Brecher and Tim Costello, "Labor Goes
The reasoning of this policy of 'Open Door' was explained by Dean Acheson at the time: "We cannot have full employment and prosperity in the United States without the foreign markets". In the 1950s and 1960s, Europe was a low wage area and profitable for US investment. Thus US attention in the post World War II era was focussed on the power vacuums that had emerged in Western Europe as a result of postwar economic dislocation and social and political unrest. The power vacuums here and those emerging in Africa, the Middle East and Asia required concerted organization of international institutions and a projection of American power to ensure their incorporation into a Western oriented economic system.

As global banker and policeman, state policy was forced to look beyond the provincial interests of 'open door' expansionism to the overall equilibrium and stability of a transnational system of privilege, a Pax Americana.

The system of Bretton Woods and the General Agreement on Tariffs and Trade (GATT) was organized to regulate national economies. The World Bank was created to aid reconstruction and development. The US dollar was the dominant 'reserve currency' playing the role of 'central bank'. Along with the rehabilitation of other industrialized countries the US focussed on establishing a new relationship with formally European dominated Third World countries for two reasons: to gain strategic footholds in the Cold War with the Soviet Union and to

"open those economies to equal penetration by American goods and capital."72 In the United States the involvement of labour in Pax Americana had far-reaching consequences. Says Charles Bergquist,

the eclipse of a powerful political left anchored in an organized working class left capital free to pursue the implications of the compromise virtually uncontested at home, and to use the resources of the state to pursue its ends ruthlessly abroad.73 Capital in principle, recognized the right of workers to organize, to bargain collectively, and to strike for higher returns for their labor. Organized labor, for its part, either explicitly (as in the United States and much of Latin America) or implicitly (as in Western Europe and parts of Latin America) renounced the goal of socialist transformation, and acquiesced to the capitalist logic of perpetual revolution in the forces of production.74

And Cantor and Schor:

Organized labor's gains in the postwar years were impressive, but the price was increasing isolation from other progressive causes and the sacrifice of a broader social and economic agenda. Instead, labor accepted the role of junior partner in a management-government labor alliance in support of Wall Street Internationalism and the cold war.75

74 Ibid., pp. 4-5.
76 Richard Child Hill, "Divisions of Labor in Global
Global Economic Changes

In the decades following World War Two, in the "core countries" of the global system, economies continued a process of fordist 'articulation': backward linkages in productive departments created a synergy between capital and consumption goods. National capitalist development was occurring in various economies (post-war Germany and Japan, the NICs) by preventing excess surplus value produced by increased productivity from leaving the country. The expansion of multinational corporations after the Second World War first took the form of investment in extractive activities, while new investment through the export of productive capital created new manufacturing facilities. This eventually an extended the 'intensive accumulation' model of national Fordism onto the global level, coined "global fordism" and is described by Richard C. Hill in terms of:

the division of labor in manufacturing [which] is (1) increasingly subdivided into a number of partial operations which are (2) located a different industrial sites throughout the world according to (3) the most profitable combination of labor, capital, government subsidies, and transportation costs and (4) centrally coordinated through a headquarter's global strategy.76

The 'crisis' which became strikingly apparent at the start of the decade of the eighties must be seen in the context of the post-war boom and as a general crisis of the national intensive

regime of accumulation of fordism. The internationalization of capital broke the logic and mold of the nation-state and increasingly severed its allegiance to exclusive national boundaries. The structure of post-war US society became a social barrier to capitalist accumulation. The strength of fordist production in the advanced nations eventually resulted in the inability of domestic markets to absorb production. The very success of Taylorism and Fordism in the United States and the construction of the post-war world based on the spread of Taylorism and Fordism to other countries changed the nature of the global economic system. Here, whole economies were compelled to base their productivity on more flexible and efficient bases of competition. "In a more competitive world dominated by knowledge intensive technology, the key to economic success became human resources and a more effective organization of production systems, not natural resources and traditional economies of scale."77

By the 1970s, however, the structural effects of this massive shift in productive investment in the world system began to reveal themselves in the developed world, first in the premier capitalist economy, and then in the others. As manufacturing industry moved abroad, and domestic industry failed to modernize and became less competitive in the world market, developed Western societies began to experience declining economic growth rates, chronic balance of trade problems, high unemployment, and rising inflation.78

78 Charles Bergquist, Labour in Latin America, p. 6.
While the peripheral southern countries missed the human benefits of economic expansion in the lost decades of the 70s and 80s, crisis hit the US in the seventies. The US was faced with severe economic problems: fiscal deficit, growing trade deficit, a decaying industrial plant, huge military budget, largest national debt in the world, an economy increasingly based on consumption rather than production. Capitalists were forced to reassess their accumulation strategies as a result of the changing constellations of the 'production/circulation and core/periphery' dynamic.

The slowdown in productivity growth and the intensification of international competition provoked a crisis of fordism as a whole in the 1970s and 80s. The crisis of under-consumption stimulated a global trade war as competitors increasingly tried to reach each other's markets. An international process of restructuring then began as economies rationalized to pursue new global objectives. "Capitalist accumulation," explains Arrighi, "could take off again only through an enlarged decentralization drive toward other regions of the world-economy".80

At the same time, the intensification of competition within core capital has taken the form of a major decentralization of industrial production through direct investment and subcontracting in peripheral regions in order to take advantage of their abundant reserves of relatively cheap labor.81

This is in a context of the world system moving from the multilateralism of Bretton Woods under U.S. hegemony and is breaking into regional blocs in an emerging tri-polar structure. Disinvestment thus seriously undercut the vitality of the United States economy, and undermined the hegemony of the nation-state that capitalists everywhere had come to depend upon.82 Today's international political economy is characterized by the increasing lack of sovereignty and power of national governments vis-a-vis multinational corporations. The traditional geographic foundation of corporate power, the nation state, is being transformed to accommodate the new global power and mobility of capital.

The very dynamism and competitiveness of this system continually impelled it to over-reach itself and, as profit rates fell, to enter a deep slump in which capital was written off, production cut and workers dismissed. In these ways capital prepared itself for the restructuring that would herald the next round of accumulation.83

Guided by such groups as the Council of Economic Advisors, the Brookings Institute, the Business Roundtable, the Carter Administration commenced the 'austerity measures' that were continued with a vengeance under Reagan.

The policy conclusion of this simple logic was to reduce the share of national income that goes to the consuming public and increase that which goes to capital. For public consumption, inflation was made the focus. Tax breaks for business, budget cutbacks on social programs, and deregulation were all sold as inflation fighters. The targeting of labor income as a cause of inflation came with

82 Charles Bergquist, "Placing Labour at the Center: Introduction", op. cit., p. 11.
the announcement of wage and price guidelines in October 1978.84

Says Andre Gunder Frank, "at first signs of renewed world recession, Keynesianism has proved itself to be a snare and a delusion that has gone into bankruptcy."

In the early phases of a major economic contraction, such as that of the interwar period and the present, the primary exigencies of capital are not increasing effective demand but reducing supply costs of production in order to protect and revive profits and to stimulate new investment in and through more cost-effective production processes. Therefore, not Keynesian demand management but 'supply-side' economics, which stresses the cost and productivity of labor especially, becomes the order of the day.85

The restrictive policies of 'monetary restraint' of the advanced countries were catalysed by policies to deal ostensibly with inflation. It was not overt protectionist trade barriers in the form of tariffs, etc, so much as competition within the industrialized world to achieve favorable balance of payments that created policies directed towards deflation that created new de facto barriers to trade. Thus, international 'free trade' was coupled with a rationalization and reorganization of national economies to compete more effectively. The nature of the internal productive regime within the United States was undergoing dramatic changes. Some have coined this new phase of production in terms of 'post-fordism' - a total move away from mass production.86

86 Stuart Hall, "Brave New World", *Socialist Review*, (January-
Restructuring also has vast implications for peripheral economies. 'Global fordism' in the peripheral regions brought productive investment but was still articulated to the interests of core economies. While the new production model extended itself to some areas of the periphery it was of a specific character: 'peripheral Fordism',

defined as an authentic Fordism based on intensive accumulation combined with market expansion but [which] remains peripheral to the extent that, in the world circuits of productive branches, jobs and production corresponding to skilled work-processes and above all engineering remained outside these countries as a whole.87

The global productive regime has become de-centralized, but because of the global reach of multinational corporations, fragmentation "would tend to produce a hierarchical division of labor between geographical regions corresponding to vertical division of labour within the firm".88 MNCs developed on the global level the rationalized and fragmented division between departments - finance, personnel, purchasing, engineering to correspond to the global inputs and mechanisms of capital, labour, purchasing, manufacturing, etc.89

The slow-down in world economic activity since 1979 meant a reduction in demand for Third World products and thus a decrease

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88 Stephen Hymer, op. cit., p. 387.
89 Ibid., p. 390.
in commodity prices and its associated problems with terms of trade. In turn this magnified the deepening problems with debt service payments partly due to the increase in interest rates and reductions in aid and other capital flows. "Between 1980-82 the commodity prices fell by 25 percent in the United States dollar terms, the largest continuous decline in more than three decades." 90

The falling commodity prices along with a reduction in 'aid' from core countries forced peripheral countries "to accept market discipline in order to obtain finance in the 'open' market." 91 At the home front and in the world, the U.S. State Department geared its policies to a policy of "structural adjustment". The IMF would impose conditionality on recipient governments, privatising industry, devaluing currency, opening economies up to foreign investment, attacking state "social expenditures", and clamping down on the power of workers.

International Monetary Fund (IMF) policy in the early 1980s focused on policies intended to reduce the current accounts deficits. The US Federal Reserve Board instituted tight money policies which provoked a world recession. With commodity prices taking a nose-dive at the start of the eighties, the IMF would be the 'bill collectors'. They reasoned that some countries imported too much and exported too little because of

too high a "demand" in the domestic economies. The immediate remedy was currency devaluations to change trading relationships. In 1985 with the introduction of the "Baker Plan" the World Bank and IMF became involved in more comprehensive conditionality of its loans and inaugurated the era of "structural adjustment programs." They involved in general:

(1) currency devaluations, (2) high interests rates to fight inflation, promote saving and allocate investment capital to the highest bidders, (3) strict control of money supply and credit expansion (4) cuts to government spending, (5) removal of trade and exchange controls, (6) deregulation of prices of goods and services, including labour (7) privatization of public sector enterprises (8) indiscriminate export promotion.

Forcing structural adjustment is a symptom of a more general US pattern of unilateralism - seeking "bilateral arrangements with countries, refusing the judgement of GATT in determining trade violations, and threatening to pressure practices which are deemed solely by the U.S. as unfair." The US has pushed freer trade by asking "others to liberalize, using not the persuasion provided by the inducement of one's own trade concessions to do so, but the threat to suspend one's own trading obligations if the demands are not met." 

94 Ibid., p. 9.
Experiments with 'import substitution' subsided as economies concentrated on re-invigorating export-oriented industries, subsidized by international lending agencies, to pay for debt servicing and rising energy costs. The consequent increase in impoverishment, malnutrition, etc. in the periphery coincided with the monetary and fiscal manipulation of the north to re-invigorate profitability. While the US was attempting to force open economies around the globe, trade policy in the U.S. in the 1980s was characterized by protectionism. The mechanism of the US internationally was debt:

At one time, the foreign debt in Central America helped to bolster a worn-out economic and political model, postponing its inevitable reformulation. Later, the debt served to accentuate this crisis as resources were used up which otherwise could have been targeted for development. Most recently it has been converted by the developed world and its institutions into an excellent instrument of pressure to guide the restructuring in the directions best suited to its global interests.95

US Labour in the 1980s

If this line of argument is correct, we may interpret the development of capital on a transnational scale as a means of restoring the profitability of capitalist reproduction jeopardized by the growth of labor's work-place bargaining power.96

These measures conflict with the social basis of the political consensus which has underpinned US global expansion since WORLD WAR TWO. Empire is now not a source of compensation for both labor and capital, but rather a cost to be borne by labor for capital. The difficulties that this presents to a labor movement are immense. The labor bureaucracy's attempt to save its organizational gains without giving up its international commitments

prevents it from breaking new political ground: the policy is towards convincing the Democrats to resist social cuts and to embrace the Cold War - a program as bankrupt as Reagan's.97

In the decades after the second world war, U.S labour's privileged and increasing social power depended in part on capitalist expansion. In the 1970s and 80s labour has had to deal with the attack on this social power via cost-cutting in a period of contraction. Cost cutting has come in the form of substitution of cheaper for expensive wage labour both within state boundaries (including the feminization of labour and increased use of illegal immigrant labour), and across state boundaries (particularly between core and peripheral areas), and through increased mechanization, the organic composition of labour.98

One way to increase profitability is through the new labour and capital saving technology in the form of robotics and other computer based systems. The other route is the internationalization of production from expensive core areas of world capitalism to peripheral areas, with re-export to the advanced nations. "The economic implications of capital's commitment to organized labor in developed, high-wage societies forced it to shift the base of its productive operations to lower-wage economies abroad."99

98 McEwan & Tabb, op. cit.
99 Charles Bergquist, Labor in Latin America, p. 5.
Restructuring also means the systematic lowering of the 'break-even point' (profit at a lower operating point and lower sales) in basic industry, primarily by cutting labor costs, closing capacity, and permanently reducing the labor component in production.100

The recession of the early eighties devalued large amounts of accumulated capital and reduced wages. For the capitalist, this short downturn would make eventually make it more profitable to invest once again. But for the working-class, it was only the beginning of a renewed capitalist offensive. In the US, a number of rationales, including lower worker productivity, inflation, a bloated welfare state, and the energy crisis were all manipulated to force workers to lower their expectations. This "anti-labour strategy", according to Murray Wedenbaum, of the Reagan Council of Economic Advisors, was about "subjecting them to the fundamental forces of the market."101 Profitability would be restored, in other words, by reducing labour and the state's share of surplus value. The legal apparatus was set in motion, where:

the Davis-Bacon minimum wage, child labor, and occupational health and safety are being exposed to amendment by administrative rule; appointments to the Department of Labor, the National Labor Relations Board, the Equal Employment Opportunities Commission, the Occupational Safety & Health Administration have been given to men and women with strong pro-management ideologies and/or viewpoints openly hostile to the principles of the law they administer.102

102 Ibid., p. 18.
The United Automobile Workers union (UAW) in 1979 ceded millions of dollars to the Chrysler Corporation in order to save the company. This was just the beginning of the concessions from unionized workers. In 1981 President Ronald Reagan declared a strike by 12,000 air traffic controllers illegal, firing all the strikers as the AFL-CIO stood helplessly by.

In the organized heavy-industry sector, business has demanded concessions and a rollback of previously won wage and benefit gains as part of its general offensive to cut costs and to take advantage of the economic crisis to change the relations with labor that had developed over the preceding thirty years. Union concessions on wages and benefits in settlements with U.S. employers numbered 159 in 1982 and 430 in 1983. In 1982 some 38 percent of the unionized workers took wage cuts, and 15 percent had no increase.103

The 1980s is a period in which changing processes of production contributed to a vast restructuring of work as well as the role of the state. The restructuring includes a "shift from relatively high-wage factory work in heavy industry to low-wage service occupations, the importance of part-time and temporary employment, and the predominance of lower-wage women workers in the occupations with expanding employment".104 Within the US this included a demographic shift from the northeast/midwest to the southern sunbelt (an area traditionally opposed to union organizing).

By 1986 fully 81 percent of the new jobs in the United States were in services, compared with 66 percent in 1985 and 52 percent in 1984, and the vast majority of them were near the bottom of the wage ladder. The trend accelerated in 1987 when 94 percent of new employment was in the

104 Ibid., p. 309.
services. Three-fifths of the 8.1 million new jobs, service and nonservice, since 1979 have paid $7,000 a year or less.105

It was no longer taken for granted that workers should continue to expect full employment, trade union wage bargaining guaranteeing job security, regular improvements of standard of living and steady economic growth. Management used the threat of plant shutdowns, and subcontracting to reduce labour costs. Starting in the early 80s, scheduled wage increases were dropped; cost of living adjustments were delayed; paid vacations were cut back.106 Rigid job classification, seniority systems, over-centralized bargaining procedures were all used to restrict the workers' bargaining power.107 As well, non-adversarial "positive bargaining" including participative management, quality of work life, employee involvement were used to mollify worker militancy. "The years 1981 and 1982 recorded the fewest strikes and striking workers and the lowest percentage of lost working time since the 1940s".108 Wages for private-sector employees have fallen 4.3% against inflation since 1979. Nine percent of all contracts signed in 1985 contain two-tier clauses, under which new employees work at a lower pay scale than did their predecessors.109

105 Ibid., pp. 310-311.
108 Ibid., p. 18.
In the United States, where 4 million jobs were added between 1950 and 1968, the Labor Department found in 1985 that 2.3 million manufacturing jobs had disappeared since 1980, some 90 percent of them probably permanently and most of these were in high-wage, organized, heavy industry...The workers in the fast-growing service industries were earning, on the average, $5,000 less than those in the industries with a shrinking work force.110

A worker is statistically employed in the United States if he or she works at least three hours a day for three days a week or if the work is temporary....Since 1980 the number of part-time workers in the United States has grown 58 percent, to one-fourth of the total of those employed....Their advantages to the employer are obvious: there are no costs such as sick pay, health insurance, or vacations. Wages are usually nearly one-half those for a full-time worker, and a transient labor force is usually unorganized. This expansion of part-time work obviously depends on a large reserve army of unemployed.111

The percentage of unionized workers in 1979 was at 19.7% of the U.S. workforce.112 "The union's share of the workforce has been shrinking slowly but steadily since 1946, but the 4% annual average decline of 1980-83 accelerated to a 6.5% drop in 1984.113

The American labor movement is at a critical juncture, much like the one it reached in 1933. It has lost its momentum and is backtracking on all fronts: it has been unable to arrest the cuts in living standards imposed by the Carter and Reagan Administrations; it has failed to win new pro-labor measures such as national health insurance or to repeal old anti-labor legislation such as the Landrum-Griffin Act; and it is definitely not organizing the unorganized. Its power relative to big business and government is on the wane. The major unions - auto workers, steelworkers, teamsters - are fighting wage decreases, not winning wage increases.114

110 Kolko, op. cit., p. 309.
111 Ibid., p. 313.
112 Canadian Tribune, editorial, (November 19, 1979).
113 Jonathan Bennett "A Frailer AFL-CIO Looks in Mirror; Decides to Diet" Guardian (March 6, 1985).
The problems were not unnoticed, in a reversal of roles, by labour leaders from the South. Denis Melendez, Secretary for International Relations of the CST, a major union federation in Central America stated on a fact finding tour to the U.S.:

What we saw close up was the cruel reality suffered by the US workers due to the crisis in the economy (unemployment and falling living conditions). For example, we visited Pittsburg, which once produced around 55% of the US steel. Today, most steel works have closed down. US workers told us that many textile companies (such as in Philadelphia) have been transferred abroad, to El Salvador for example, where labour costs are pathetically low. As for the ravages caused by unemployment, hunger, despair and cold, we were told that these factors are behind the increase in the number of suicides.115

The significance of these developments for labour are far reaching according to many analysts of political economy and labour history. In the words of Marlene Dixon "it is the very beginning of an era in which the people of the United States will begin to see the democratic veils stripped away from the face of American power; they will begin to experience what has been the fate of the colony."116 Giovanni Arrighi, Fred Judson and Alain Lipietz explain why:

Social power and mass misery are no longer as polarized in different segments of the world proletariat as they were in the middle of the twentieth century. Mass misery has begun to spread to the proletariat of the core, while social power has begun to trickle down to the proletariat of the periphery and semi-periphery. In short, we are approaching


the scenario envisaged by Marx and Engles in the Manifesto - a scenario in which the social power and the mass misery of labour affect the same human material rather than different and separate segments of the world proletariat.117

Until recently, the centre of the empire, or at least large numbers within the centre, enjoyed bourgeois democracy. Repression and direct rule by capital, unhampered by populism, characterized the empire's holding in the Third World. Dictatorship was for 'them' and the ideological apparatus in the centre convinced the majority of the centre that empire had nothing to do with Third World poverty, repression, and dictatorship.118

The fetters on mass purchasing power in the Third World have increasingly become the constraints on wage bargaining power in the Centre. The only agents who have an absolute interest in perpetuating nineteenth century conditions of exploitation in the countries of bloody Taylorization, apart from remnant local oligarchies, are firms which have relocated the most labour-intensive segments of their production processes. Starvation wages and near slavery cannot provide a market for world output, but undercut wage levels in central Fordism and restrict metropolitan demand as a secondary consequence. In the absence of a selective protectionism based on compliance with minimal standards of social welfare and trade-union rights, the countries of the centre reward the dominant classes of the Third World and their multinational allies who most excel in repression and super-exploitation. Under these conditions 'free trade' means bringing world norms of exploitation into line with the norms of the most underprivileged sectors of the global proletariat.119

117 Giovanni Arrighi, op. cit., p. 52.
119 Alain Lipietz, Miracles and Mirages, p. 191.
Chapter Three
Post World War Two Labour Foreign Policy

This chapter takes us into a discussion of the history of AFL-CIO foreign policy setting the stage for the more specific study of the role of AIFLD in El Salvador.

The ruling class staked their claim to exclusive hegemony in the Monroe Doctrine in 1823, to which organized labour pledged its support in 1898, and any disagreements that arose were over means, not ends. The two met on the common ground that Latin America was an important source of raw materials, and a potential market for the surplus products from the United States industries.120

Importantly, the AFL-CIO’s international role started before World War Two. The AFL was born as a coalition of craft unions in competition with the mostly industrial unions of the Knights of Labour. The two "drove a wedge into the working class" because they reflected two philosophies, "one job-consciousness, the other class consciousness."121 In an era when corporations were raising private armies, the Knights organized and suffered the consequences of Haymarket, and socialist Eugene Debs ran for president, the AFL was quietly organizing what Kim Moody calls ‘business unionism’. In the fight over the early direction of the AFL, the socialist elements lost out to the ‘pure and simple unionism’ of Samuel Gompers. As Fusfield relates, the AFL then led the ‘middle road’ through organization drives of progressive

unions, such as the American Labor Union and the International Workers of the World (IWW).

Within the United States, unions in general fought to improve the social welfare of the nation. Account must be taken of the importance of the progressive demands placed on capital as a result of this struggle.

In the late 19th and early 20th centuries, union strength in the United States increased. Passports, visas and work permits reduced the flow of immigrant workers; tariffs and quotas on foreign imports protected domestic industries from competition. Unions helped to abolish child labour, won universal primary education, statutory insurance and pensions, the 40 hour week, sick pay, minimal health and safety standards on the job, unemployment benefits, and rising wage levels.122

On the international front, under the leadership of Gompers, the AFL directed labour from its early anti-imperialist stands against the Spanish American War and the acquisition of the Philippines and Cuba. By the end of the First World War the AFL leadership had moved the organization into full support of US government foreign wars. The AFL supported the Wilson campaign against Soviet Russia after 1917, intervention in Nicaragua against Sandino in 1927 and the opposition to Mexican President Cardenas' expropriation of oil companies.123 In 1918, the AFL organized the Pan-American Federation of Labor (PAFL) to foster the expansion of US trade and investment. Says Gompers,

122 Glen Williams, "Global Trade Unionism", New Internationalist, (Issue No. 117).
The fundamental policy I have pursued in organizing the ...[PAFL] is based upon the spirit of the Monroe Doctrine, to establish and maintain the most friendly relations between the governments of the United States and the Pan-American countries.124

At home AFL acquiescence to the Wagner Act of 1935 helped establish order in labour-capital relations with the NLRB guaranteeing labour's right to organize without management's intervention.125 'Maintenance of membership' rights in return for 'no strike' pledges, codified by the National War Labor Board (WLB), was also an attempt to create labour-force stability during the war. As the great strike wave in 1936-37 and the creation of the Congress of Industrial Organizations (CIO) testified, unions were still aggressively building their strength.

In the late thirties, the CIO on the international front was forming relations with the progressive Confederation of Latin American Workers (CTAL). Moody characterises the threat of the CIO which, as opposed to the 'business unionism' or 'individualism' of the AFL, is based on 'social unionism' and 'community'. Individualism, says Moody, has "dominated the official ideology" of US trade unions leaders who in the classical Marxist conception of ideology have imposed a false consciousness on the rank and file. Moody develops the theme of

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the 'social unionism' of the rank and file waging a continual battle with the 'business unionism' of the leadership.

It is for this reason that "businessmen have often fought off the militant CIO in any way open to them: during the Thirties certain AFL unions were able to secure contracts with business firms before organizing a single worker."126 C. Wright Mills remarked that the CIO organized the industries with the most "aggressive anti-union policies: the mass industries of steel, rubber, automobiles, which for decades the AFL failed or did not try to organize".127 Thus, when

looking at the international dimension of the CIO period, two things central to the thesis of this book stand out: (1) that those unions that were the most internationalist bore the brunt of capital's post-war anti-labor crusade, while those that were most nationalist were simultaneously assisted; (2) that the strongest internationalist sentiments emanated from the most proletarianized industrial sectors.128

An aspect of foreign policy planning in the inter-war years was consideration of the negative impact of expanded empire on domestic groups such as trade unions. The capitalist class went to great pains to attempt to co-opt recalcitrant labour. At a time of labour militancy and actual strategic successes of the 'left' in the CIO,129 the Cold War and the 'Soviet Threat' emerged to fulfil the purpose of incorporating their will into

126 Ibid., p. 135.
127 Ibid., p. 135.
129 Mills, Men of Power.
Pax Americana. Labour militancy and growth in the 1930s came to a climax in 1944, with the greatest number of strikes ever in the US - nearly 5,000. In the years directly after WWII the Taft-Hartley Act was passed, the first major post-war legislation which purged thousands of progressive trade unionists from the US labour movement and severely limited the rights of workers.

It gave employers the right to enjoin labor from striking, established a 60-day cooling-off period during which strikes were forbidden, outlawed mass picketing, denied unions the right to contribute to political campaigns, and abolished closed shops. Most importantly, however, the law required all union officers to take oaths that they were not members of the Communist Party.

The eleven CIO unions that failed to take the oath were later faced with expulsion. Michael Aglietti explains:

The massive expulsion of Communist militants from the CIO-affiliated unions decisively weakened the labour movement and brought the CIO into close alignment with the AFL in the same narrowly corporatist attitude, with very limited objectives. This corporatism progressively impoverished the content of collective bargaining itself, and cut off working-class trade unionism from the political forces of the liberal petty bourgeoisie. The result was that the organized labour movement was absent or tailist when the political struggles of the 1960s got under way, from the campaign for the civil rights of minorities, to the fight against economic discrimination, through to the battle to extend the social security system and the mass revolt against the war in Vietnam.

As Kim Moody states, the creation of a national union bureaucracy was a necessary precondition for the stabilization

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130 Jerry Lembcke, op. cit., p. 122.
131 Aglietta, op. cit., p. 192.
of the corporatist agenda of US economic policy. As early as 1941, Roosevelt set up a tripartite body, the National Defense Mediation Board, which attempted to centralize all wage settlements through federal mediation.132 This combination of concentrated capital, the large and hierarchical union bureaucracies, and government became the new model for the corporatist agenda. It involves "amalgamating the union bureaucracy with the corporation's".133

These examples of the bureaucratic integration of labor unions with business enterprises involve large industrial unions which deal with big corporations. The integration is often more far-reaching where a big union deals with an industry composed of many scattered small-scale business enterprises. In such cases, the union is the most stable element in the entire industry and takes the primary role as stabilizing agent.134

This neo-corporatist model is contrary to tenets of collective bargaining and pluralism.

The crucial feature of this form of corporation (or, as it has been termed, Labourism) is that it seeks to enmesh, rather than confront, independent trade union organization. Its aim is to bring this independence under the canopy of the corporation and the state, to then use it as a method of regulating the working class.135

The collective bargaining model is an indication of conflict and dissenison and represents the direct expression and claims of wage earners. It obliges the contending parties to become

133 Mills, Men of Power, p. 223.
134 Ibid., pp. 226-7.
involved in decision making processes and respects the autonomy of parties.136 It is a form of 'co-determination' or 'conflictual participation'.137 "Social concertation", macro-pacts, tripartite cooperation, organized pluralism, neo-corporatism are all terms referring to the attempt to institutionalize class collaboration.

Concertation works from the premise not of sectorial interests, but of a consensus socioeconomic situation. As Gilles Laflamme says the "success" of concertation depends on a number of factors: the necessity to 'drop ideology'; a coincidence of understanding of socioeconomic realities; an ability of parties to 'sacrifice for the larger good'; an ability of the parties to "honour its commitments in order for concertation to succeed".138 The attempt, it seems, is to reorient the allegiance of workers to a sense of common bond embodied in the 'national interest' or 'the common good'.

The post-World War II features of labour-capital relations included "national pattern bargaining, grievance procedures designed to remove conflict from the shop-floor, and bureaucratic unionism."139 Pattern bargaining meant that the

137 Ibid., p. 338.
138 Ibid., p. 340.
139 Kim Moody, op. cit., p. 20.
140 Ibid., p. 25.
141 Andrew Thomson, "The United State of America", in E. Owen
larger unions set the precedent in settlements which increased the power of the larger unions. Says Moody, "pattern-bargaining came to resemble less an army marching in unison than a train in which the most powerful pulled along the rest in a line that seemed to diminish in size according to the distance from the front."

The general deal which was eventually made by these large unions and which became the pattern until the 1970s was for wage increases linked to the cost of living and further increases in productivity. Collective bargaining shifted from decentralized to centralized patterns and from issues of working conditions to monetary gains from capitalist production. This, of course, meant that labour's interest was in the long term expansion of industry and a labour-force that was adaptable to technological change.

It can be argued that it is precisely because unions in America have been unswerving in their affirmation of private property, the capitalist system and the prevailing system of government that they can be taken for granted by politicians and outflanked by managements, since they offer no alternatives and pose no threat. Their social role is being pre-empted by other institutions and they appear to have become increasingly instrumental agencies to their members.

This model of labour-management cooperation was adopted as a part of the International Labour Organization's constitution in 1944 in the form of the Declaration of Philadelphia. It called for organizations to promote "collaboration of workers and

140 Ibid., p. 25.
employers in the preparation and application of social economic measures".142 (It is no coincidence that personalities like Gompers were central to the creation of the principles of the ILO after WWI.)

Labour historian Philip Foner explains in numerous studies how during World War II both the AFL and CIO had representatives in various US embassies who were there to split European labour and weaken the opposition to US foreign policy.143 Internationally, union federations were split into camps along East-West lines. In 1944, the American Federation of Labor (AFL) formed the Free Trade Union Committee, and with collaboration from the Central Intelligence Agency and the State Department helped "revive" European and Japanese unions and helped them "resist the new drives of totalitarian [ie. communist] forces".144 In Germany, the U.S. wanted a revived German capitalism and a tractable German labour movement which would permit it. Carolyn Eisenberg documents how the expulsion of CIO staffers during the U.S. occupation abetted the ascendency of hardliners within the U.S. zone. The U.S. also cast a East-West division on the labour movement against indigenous hopes for a national radical movement.145

143 Philip Foner, U.S. Labour and the Vietnam War, p. 5.
In 1945 Secretary of State Clayton unveiled the Clayton Plan, an economic program for Latin America. The plan involved the lowering of local tariffs to promote foreign investment and extend export production -- encouraging private enterprise rather than the state sector.

To the Latin American delegates in attendance at the Conference - including left-wing unionist and nationally-minded businessmen - the Clayton Plan appeared as a strategy expressly designed to keep Latin America locked into the status of supplier of raw materials, while providing a market that would absorb surplus products and capital form the United States.146

The plan was also denounced by unions in the CTAL, (Latin American Confederation of Workers) who argued that state intervention and protective tariffs were required for industrialization. Both the AFL and the CIO defended the plan.

It was at this point that the work of OIAA and Nelson Rockefeller brought AFL and CIO into a working consensus concerning foreign policy. "It was this agreement of global objectives that laid the basis for the merger that took place in 1955", according to Jack Scott.147

The Export-Import Bank, the Board of Economic Warfare, the Commerce Department, and the Office of Inter-American Affairs, were the major official agencies concerned with Latin American objectives for the duration of the war. The assigned roles of these government enterprises were facilitated by the activities of the OIAA, headed by Nelson Rockefeller, and it was through the work of the OIAA and Rockefeller that labour-capital cooperation in Latin America became institutionalized.148

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146 Jack Scott, _op. cit._, p. 208.
148 Ibid., p. 203.
In the 1970s versions of corporatist pacts have been drafted in ten Latin American countries - exemplified in the National Tripartite Commission in Mexico. All attempted to entice the trade union movement to accept 'moderate' wage demands and social peace for "gains in stability, purchasing power, participation" and other trade union guarantees. Charles Bergquist explains the process which occurred across the globe:

In country after country labor unions were transformed into relatively docile, compliant, bureaucratic organizations that were fully integrated, under the watchful regulatory eye of the state, into the legal and political life of their respective societies. The success of this general capitalist offensive against organized labor owed much to the outright repression of the political left, to the skillful manipulation of the issue of nationalism as the rivalry between the major capitalist and socialist wartime allies degenerated into the Cold War, and to the hegemony of liberal cultural values and ideology in the postwar West.

AFL-CIO and Latin America

The American Federation of Labour's Committee on International Relations declared at its 1946 Convention: "We cannot exaggerate the vehemence and vigor with which the Communists in Latin America have been conducting their campaign of vilification against the democratic ideals and the champions of the democratic way of life." Nelson Rockefeller worked with

150 Ibid., p. 419.
151 Charles Bergquist, Labor in Latin America, p. 4.
Serafino Rumaldi (an ex-OSS member and subsequently AFL representative) at the time to organize tours of conservative Latin American unionists with their counterparts in the U.S. Rumaldi's assignment was to undermine the growing strength of nationalist unions and particularly those associated with the CTAL. With the direction of the U.S. State Department, he built a regional confederation based on cold war politics, since 1951 known as the Inter-American Regional Organization of Workers (ORIT). ORIT was the Western Hemispheric branch of the ICFTU. At the same time Truman asked Congress for legislation for military collaboration, providing training organization and equipment for the armed forces of Latin America. Says Jack Scott:

An administration that planned for the arming of reactionary regimes against the people of the hemisphere, on the pretense of resisting Soviet aggression, could only welcome a hemispheric anti-Communist union federation as a mechanism that would strengthen the Truman Doctrine in the Americas.153

The 1959 Cuban revolution precipitated the creation of the American Institute for Free Labour Development (AIFLD) which worked to consolidate the power of ORIT in order to prevent similar occurrences in Latin America. In was in this general strategic context that in 1962, under the direction of Nelson Rockefeller as head of the State Department's Office of Inter-American Affairs, the U.S. Labor Advisory Committee on the Alliance for Progress brought together State Department, CIA and AFL-CIO officials. They obtained $350,000 in Agency for

153 Jack Scott, op. cit., p. 212.
International Development (AID) and Department of Labor funds to set up AIFLD's first training program.154 George Meany later testified to Congressional hearings:

In August 1960, when we came to a full realisation as to what happened to the Cuban workers and the entire Cuban people under Castro, the AFL-CIO appropriated $20,000 for the purpose of making a feasibility study of the establishment of a mechanism through which we could hope to strengthen the free labour unions of Latin American and develop trade union leadership.155

Kennedy's Alliance for Progress financially supported AIFLD so that "the talents and experience of the U.S. labor movement could be brought to bear on the danger that Castro...might undermine the Latin America labor movement."156 The AFL-CIO supported the U.S. government's attacks against Cuba, including the Bay of Pigs invasion. In Brazil, from 1961-64, the AIFLD worked with the CIA to undermine the pro-labor presidency of Joao Goulart who enacted legislation limiting the expatriation of corporate profit. Said an AIFLD spokesperson to the Congress at the time:

(the coup) did not just happen - it was planned - and planned months in advance. Many of the trade union leaders - some of whom were actually trained in our institute - were involved in the revolution an in the overthrow of the Goulart regime.157

In Guyana in 1963 when the Cheddi Jagan government was overthrown, AIFLD had anti-Jagan trade-union leaders on its full-time payroll. In the Dominican Republic, the AIFLD backed the military coup against Juan Bosch and praised the 1965 U.S. military invasion. In Chile in 1973 the AIFLD worked with unions committed to overthrowing the Unidad Popular coalition of Allende. As in Brazil, the new Pinochet junta immediately repressed all labour organizations and murdered thousands of individuals.

George Meany and the AFL-CIO did not waver in its support for the US war in Vietnam. As Philip Foner reports, "George Meany heralded "the basic policy pursued by the Democratic and Republican administrations in the last 25 years," and admonished the "neo-isolationists [who] misjudge the aims of totalitarian forces." When four students were killed at Kent State in protest over the bombing of Cambodia, an AFL-CIO News article entitled "Violence Begets Violence" shifted the blame to the students. Meanwhile workers in building and construction trades were gaining a reputation as the 'fascist stormtroopers' of the AFL-CIO for beating student protesters at a New York event.

159 Ibid., p. 264-81.
161 Ibid., p. 104.
Structure of AIFLD

Today the AIFLD operates in 22 countries, has a full-time staff of 175 in Washington and Latin America with its current focus on Central America. The AIFLD was created as a tripartite alliance of labour, business and government; its funds still come from the National Endowment for Democracy (NED) and the Free Trade Union Institute (FTUI), and the Inter-American Development Bank (IDB). Over 60 corporations have contributed to AIFLD, including Standard Fruit, Pan American Airways, United Corporation, Johnson and Johnson International, Shell, Anaconda, Kennecott, IBM, American Smelting and Refining, International Telephone and Telegraph (ITT). Nelson Rockefeller and J. Peter Grace, early members of the board, were among the largest corporate investors in Latin America with holdings in shipping companies, sugar plantations, distilleries, box factories, textile mills and banks and which directly resulted in vast political repression.162 In 1980, however, objections by some constituent unions of the AFL-CIO resulted in all non-union seats on AIFLD being eliminated.

AIFLD received a needed boost in the early 1980s from the 'National Endowment for Democracy' or what some have called a 'Reaganite slush fund'. In September of 1981 a conference was sponsored by the Konrad Adenauer Foundation in West Germany and brought together German and American neoconservatives.163

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163 Jurgen Habermas, The New Conservatism: Cultural Criticism
1982 Reagan launched his 'Project Democracy' which called for an international program to

foster the infrastructure of democracy - the system of a free press, union, political parties, universities - which allows a people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means.164

In another speech in 1983 which led to the formation of the National Endowment for Democracy, Reagan stated that the aims of the organization were "planning, coordinating and implementing international political activities in support of US policies and interests relative to national security."165 The 1988 Board of Directors of NED included Lane Kirkland (present president of the AFL-CIO), Albert Shanker, Henry Kissinger and, finally, Senator Orrin Hatch who, states the International Labour Review "spearheaded virtually every piece of anti-trade union legislation in the US."166 Hatch said of the NED that its programs "have an effectiveness which the CIA often lacks."167

In a 1984 edition of AFL-CIO News the NED is billed as "a unique program that enables labor, business and other non-governmental groups to help the development of democratic institutions in other countries" and to "build the infrastructure of democracy" around the world.168

165 Ibid.
166 Ibid.
167 Ibid.
168 "House Approves Project Funds to Spur Democracy", AFL-CIO
which $11.5 million went to the AFL-CIO. The NED buys its influence by bankrolling foreign media, training union leaders, influencing elections and backing organizations supportive of US power. The unions supported include anti-communist unions and right-wing student movements in Portugal, Spain, France; Solidarnosc in Poland; and a string of anti-democratic unions from Guatemala to the Philippines to South Africa.

The NED's primary purpose is to pursue US foreign policy objectives that cannot be achieved through legislatively-controlled government agencies. According to Congressman Hank Brown, the NED operates under a 'cloak of secrecy', exempt from Freedom of Information laws and closed to public accountability.

Project Democracy and the NED were in large part responsible for the growth of the private right-wing organizations, such as PRODEMCA and the Institute on North-South issues which were part of the secret aid network championed by Oliver North. The Iran-Contra arms scandal linked a four-year-long program of extensive covert operations to the NED. The Iran-Contra hearings clearly tied the extensive covert operations of "Project Democracy" of the Reagan Administration (AFL-CIO President Lane Kirkland and American Federation of Teachers President Albert Shanker are on the Board) to the NED. These

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170 "Winning Friends?", op. cit.
171 Ibid.
172 Bill Dennison, "Int'l Affairs Department Implicated" Canadian Tribune (March 9, 1987).
funds were part of the "privatisation" of the contra war run through the Security Council.173

A Business Week article that was circulated at a 1985 general meeting of the AFL-CIO stated that the AFL-CIO spent $43 million overseas propping up right-wing governments while its domestic budget was $45 million.174 Technically a "private voluntary organization" (PVO), while the U.S. government pays 90% of its operating costs and 100% of "special programs" in Central America, the AIFLD is considered "intermediaries in conducting AID's program".175 In 1984 AIFLD had a total budget of $20 million of which 90% came from Washington. In 1985 the Agency for International Development contributed 98% of its financing.176 In 1985, the AFL-CIO got 75% of the NED budget. In 1987 government related funds accounted for 98% for the Department of International Affairs's $29.4 million budget.177

One of AIFLD's main emphases has been training Latin American union members. Since 1962 the AIFLD has trained over 500,000 Latin American and Caribbean unionists. "The AIFLD boasts that at least 70 percent of the executive board positions of the 'free' trade unions in Central America are filled by AIFLD graduates."178 "During 1977 and 1978, AIFLD offered more than

173 Ibid.
177 Paul Garver, op. cit., p. 61.
178 Tom Barry, "A Country Guide", p. 13. (Course offerings:
1,400 courses in 15 countries and training more than 41,000 participants, of whom some 7,000 were women," boasts the AFL-CIO 1979 Executive Council's Report.179

The history of the AFL-CIO's interventionist policies is explained by its close working relationships with U.S. government agencies and with multinational corporations that do business in Latin America. The operational assumptions of the three coincided from the beginning. Latin America was viewed by all three as a source of cheap raw material and as a market for U.S. goods. Even the CIO's John L. Lewis stated in 1939 in a Labor Day address, that:

Central America and South America are capable of absorbing all of our excess and surplus commodities. Obviously, increased trade volume with 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.180

By ensuring access to foreign markets and raw materials American jobs are allegedly protected. The national religion of anti-communism serves the same purpose for labour as it does the

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bosses. Says J. Peter Grace, the first director of AIFLD whose "3,000 striking workers at Grace's plantations in Peru were beaten back to work and three shot dead in 1960" while the AIFLD was being organized:181

we must bear in mind that we cannot allow Communist propaganda to divide us between liberals and conservatives or between business and labor... Above all we have to act together as Americans defending our interests abroad. The AIFLD urges cooperation between labor and management and an end to class war.182

The stated goals of the AFL-CIO foreign policy activities are education, union-to-union support, development and support for democratic institutions and free trade unions. Yet, the 'common ground' of U.S. labour and capital rests on three main pillars: global expansionism, business unionism, and anti-communism. The operational assumptions of business unionism is basically class collaboration; there are no conflicts of interest between workers and capitalist classes. If there are disagreements, they are subject to negotiation. The interests of particular workers or industries is what is at stake, rather than the working class as a whole. Peter Grace remarks that,

AIFLD urges cooperation between labor and management and an end to class struggle. It teaches workers to help to increase their company's business and to improve productivity so that they can gain more from an expanding business.183

182 Ibid., p. 11.
AIFLD’s goals were to create conditions for economic growth and political stability, undercutting the need for radical unions. ‘Cuba style’ revolutions were a possibility wherever socioeconomic conditions were bad enough to make people amenable to 'communist influence'. Yet as its history reveals, the AIFLD worked with local governments to revise their labor codes and permit the operation of "free" (pro-U.S.) labour unions. But if a radical or pro-socialist government came to power in Latin America, AIFLD would cooperate with U.S. government agencies to help overthrow it and then "clean up" the situation after a coup.184

As Tom Barry remarks, AIFLD undermines progressive or national union movements that are a perceived threat to U.S. "national interests". "It does this by creating paper organizations and financing unrepresentative conservative unions that support the United States, while attempting to break up more progressive unions".185 The AFL-CIO, thus, in many cases, lends the support of the US labour movement to US allies which deny the right to strike, systematically violate labour codes and permit repression against unions and labour leaders.

In this way, the AFL-CIO helps to create anti-labor environments in Latin America amenable to multinational corporation investment. By doing so, it is also responsible for creating the very "run-away shops" which workers are fighting in the U.S.

Trade union strategies in peripheral economies are dictated by the environment in which they organize. Unlike the AFL in its early days, union leadership in general does not rise from artisans and skilled craftspeople. The rank and file from which union leaders in the US emerged was very different from the generally uneducated counterparts in the south. While US bureaucrats, today, are among the elite in terms of education and social enfranchisement, in peripheral areas the rank and file is forced to look for leadership among the intelligentsia.

These leaders viewed the labor problems not as those of small occupational or industrial groups but rather as those of a social and political system in which colonialism and capitalism were closely identified. This identity was cemented by the fact that modern industry was indeed most often represented by foreign-owned and foreign-managed business enterprises headquartered in capitalistic countries.186

The most immediate needs in very impoverished countries are the basics of housing, medical care, sanitation and education. Increased wages are one element, and by themselves insufficient indicators of social improvement. Demanding wider social reform in these areas by pressuring the government is thus often seen as more effective activity by trade unions. Trade union leaders in the 'underdeveloped' world are frequently more interested in 'larger' political issues, rather than routine or 'business' unionism.

186 Sturmthal, _op. cit._, p. 140.
Thus the US 'labour movement' has a different connotation than it does, for instance "in the beginnings of the European labor movement", where "unionism played a relatively subordinate role." Unions articulated their demands as part of larger social movements, nationalistic and anti-imperialist, which would be capable of struggling against the legal and coercive power of the state. 'Labour movements' here use the tools of critical theory and revolutionary analysis to confront what is for them the transparently obvious contradictory interests of capital.

[While] the terms labour movement and trade unionism are used as equivalents in the United States...In most countries, however, the labor movement represent a far wider concept than in the United States. A multitude of organizations - varying from country to country and from one historical period to another - come under that common heading. These are unions, of course, but also political parties (which can be associated in a variety of ways with trade unions), workers' educational organizations, cooperatives (mainly consumers' cooperatives), mutual insurance organizations, workers' sports organizations, and so on, all the way to workers' stamp collectors groups.

In terms of organizational capacity, organized workers in these urban enclave economies have concentrated an inordinate power to pressure the state on political grounds. Smurthal remarks how, because of this, their ability "to exert pressure on the government is far greater in most cases than their ability to engage in prolonged industrial conflicts." Similarly,

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187 Ibid., p. 9.
188 Ibid., p. 1.
189 Ibid., p. 140.
190 Ibid., pp. 140-1.
191 Ibid., pp. 140-1.
politicians in the cities, where major political decisions are usually made, are often interested in appeasing the concentration of political power of urban unions.

In forming alliances with unions in Latin America, AIFLD thus looks to ways of creating a local 'aristocracy of labour'. In most parts of the third world the capacity for collective bargaining and economic action is hindered by the unemployment and underemployment that exists. "Strikes of common labor are unlikely to succeed when thousands of potential workers stand at the factory gate willing to work at the current or lower wage rate."190 In this case there is definitely a difference between skilled and unskilled workers where there are few educated and highly trained individuals among the reserve army of labour.

Smurthal explains that wage differentials between the employed unionized workers and others in peripheral nations are very high, much more than in the advanced industrial nations. He remarks:

In many developing countries organized labor thus tends to become a kind of workers' aristocracy in spite of low income levels by Western standards. However, apart from a relatively small number of skilled workers, only a tiny portion of organized labor owes its special status to genuine bargaining. The power of the government is the determining force behind the paper cover of whatever collective agreements exist.191

190 Ibid., pp. 140-1.
191 Ibid., pp. 140-1.
AIFLD helps create a 'labour aristocracy' in places like El Salvador through the establishment of what it calls 'centrist unions'. This is to divide the labour movement and weaken what they call 'radical' unions - unions that don't fit the 'business', 'collective bargaining' model of US unions. The logic of AIFLD which accounts for this dynamic is rooted in its own traditions and self-consciously in the central preoccupation with the tenets of anti-communism. Says Doherty:

The key question of our times is the future road of [Latin America's] 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.192

Organic, or 'popular' union organizations that are democratic, rooted in truly local social relations and dependent on their own base of support are polarized against these 'centrist unions' who are financed by and trained in - AIFLD's institutes. In fighting against the 'radical unions' AIFLD is, in its own eyes, fighting against 'communism'. In reality, however, it is working against genuine peasant and worker rights and in favour of the Salvadorean oligarchy and international agents.

192 quoted in Cantor and Schor, op. cit., p. 47.
Chapter IV

State, Capital and Labour in El Salvador

The present day Salvadorean labour movement was established as a response to the expansion of the world capitalist system, and the agro-export model developed in the 1880s. Today, the common interests of the dominant hegemonic fraction, the large landowners, are rooted in the export economy. This sector is responsible for capital accumulation, foreign exchange earnings, ability to import manufactured goods, capital, technology, government revenue, growth and power of the state. The state's main function is thus one of maintaining internal capitalist relations which corresponds to the manner of insertion of El Salvador's economy into the world market.

Capitalist relations of production emerged in El Salvador as increasing production of coffee created the need for land and labour. Through an 1882 law "Abolicion de Ejidos", communal property was banned, forcing aboriginal populations to work as wage labour. Various forms of legal sanctions and repression in the next century have produced the highly concentrated land-ownership that exists today. While this large seasonal labour force was created by displacement, non-capitalist sectors were organized alongside and campesinos were semi-proletarianized.193

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The hacienda system was created by the need of coffee production for harvest workers. This involved a form of labour rent where peasants used a portion of finca lands in return for seasonal work. A dual economy still exists between a wealthy agro-export sector alongside marginalized, insecure and impoverished peasant subsistence plots. Lacking any base in banana production unlike the surrounding countries, in the late 1920s coffee accounted for 93 percent of Salvadorean exports.

In the countryside, the main class contradictions involved exploiters and exploited within the most important productive sectors: landowners vs sharecroppers and tenants in the haciendas, and planters vs permanent and seasonal workers in the coffee plantations. Taking into account that the capitalist coffee sector was the dominant pole for the economy and included a substantial part of the working population, it can be concluded the contradiction between capital and wage labour was the principle structural contradiction in Salvadorean society.

To maintain this system the state and the coffee oligarchy relied on the coercive power of the military. The National Guard was established in 1912, a constabulary force trained and funded by the U.S government, and which assured the entrenchment of the coffee aristocracy. The role this 'National Guard' plays today is the same as that of the US National Guard in the latter half of the 19th century: the domestic political function of strike breakers and general instruments for repressing labour.

195 Leon Zamosc, "Class Conflict" *op. cit.*, p. 64.
196 Ibid., p. 64.
police and National Guard received their orders from the local finquero, on whose premises they were often billeted, even if they were nominally answerable to headquarters in the capital."198

The establishment of the export-based economy thus coincided with the destruction of incipient democratic forms of internal socioeconomic formation. The state did not take on the specifically bourgeois-democratic type as in the US. In El Salvador, coffee production produced the greatest polarities of land ownership in all of Central America.

The 1930 census listed 640 people (0.2 percent of the population) who were identifiably large landlords - there were 3,400 growers of coffee but only 350 owned more than 125 acres of land - or capitalists.199

The surplus generated by coffee production was simply pumped back into the export sector or invested overseas, thus inhibiting the development of a strong domestic economy. Articulation with the international economy based on coffee exports meant that the big planters would become the hegemonic fraction within the alliance of the dominant classes - the planters, exporters and bankers.

The limited possibilities for physical retreat from a system that had attacked the central zones of settlement exacerbated competition on the part of the campesinos for the scarce land made available for subsistence by the fincas. One result of this was the ability of the landlords to impose very onerous terms of tenancy, but

199 Ibid., p. 65.
another - scarcely less predictable - was the outbreak of violent resistance.200

In 1911, the Central American Congress of Workers was founded in San Salvador. By 1917 there were more than 40 unions nationwide and in 1919 500 Salvadorean unionists attended the First National Workers' Congress. The year 1919 also saw the first strike in the country's history by the railway workers. In the years, 1913 to 1929 imports from the US quadrupled. With the Great Depression in the 1930s, the coffee market collapsed bringing drastic reductions in rural incomes. Coffee prices fell from $.25 per lb in 1925 to $0.09 in 1935 and didn't reach $0.20 until after 1945.201 Wages were cut from 50-75 centavos per day to 15 in two years "precisely at a time when earnings from market produce were at their lowest and many small tenants were losing their leases."202 The lost wages resulted in a wave of rural strikes in 1931. The heavy external dependency was a structural factor which produced the peasant uprising, its suppression, La Matanza of 1932, and subsequent 40 years of military rule where 30,000 peasant most from coffee producing highlands were massacred. The Regional Federation of Salvadorean Workers, which claimed a membership of 80,000 peasants was among the main organizers of the rebellion.

During the regime of Pio Romero Bosque (1927-31), the eight-hour day was legalized, but rural unionization suffered continued attacks. General Maximiliano Hernandez Martinez banned labor

200 Ibid., p. 32.
201 Ibid., p. 90.
202 Ibid., p. 93.
unions between 1932 and 1944 claiming they were subversive. "During this period many labor organizations were physically destroyed, and the term 'union' itself was virtually prohibited." 203 After the 1932 Matanza, as Dunkerley describes, for the next forty years:

Landed and commercial capital acquiesced in a mode of intervention along with military control of government while maintaining a veto on economic policy both directly, through holding economic portfolios in cabinet and participating in mixed regulatory bodies, and indirectly, through the capacity for non-compliance held by the formidable corporate associations. 204

Middle-class opposition to the Martinez regime in the early 40s, moved the dictator from outright repression to a form of limited populism. Part of the policy was the enshrining of full union rights, limited social security provision and a defense of other conditions of employment in a new labour code. In 1946, unions regained a sense of strength in attempting to organize a national strike and the 1950 Constitution recognized the right of urban workers to organize, strike and attain collective contracts, but work stoppages were outlawed.

"Transformismo" of the early 1950s, a form of state sanctioned, corporatist union organization also gained ground in this period and was encouraged by a rise in the coffee price on the international market until 1957, while the market was depressed again in the 1960s and 1970s. This produced a problem with the

regional balance of payments. Coffee is always harvested manually, and thus not subject to potential mechanization. In this time period, rural proletarians numbered at least one third of workers in the countryside, employment averaging about 2 or 3 months a year.205

El Salvador’s post-war policy was an attempt to ‘modernize’ through promoting infrastructural development and diversification of exports.206 The influence of the United Nations Economic Commission for Latin America (ECLA) was part of this ‘modernisation’ which was intended to create a more domestically and regionally articulated economy. "Between 1950 and 1979 agricultural exports were diversified, as cotton, meat and sugar became major agricultural exports."207 The ECLA program was for reformist change based on national autonomy, rather than revolutionary structural change. The Central American Common Market, formed in 1960, assisted this economic integration process by "providing a framework for rapid growth in light industry and intra-regional trade."208 However, Washington opposed and was eventually able to sabotage the CEPAL project that sought to constrain the operation of foreign capital, replacing it with patronage of a Central American Common Market (CACM) that positively favoured the role of US investment in keeping with the general policy of the Alliance for Progress, founded under the Punta del Este Charter early in 1961.209

205 Ibid., p. 200.
208 Ibid.
Thus, capitalist growth in El Salvador has developed within the framework of a long continuity of effective control by a traditional family-based ruling class which later diversified its holdings beyond coffee. The military state has close familial and economic ties with this ruling class, and with military and police agencies of the United States. A third pole is the links to multinational capital. "This triumvirate of traditional family-based capitalism, multinational corporations and military rulers has provided the framework for capitalist growth for almost a half-century."210

The political regime that came to prevail in El Salvador was formally Republican, but authoritarian, exclusionary and personalistic in its real content. The political scene was shaped by the interaction of small cliques and the formation of transient parties that supported particular personalities at election time. Once the dominant groups informally agreed on a suitable presidential candidate, the outgoing administration secured his election by manipulation at the polls and repressing any opposition.211

**US Foreign Policy and "Land Reform"**

In the crisis, the multinationals and their states seek to substitute new partners - replacing the military dictators and plantation owners with representatives of local industrialists and small and medium-size firms.212

The locus of economic change was in Washington's attempt to benignly sacrifice the short-term interests of segments of the local landowning class - through land reform - in order to reformulate a political bloc that subordinated peasant property owners to multinationals.213

211 Leon Zamosc, "Class Conflict" *op. cit.*, p. 66.
213 Ibid., p. 238.
In the early sixties, the US 'development plan' came in the form of the Alliance for Progress, an ambitious US program for the promotion of, in the words of the Kissinger Commission to be: "economic growth, structural change and political democratization". The Alliance for Progress was to promote a wide program of social, political, tax and land reforms, but it did so within the framework of export-led and foreign-capital-based growth. The Alliance followed a contradictory process. On the one hand it attempted to construct new political alliances between reformist politicians and bureaucrats, and a new urban and rural petty bourgeoisie - which was meant to undermine the polarization resulting from previous economic policy. "Through the facade of a controlled civilian regime, token reforms and an intact military, U.S. policy-makers hoped to defuse public criticism at home and abroad, without endangering corporate economic and strategic interests." The Christian Democratic Party would politically represent the new formation. On the other hand, it would not threaten the basic privileges of the oligarchs and thus could not possibly implement structural change or political democratization. The 1961 charter of the Alliance for Progress called for,

programs of comprehensive agrarian reform leading to the effective transformation, where required, of unjust structures and systems of land tenure and use, with a view

215 James Petras, op. cit., p. 239.
to replacing latifundia and dwarf holdings by an equitable system of land tenure.216

Part of its strategy was to produce a stratified peasantry by enfranchising a segment through land reform. This, importantly, is where AIFLD comes in - to create and control organizations of this new petty bourgeoisie. A structural pre-condition of the whole export model however, is a vast cheap labour pool necessary for production on large commercial plots. Thus, the land reform could never go beyond minimal concessions to a small segment of El Salvador's poor peasantry.

The reforms were aimed not only at preempting a more radical solution to the 'agrarian question' in Latin America but more fundamentally at the consolidation of both capitalist agrarian relations and state control by 'reformist' fractions of capital.217

To further aggravate the situation, the Alliance program included attempts to modernize the commercial export production. The rationalization of production on a capitalist basis including the importation of labour-saving capital-intensive technologies forced more displacement of peasants.218 The minimal urban economy and, the appreciable impact of the Alliance policies, beyond their contradictions, however, did create a political opening for a progressive middle class movement. The latter, together with expectations of the popular sector pushed reformist policies. Sectors of the military also encouraged opening of political space. Thus, in the sixties and

217 Ibid., pp. 63-64.
218 Ibid., p. 63.
seventies, opposition political parties gained ground in relatively open elections. Eventually the rural areas became more vocal as well. As James Dunkerely explains, the Salvadorean juntas which presided over the Alliance strategies set in motion "[what] ten years later was described as 'repression with reform'."220

It started off under his leadership [Colonel Julio Rivera - early 1960s] as one of 'reforms with repression' and proved decidedly uncomfortable for some elements of the ruling class. This was in good measure due to the influence of the Alliance for Progress, which promoted the new president to discard a fully counter-revolutionary strategy, describing his government as anti-Communist and anti-Cuba but 'not reactionary' since 'if we do not make the reforms the Communists will make them for us'.221

Rural organization was not permitted until the 1960s and only then in the form of the Salvadorean Communal Union (UCS). The UCS was created by AIFLD in 1962, with the help of the Israeli union organization (Histadrut), and contributed $1.5 million to set up a network of peasant organizations.222 It now receives as much as $30,000 a month from the Institute.223 For the next decade, the UCS would be the only peasant organization with legal status, and the first since rural unions had been made illegal after the 1932 peasant revolt and massacre.224 The UCS was organized hierarchically, its leaders hand-picked by

221 Ibid., p. 355.
223 Theodore M. Lieberman, Emily Bass. op. cit., p. 22.
national officers or by AIFLD.225 The Confederacion General de Sindicatos de El Salvador (CGSS) was the urban federation in these years (urban unions having been made legal in 1950)226 also connected to AIFLD and the military governments. The CGSS would later split and form the National Federation of Salvadorean Workers (FENASTRAS). In 1973 AIFLD would be expelled by the military government of Colonel Arturo Molina because although it was firmly anti-communist, the oligarchy distrusted any peasant organizing. But AIFLD unofficially continued its work in the countryside for the following few years.227

In the period between the mid-1960s and late 1970s sugar production increased with beef and cotton growing similarly. Infusion of capital came in the form of foreign exchange from agricultural exports, loans and foreign direct investment. The plan paid off with very high growth rates for certain sectors in the 1960s and 1970s.

By the mid 1970s the country’s economic structure had altered quite appreciably, most notably because of the expansion of cotton, but the physiognomy of this ruling class was little changed: twenty-five firms accounted for 84 per cent of all coffee exports while forty-nine families held estates over 1,000 hectares in size.228

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228 James Dunkerely, op. cit., p. 65.
Yet while cattle production increased in every Central American country, beef consumption over the same period fell. Moreover, the "tendency of cattle ranches [is] to produce unqualified expulsion of peasants from land and thereby provoke direct conflict."229 Urbanization accelerated and a small industrial working class and middle class continued to grow. This was largely because of the fact that "almost all spatial expansion between 1950 and 1977 was at the expense of campesino plots established on the edges of the pre-war plantations."230 While David Kaimowitz remarks that in this period "average per capita incomes rose markedly",231 Dunkerley describes the fate of the poor.

Between 1961 and 1975 the income of the rural population in that country that was either landless or held less than one hectare fell in real terms by 20 per cent whereas that of those farming between two and ten hectares increased by 30 per cent.232

US direct investment in El Salvador was $79 million in 1977, and would rise by 30% in next three years.233 In the 1970s numerous clothing manufacturers and high-tech parts producers left New York, Los Angeles and Chicago and opened operations in El Salvador (GTE, IBM, Levi Strauss, Maidenform).234 Because of the growing social base in industry and the proletarianised peasantry, independent trade unions and strike activity

229 Ibid., p. 195.
230 Ibid., p. 188.
231 David Kaimowitz, op. cit.
232 James Dunkerley, op. cit., p. 182.
233 Ibid., p. 350.
234 Robert Armstrong, op. cit., p. 5.
increased greatly. These organizations, such as FENASTRAS, FESTAVAVITCES, FUSS and FSR were thus targeted by the military.

In the free trade zones created to attract this multinational investment, wages fell below the cost of living.235 These conditions corresponded with generalized economic hardship throughout the country, and produced strikes and demonstrations among peasants and workers. Death squads increased their activity, murdering workers, peasants, priests and students.

In 1976, the military regime of General Arturo Molina announced an Agrarian Reform Plan to be carried out with the assistance of the UCS. Although the reform would only affect 4% of the country's agricultural land, Molina was pressured by the oligarchy and replaced by Minister of Defence Carlos Humberto Romero who cancelled the program. By 1978 the growing labour movement had a membership of 63,199 in 125 unions.236 The response of the oligarchy and military was repression. The regimes of Colonel Arturo Armanda Molina (1972-77) and General Carlos Romero (1977-79) began the wave of repression that continues today. In 1977, the Public Order Law gave legal license to terrorize the new social movements. The Order

235 "Minimum wage in El Salvador’s San Bartolo Free Trade Zone remains the equivalent of $26 per week, a fact which the Reagan administration’s Commerce Department touts when promoting investment in the country through the Caribbean Basin Initiative." Sandy Smith. "Labor in El Salvador: New Threats, New Hope," Multinational Monitor 9, 5 (May, 1988). "At end of 1970s, three of the fourteen firms operating in San Bartolo free trade zone were Salvadorean, the nine US companies holding the great bulk of investment and employing all bar 400 of the 3,774 workers" (James Dunkerely, p. 350.)

236 Abraham Makofsky, op. cit., p. 58.
"instituted full press censorship, outlawed strikes, banned public meetings, and suspended normal judicial proceedings."237 The repression "destroyed the [Christian Democratic] party's effectiveness as an electoral opposition, and with it the viability of electoral opposition per se".238

Unable to anticipate the political conjunctures, the Salvadorean elites needed a system of tight social control. In these conditions, and given the absence of any significant previous democratic tradition, it is not difficult to understand why the dominant classes preferred repressive domination to democratic hegemony.239

Romero's terror of the late seventies was vicious in its attempt to quash the strengthening worker and peasant movement. A group of young officers ousted Romero in a coup deciding that in order to avoid a Nicaraguan style revolution, more substantial land reform had to occur. The popular mobilization kept building when a reformist military coup in 1979 added to a deteriorating and overheated political situation. A political vacuum was filled by the return of military repression and death squads acting on behalf of the oligarchy.

Washington's attempt to defend traditional economic interests and sustain the Central America armed forces by creating a new set of civilian military coalitions, through controlled and restricted elections, was the other side of the coin of its policy of continuing economic support to a

239 Leon Zamosc, op. cit., p. 66.
military intent of physically destroying the revolutionary popular organizations and their supporters.240

AIFLD was also asked to return at this crucial period.

El Salvador and AIFLD in the 1980s

Both the AFL-CIO and Washington are escalating U.S. labor's role in Central America. In El Salvador and Guatemala, this translates into supporting unions that stand behind repressive governments, and undermining the unity of the workers and campesinos. In Nicaragua, it means supporting unions that oppose the Sandinista government and back internal and external counterrevolutionary forces.241

The level of mass organization in El Salvador is very high; one can see it in the many organizational forms that exist in the popular movement, which span the political spectrum from left-center to the left. Nearly all the popular sectors have an organic structure and their own concrete demands and goals. Moreover, since the policies of the...AIFLD and AID have failed to break up and dissipate the strength of the popular movement, there has been a dominant tendency toward joining together in a popular convergence.242

In the early 1980s, El Salvador along with the rest of Central America was faced with numerous problems amounting to a general crisis. These included: worsening terms of trade, increasing foreign debt, increased interest rates in the financial markets, an increases in petroleum prices, collapse of the regional market, capital flight, widespread structural unemployment and military conflicts. The economic crisis that faced El Salvador was the worst in its history in terms of the levels of

240 James Petras, op. cit., p. 239.
impoverishment, unemployment, number of displaced, the cutbacks in health, education, social services, etc.

Liisa North points to six factors which illustrate the distorted form of development in El Salvador. Growth took place with classic 'enclave development' creating centers of economic wealth in the cities and worsening disparities in the countryside. The new manufacturing industries did not generate employment overall and in fact, the total labour force declined from 1960 to 1970. Industrialization under foreign capital meant the progressive denationalization of domestic manufacturing, increased dependence on imported capital-intensive technology and machinery and imports of raw materials and fuels. The high rates of unemployment contributed to the maintenance of low wage levels and thus, the absence of a domestic market and a consumption norm which further depressed local production. The promotion of incentive programs to attract foreign investment actually lead to the repatriation of profits to foreign countries, rather than to inputs for domestic growth. Imports needed to facilitate the development of new industries meant an increased dependency on outside purchases. While the export sector grew, El Salvador needed to import food and other goods which it could no longer produce itself.

El Salvador has a high degree of external orientation and a very low level of diversification in its productive structures.

244 Ibid., pp. 70-71.
Trade is highly concentrated with one advanced capitalist nation, the United States, and is characterized by a very low rate of value-added on its exports. Without the internal inter-industrial linkages, the economy does not benefit from the potential multiplier effects of an articulated domestic economy. These are all problems associated with a small peripheral country.

In the past decades, three sectors have grown in importance for Central American economies. These include non-traditional exports - which are concentrated in Costa Rica - and increasingly in El Salvador. Central America was actually a net importer of capital in the 1980’s, due mainly to foreign assistance and labour remittances. Foreign assistance to the area as a whole is equal to about 50% of total exports or about 8% of total GNP. Labour remittances from the one to two million Central Americans living in North America, half of whom are Salvadoreans, amounted to over $1 billion in the decade of the 1980s (equal to 25% of total exports) - playing a large part in the maintenance of local aggregate demand and money supply.245

Added to the structural problems of the region was the crisis in the late 1970s of meeting balance of payments. Between 1960 and 1970 the public foreign debt of Central America increased by a factor of thirty.246

In 1987 the Central American foreign debt exceeded US $19 million, the equivalent of 89 percent of the regional GNP. To cover this fully, the long-term service of the debt

245 Kaimowitz, op. cit.
246 Gerardo Timossi Dolinsky, op. cit., p. 76.
alone would consume 22.5 percent of the total exports of the region, double the figure needed at the beginning of the decade. 247

One analysis leads to the conclusion that a self-reliance strategy necessitates a move to a genuinely popular politically based movement, and a break from the capitalist world economy - a development which is virtually impossible for a small peripheral country, as Nicaragua has recently shown. Short of this, more practical policies call for a strong national production policy based on national priorities, rather than opening the economy up for the benefit of foreign powers interests. Genuine 'social democratic' theory argues that economic policy must be based on merging some neo-liberal concepts with sound policies which engender a "dynamic comparative advantage".

A neo-liberal conception of economic development is currently dominant in all five Central American countries - as well as in the US, the IBRD, IMF and World Bank. As David Kaimowitz explains, these policies are leading to increased economic and social disintegration rather than creating an environment conducive to a real ability to compete in international markets. Attempting to compete through cheap labour alone - neglects policies directed towards building technical infrastructure, economic stability and the type of social pact which could lead to long-term profitability. Neo-liberal policies do not support the construction of economies capable of long-term economic

247 Ibid., p. 79.
growth and an ability for Central America to compete globally. "You cannot in the long run" says Kaimowitz, "get to be a Toyota simply by shooting peasants".248

The neo-liberal agenda means opening economies up to foreign investment and opposes state directed or cooperative initiatives. Democracy refers to elections rather than a real discussion of authentic social and economic alternatives. Social investment is viewed as a cost rather than investment. A genuine "Social Democratic" model, argues Kaimowitz, is similarly based on incorporation into a world market, but using the state to help create the mechanisms of an economy that can compete from a position of strength - concentrating to shape a "dynamic comparative advantage" on relative, rather than surplus, value. Kaimowitz’s plan focuses on the traditional exports of coffee and bananas while encouraging new non-traditional agro-exports, supporting local food production and strengthening institutional stability. Health, education and other social expenditures would be seen as ‘investments’ rather than ‘costs’. Democracy would not just be about elections but stimulate real debate about the economic foundations of a new society.

The social basis of such policies would emphasize small and medium producers, a reinvigorated agrarian reform, an expansion of traditional exports, excluding inefficient livestock production. A new structure of demand would be created to

248 Kaimowitz, op. cit.
reduce imports by directing funds to the poor. The state would consciously step between the government and opposition groups such as the FMLN and UNTS and attempt to create a true social pact ending the economic and political stalemate between the two.

The state would thus have to be strengthened, but re-organized, with a legal and political framework that would bring an end to repression and corruption. Civil society would also be strengthened and play a fundamental role. The financing for the new vision would come from four areas: traditional exports, a redirecting of the massive foreign aid, labour remittances and a reorientation of luxury and military expenditures. After ten years of mobilization, argues Kaimowitz, the popular movements would be in a position of organizational strength to assist in all areas of renovation.

Political Retrenchment and State Terror

The direction of economic policy at the start of the crucial decade of the 1980s was heavily influenced by the intervention of the United States. This was a period which in global terms starkly revealed the relative decline of the United States international role built after the Second World War. In a time of relative decline of the US economy, the "Reagan Doctrine" was formulated in an aura of "resurgent America". "Rollback" was part of an aggressive ideological hyperbole intended to legitimate an aggressive and interventionist American state at
home and abroad. George Shultz spoke of "shifting the global correlations of forces" and creating "objective realities that give the Soviets a growing stake in better relations with us across the boards.249 The "test case" which symbolically would display the US's revamped role in the global economic and political order was Central America. As Reagan declared in a May 1983 speech to joint session of Congress.

If we cannot defend ourselves there, we cannot expect to prevail elsewhere. Our credibility would collapse, our alliances would crumble, and the safety of our homeland would be put in jeopardy.250

Reagan's 'neo-conservative revolution' brought into the administration many of the old hard-liners that constituted the first 'Committee on the Present Danger' (CPD) in the 1950s. In the Reagan Administration, thirty-two of the members of the CPD "had emerged in key posts", including Jeanne Kirpatrick, Paul Nitze and William Casey. The founding statement of the CPD "Common Sense and the Common Danger" began "our country is in a period of danger, and the danger is increasing".251 Dubbed by its critics as the 'Committee on the Present Paranoia' this organization was essential in preparing the U.S. for rise of Reagan's jingoistic foreign policy. Lane Kirkland, the President of the AFL-CIO, was on the executive committee of the Committee on the Present Danger.

249 Ibid. p. 15.
In "Countering the Soviet Threat: U.S. Defense Strategy in the 1980s" the CPD says that "both the military and the economic aspects of the nation's perilous international position require resolute and coordinated action."252 The Reagan Doctrine called for support of "democracies" around the world that fit neo-conservative definitions, along with low-intensity conflict to subvert any threat to US domination in the Third World. The tone of the new US Administration and its plan for Central America was adumbrated in such policy statements as: the Santa Fe documents, the famous "Dictatorships and Double Standards", and the Republican Platform:

We deplore the Marxist Sandinista takeover of Nicaragua and the attempts to destabilize El Salvador, Guatemala and Honduras...We oppose the Carter Administration aid program for the government of Nicaragua. However, we will support the efforts of the Nicaraguan people to establish a free and independent government...We will return to the fundamental principle of treating a friend as a friend and self-proclaimed enemies as enemies, without apologies.253

Jeane Kirpatrick argued that right-wing dictatorships were more benign than left-wing dictatorships, providing a rationale for supporting such regimes as Salvador while denouncing human rights abuses elsewhere. The language of the new foreign policy ranged from the "imperial tyranny of the Soviets" to the threat of "drug traffickers, terrorists or an expansive state".254

252 Ibid.
Kirpatrick's views on the 1932 "matanza" are illustrative of the inhumanity and insanity of this period in US politics.

It is said that 30,000 persons lost their lives in the process. To many Salvadoreans the violence of this repression seems less important than the fact of restored order and the thirteen years of civil peace that ensued.255

The Administration decided at the time of the 1981 FMLN offensive to turn it into an East-West showdown. The event was presented as "the decisive battle for Central America"256 which was the justification for $135 million of emergency aid and military equipment to the Salvadorean regime.257 At which point Assistant Secretary of State Thomas Enders announced a version of the containment doctrine:

The dangers are rising fast...If, after Nicaragua, El Salvador is captured by a violent minority, who in Central America could not live in fear? How long would it be before major strategic U.S. interests - the Panama canal, sea lanes, oil supplies - were at risk?258

Then Alexander Haig extended the Cold War scenario:

What we are watching is a four-phased operation of which phase one has already been completed - the seizure of Nicaragua. Next is El Salvador, to be followed by Honduras and Guatemala.259

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257 Ibid., p. 302.
258 Ibid., pp. 302-303.
259 Ibid., p. 303.
It had become clear in the early 1980s that military modernization had failed and that these societies, as a result of their indigenous economic and political situation were increasingly faced with the choice between revolution or counter-revolution. Throughout Latin America, the labour movement and intellectuals spoke increasingly of structural reforms and tactics such as debtors cartels. The 'social democratic' model that Kaimowitz relates would undermine the power of the US's traditional allies in El Salvador. The Reagan Administration thus responded by increasing all forms of aid to prop-up the powers that be.

The circumstances of suffocation have set the stage for Central America to experience, as never before in its history, the presence of an important group of extra-regional actors in the spaces dedicated to the design of its political economy.260

One of the actual mechanisms for political and economic transformation of the Central American region was regional debt.

Between 1980 and 1988 12 emergency agreements were signed in Central America with the IMF; of these, seven were not concluded...To the conditions imposed by the IMF have been added, very selectively, those of the World Bank...Together with the IMF and the World Bank, USAID has actively intervened in the course of the local political economy and the design of strategy.261

Dolinsky concludes..."in this way...the objective bases of forced structural adjustment in the region have been established."262 Emphasis was put on the role of the market and

260 Dolinsky, op. cit., p. 81.
261 Ibid., p. 81.
262 Ibid., p. 80.
increased integration in global accumulation. In neo-liberal terms, the sources of 'comparative advantage' for Central America "are its cheap labor, low taxes, proximity to the US market, and exploitable natural resources." The US government and multilateral lending agencies, through conditionality, have forced a restructuring in countries such as El Salvador, based on this premise. At the start of the crisis in the late 1970s, instead of implementing real social and political changes, nothing was done, explains Dolinsky, and "as is well known... the zenith of this debtor model coincided with the outbreak of the most profound regional crisis in the history of Central America".

The consolidation of the essence of fundamental accumulation with respect to the foreign sector, and to a lesser degree the captive domestic market distorted by the extreme concentration of income, impeded an alternative structuring of the economic fabric which would have prioritized intersectorial cohesion, internal equilibrium, and the reproduction of dynamic comparative advantage.

In El Salvador, the structural problems described were taking place in the context of the political retrenchment of the oligarchical classes and increased prominence of the military and the US Embassy in political matters. 'Modernization' had been attempted, but the fact that the large landowners together with the military are the hegemonic sectors of the oligarchy, made creative alternatives impossible. The continual failure of land reform and specifically 'Phase II' in the early eighties

263 David Kaimowitz, op. cit.
264 Ibid., p. 76.
265 Ibid., p. 76.
along with constitutionally protected land rights are the most glaring examples of this. "Lack of profound change in the agrarian structure meant that investment and credit continued to flow to traditional areas. Only meek efforts, if any, were made to diversify the productive structure, to reorient credit, and to substitute imports."266

Counter-revolution required creating space for a new sort of political actor to force the restructuring of the degree of demand put upon the economy and to concentrate on supply-side economics. Thus, structural adjustment requires the transnationalization of the state. The instrument of control and repression and political alliances - the constituencies that support the state have also become transnationalized. This also required another process of transnationalization: warfare and security technology. Transnationalization refers to the change in the character of the state, not its strength, since multinational companies "cannot suppress strikes, political challenges, or nationalizations without being able to mobilize the police forces and armies controlled by states."267 Thus warfare and security technology in the hands of the peripheral state are the devices, the "painful surgical devices required to bring the full society and economy into line"268.

266 Joaquin Villalobos, "Popular Insurrection" op. cit., p. 6.
268 Jorge Nef. Latin America and the Disappeared, Conference (Simon Fraser University, Vancouver, April 1989)
Determined to destroy the new social movements and create the conditions for large-scale, long-term capital flows into these Third World countries, the imperial or 'core' states and their local ruling class allies resorted to systematic and sustained repressive activity.269

This involved, among other things,

converting the Salvadorean armed forces (widely known as an unsophisticated, ‘nine-to-five’ army) into a powerful counterinsurgency force that could stem the growing popular movement in the countryside and cities; winning significant civilian support through a variety of 'civic action' programs designed to separate the bulk of the population from the FMLN guerilla forces; and replace formal military rule with a so-called 'third-force' civilian government headed by Jose Napoleon Duarte, a favorite of US policy makers from both sides of the aisle.270

"Mobilization, participation, and national integration have been displaced by order and anti-politics (an official attitude of contempt for open political competition). Development planning is thus replaced by social control as the key role of government administration."271 Order is emphasized over development or the satisfaction of human needs. The state in El Salvador assumes functions of terror.

In the last analysis, the objective of the state is highly specialized: the administration of violence. Since military structures, objectives, doctrines, and techniques—not to mention hardware—are among the most easily transferred technologies in the contemporary world, with rigid bipolarism and tangling alliances dominating the interplay between Latin America and the United States, continental military professionalism has become the most homogenizing bureaucratic trait.272

272 Ibid., p. 198.
The construction of 'counter-terrorism' and national security involves all the mechanisms of 'hot-war' but also includes the use of economic, social and psychological military dimension. It is complemented by the development of an "internal front", a counter-hegemonic project and the generation of a popular base of support."273 State sponsored global counter-revolution:

is "permanent but low-key military aggression" which ties the strategy together, which, particularly as a forward strategy against revolutionaries in power, gives it definition as a "war of attrition" designed to "pound away at the social and economic fabric" of the target society, seeking to limit a revolution's "ability to meet the material needs of the population and (whittle) away at its base of support". LIC/CIW "seeks first to crack the logic of the revolution", write Robinson and Norsworthy "deciphering its internal cohesion and understanding the tactics it employs to advance its interests, and then to devise a strategy that will warp its logic, undoing it internal cohesion and rendering its tactics ineffective - in short turning the revolution against itself."274

Social Movement and Repression

With the mounting crisis of the old order, in the 1970s and 1980s a new spectrum of groups arose within society which gave vision to alternative policies.275 While unions and peasant organizations in many cases led this movement, it included a wider labour movement, involving:

273 John Saul, Killing the Dream: The Role of the Counter-Revolutionary Guerilla in the Militarization fo the Third World, Conference Paper, Queen's University, (January 15-17, 1987).
274 Ibid.
small, urban-based groups of skilled workers and intellectuals to broad-based mass organizations. These include an extremely wide range of wage and salaried workers, extending to practically all major industries and services, landless rural wage workers, smallholding peasants and, significantly enough, a growing number of indigenous communities. 276

In April 1980, a coalition of mass organizations, progressive trade unions and labour federations, the National and the Catholic Universities, and the two progressive political parties formed the Democratic Revolutionary Front (FDR). In October they joined the five armed guerilla groups to create the FDR/FMLN (Farabundo Marti National Liberation Front). "The broad social and political base of the FDR/FMLN makes it akin to Europe's World War II movements against fascism". 277

The vision of this new 'network of civil society' as related in its own policy statements encompasses: non-aligned foreign policy, internal political democracy and pluralism, restructuring of the legal process, police and military, guaranteed union and other human rights, land reform, etc. It also implies a threat to the oligarchical order and the structural causes of crisis: a critique of the export model, neo-liberal theories of comparative advantage, the vulnerability of commodity prices tied to fluctuations in the global market. While views within the 'left' vary and have evolved, the main theoretical strains are wary of dogmatic economic views about

276 Ibid.
socialism and recognize the strength of international capital and the need for effective national policies of 'dynamic comparative advantage'. As Petras explains, unions contribute a broader outlook than simply 'collective bargaining' in this context.

Emerging from the sometimes turbulent movements in opposition to existing state regimes is a fourfold challenge: 1) to the forms of rulership; 2) to the social order; 3) to the external linkages; and 4) to the economic development model.278

In response to this new movement, there was virtual consensus in U.S. policy circles for massive economic and military aid to the government of El Salvador. In the early 1980s, the AIFLD hired Roy L. Prosterman, a professor at the University of Washington to design a rural land reform policy. Prosterman's "expertise" was used earlier in Vietnam as part of the U.S. counterinsurgency project in the countryside.279 A new president, Napoleon Duarte, pledged a renewed land-reform as the centerpiece of his administration and AIFLD continued its patronage to the UCS. In the years when all the other unions were decapitated and driven underground, the UCS continued its operations. The land reform was to proceed in three phases with the expropriation of the largest land-holdings first, to be followed by the smaller holdings and then the land would be turned over to small peasant producers.

On tracts where outside peasants had to be brought in, these would be screened by AIFLD through its organization, the Union Comunal Salvadorena (UCS), making UCS the main clearinghouse through which campesinos would have to pass to become eligible for receiving land. The goal in this case was to create small independent farmers who were sympathetic to the government. This implied AIFLD's regaining control over the UCS which had become quite independent, even hostile, towards AIFLD during the years of its absence from El Salvador.280

But the military used the cover of the reform to identify and murder leaders of the peasant land reform movement. Philip Weaton describes political uses of the agrarian reform:

1. control the countryside by imposing a State of Siege
2. to unify the army in its all-out offensive
3. serve to justify US military assistance
4. justifies Christian Democratic participation
5. strengthen the government’s international image281

The main premise and the base of the legitimacy of the Duarte project was that the Christian Democrats were moderate, dedicated to, and in the process of making reforms. The brutality had been conjured in the images of the past excesses of Romero and Dubuisson, creating a dichotomy. This gave Duarte the right to be tough on 'leftists', unionists and others who were 'unreasonable'. The claim was that Duarte was moderate and the status-quo was thus legitimate. Philip Agee, a former CIA agent in Latin America explains CIA and AIFLD involvement in 'land reform'.

281 Ibid., p. 247.
By involvement in agrarian reform, the CIA opens the door to their pacification operations in the countryside where guerrilla movements so often are successful in recruiting new people. In El Salvador, this means that the CIA, through AIFLD's presence in the agrarian reform program, is able to collect information on the ways new guerillas are recruited among the peasants, and which peasants are participating in recruitment and other programs of the guerilla forces. The Agency will then pass this information to the Salvadorean security forces who can sweep in and assassinate all peasants believed rightly or wrongly, to be loyal to the guerillas.282

The day after the Agrarian Reform was announced, March 7, 1980, so was the State of Siege Decree No. 155. The 80,000 member 'civil defense' terrorist network, ORDEN was revived. This facilitated the strategy of 'pacification' of the countryside where the "military would occupy the plantations and large haciendas, expel any dissident peasants, and set up new cooperatives among the colonos."283 In October of 1980, the director of AIFLD said in a confidential memorandum that "Government here operates with no real popular support" and "In the past several months, Duarte and company have sided with the conservative military... which has hurt their image among the population... the conservative officials who look to a military solution are very much in control."284 By the end of 1980, death squads and the military had murdered over 10,000 people including Archbishop Oscar Romero. A self-styled party of Nazi sympathizers, ARENA, led by the notorious death-squad leader,

Roberto D'Aubuisson, insured that a climate of terror suppressed any dissent to the ruling regimes.

In the face of repression by El Salvador's brutal regime any workers' or peasants union defining its aims in purely economic terms is clearly out of touch with reality. Asking for better wages and working conditions amounts to a political challenge to the regime's most fervent supporters, who demand retaliatory action. In El Salvador and in neighboring Guatemala, the struggle of trade unions for improved wages, working conditions and political liberties leads workers and peasants directly into the armed struggle of the guerilla movement.

Unionists, students, teachers, peasants, doctors, nuns and other were tortured and assassinated. On May 14, 1980 there was a massacre of 600 men, women and children at the Sumpul River; a massacre of 1000 men, women and children at Mozote, Morazan on December 12 and 13, 1981; a massacre of 200 people in the villages Guadalupe and Tenango in February 1983; 118 people from Copapayo, Cucatlan on November 4, 1983. In November of 1980 the armed forces captured and assassinated six top leaders of the FDR. "When in desperation opposition political groups, trade union organizations, farmers and church people joined together with guerilla organizations to form an alliance to arm themselves and fight in rebellion against the government and the death squads, AIFLD's only action was to denounce this rebel alliance as 'communist'. Trade unionists and peasants faced the worst of it with most unions losing their entire leadership.

285 Peter Chapman "The Last Line of Democracy" op. cit.
Between 1980 and 1982, over 5,000 unionists were murdered or disappeared. In this period "many more of the approximately 200,000 workers active in the union movement fled into exile or had their unions destroyed." Virtually all trade union activity that proliferated in the 1970s ceased and unions were dissolved or forced underground. As El Rescate reports, "The slaughter was directed primarily against four major progressive federations, together with a number of independent unions." At the start of the 1980's when the Christian Democrats introduced the U.S. backed agrarian reform, the UCS was the main beneficiary. By mid-1980 one UCS cooperative had been invaded by the National Guard which then proceeded to murder "eleven of the twelve campesino directors of the coop". In two years, according to the UCS, more than 80 of its members have now been murdered. About 5,000 others have been evicted by their landlords for applying for ownership rights under the land reform programme. As a result of pressure by the oligarchy, only part of the agrarian reform has been carried out, and the second stage (the coffee estates) apparently abandoned.

It became clear that the military had sided with the landed oligarchy and together were destroying the UCS. On May 30, 1980 eight UCS leaders were murdered followed by explosions at

290 Ibid., p. 6.
293 Ibid.
the land reform movement’s headquarters. Then two months later two AIFLD officials were killed as they sat in San Salvador’s Sheraton Hotel. By August of 1980 the UCS had split into two blocs, one cooperating with the government’s agrarian reform program and the other allying itself with progressive union forces with FAPU. This was at a time of increasing economic hardship. From 1980 to mid-1984 the minimum wage in manufacturing was 11 colones ($2 US) despite an inflation rate of almost 100%.294 The situation of these years is described in an El Rescate Report:

The scars of this period are visible today in almost every area of union life in El Salvador. The ranks of experienced union leaders are depleted and, as a result, younger members have had to assume offices for which they were not fully prepared. One federation has had five secretary generals killed, and the veteran secretary-general of another is in exile after being imprisoned for four years without trial. Finances have dwindled, creating more dependency on support from trade unionists abroad. Most union education programs have been abandoned, and members are reluctant to carry union documents on their persons. Many of the most able members remain severely traumatized and are understandably reluctant to run for election to union office.295

1981 was the point at which massive infusions of U.S. military aid and counter-insurgency support increased with AIFLD as one of the policy instruments. From 1981 to 1984 the AIFLD attempted to control the labour movement through the Popular Democratic Union (UPD), a union federation affiliated to the UCS, as the social base support for the Duarte presidency. Duarte signed a ‘social pact’ with the UPD promising trade union

295 Ibid., p. 6.
freedom, lifting of the wage freeze, a deepened agrarian reform and negotiations with the FMLN. Some commentators pointed to the UPD as the 'center' in Salvadorean politics:

They staged street demonstrations in San Salvador protesting the Right's subversion of the agrarian reform - something no other group dared attempt under the State of Siege. The very existence of the UPD, and its freedom to protest and organize, were offered as proof that a center did indeed exist and could survive in a country racked by civil war.296

The Duarte period did begin with more space for workers to organize. El Rescate documented the 26,000 workers involved in strike actions over the previous year's 2,600.297 This was also due to the organization in 1984 of a number of progressive unions forming the Workers Solidarity Coordinating Committee, (CST) and strengthened their union activity. Says International Labour Reports about the UPD:

While other union offices were bombed, and thousands of their members arrested or murdered during Duarte's presidency (1980-82), the UPD operated almost untouched. In 1982 and 1983, the UPD loyally testified before the US congress in support of US aid going to the repressive Salvadorean government.298

While the UPD was swayed by Duarte's promises of increased wages, land reform, dialogue with the armed opposition, Duarte won the 1984 elections with heavy financial and organizational support from the AIFLD.299 Yet, in this heavily political and

296 Chris Norton, "Build and Destroy" NACLA (November/December, 1985), p. 28.
polarized arena, the UPD soon became a major critic of its benefactor, AIFLD and the Duarte government.

In matters of economic policy, the Duarte government was moving rapidly rightward, under US pressure, in an effort to placate the business sector at labor's expense. While austerity and wage freezes were the rule for the majority, the country's largest growers and industrialists were given preferential exchange rates and credits to stimulate production. AID - the Embassy's main economic lever - threatened to withhold funds if the government failed to adopt austerity measures and a gradual devaluation.300

Since then,

labor activity has accelerated and grown increasingly defiant of government policy, and the regime has, in response, sought alternately to control and to suppress independent worker organizations. To this end, the government has employed an array of repressive measures designed both to exploit to the full the weaknesses in existing law and to venture beyond legal boundaries when necessary to undermine or punish labor dissent.301

By the end of 1984, the UPD was publicly criticizing Duarte for his failure in his side of the 'social pact' and his imposition of his US economic austerity package, as well as statements refusing to participate in dialogues with the FMLN.302 The UPD denounced AIFLD for using "anti-democratic and destabilising methods and blackmail against democratic trade unions".303

By late August, the UPD decided to make its discontent public. Union leaders drafted a communique condemning Duarte for his failure to move towards dialogue, and

300 Ibid., p. 30.
obliquely criticizing US military aid to El Salvador... The news of the UPD's plans fortified AIFLD country director Bernard Packer. For several years, the institute had been paying almost 80% of the expenses of four of the UPD's five member organizations; in return, it felt it had the right to expect their allegiance. Yet now the UPD was attacking the very basis of US policy - military aid to defeat the FMLN.304

The AFL-CIO in turn denounced the UPD and withdrew its financial support saying that the discord between unions and Duarte was the result of "a secret campaign organized by Marxist Leninist guerillas using several union collaborators".305

Adrian Esquino, a leader of the AIFLD-created UPD in El Salvador, explained to the Wall Street Journal that AIFLD had stopped funding his union because it didn't follow the line: "AIFLD is a disaster for workers. AIFLD says if you do what we want, we'll give you money. The institute buys union leaders."306

The AIFLD then supported a parallel labour federation, the Democratic Workers Confederation (CTD) with the aim of splitting the UPD; the UPD lost its AIFLD funding which in many cases accounted for 50% or more of operating funds.307

With Duarte elected and US military aid assured, the UPD was expendable; in fact, it was a liability. The United States was pulling Duarte to the right in an effort to mollify the private sector and the military, and nothing could be more inconvenient than to have the UPD pushing for fulfillment of the Social Pact.308

304 Chris Norton, op. cit., p. 31.
308 Chris Norton, op. cit., p. 32.
The UPD charged in a paid advertisement in *La Prensa Grafica*, one of the country's national newspapers, that the AIFLD's CTC leaders were "gold-plated scorpions, who, with gold in their teeth, attempt to buy off the consciousness of all honest workers in El Salvador". 309 The *Wall Street Journal* explains the incident:

Instead of making things better, the move made them far worse by creating disunity. Many moderate unions wouldn't join the new group. AIFLD cut off their financing, then went ahead with its plans— with Mr. Packer himself swearing in Democratic Workers Confederation officials. Last March, Mr. Packer (AIFLD's then Director for El Salvador) was transferred out of the county, which partly calmed the brouhaha. At the same time, AIFLD promised to grant the recalcitrant union $150,000 to campaign for Christian Democratic congressional candidates if they would join the new federation. They still wouldn't budge. Moderate labor remains divided; meanwhile, Marxist-led unions are on the rise. 310

William Doherty, the spokesperson for AIFLD, in a letter in response to a critic in the *Christian Science Monitor* attempted to explain the new situation:

The Unidad Popular Democratica (UPD), the trade union coalition which supported Duarte's election in 1984, and which he claims has joined the left opposition, no longer represents the major democratic trade unions. The UPD is now little more than a paper organization run by a handful of self-appointed officials, many of whom lost elections in their own organizations.

These individuals joined with several well-known guerilla-backed labor fronts to stage an anti-Duarte demonstration on Feb. 2, which Norton incorrectly described as the "largest protest march in the last six years.

Meanwhile, the large democratic unions and campesino groups organized a demonstration of 65,000 people on March 15 to press for "reforms, democracy, and peace." These unions support the achievements of the Duarte government, but oppose aspects of his economic program. In a five-hour meeting with Duarte the day following the march, they won several favorable concessions.311

Many unions of the UPD were by various means eventually led back to a new and tenuous UPD - CTS coalition. In 1985 Duarte started to crack down on militant union organizing making the charge that trade unions had been "infiltrated by subversives."312

These have included the militarization of offices, farms and other worksites; surveillance of outspoken union leaders; refusal to grant official recognition to associations considered hostile to government policies; the fostering of docile, parallel unions to compete for membership and recognition; the barring of vocal union leaderships from government workplaces; the pursuit of retaliatory and unfounded legal actions against workers critical of the government; arrests of strike leaders and mass dismissals of those who engage in work stoppages; dissemination of propaganda equating articulation of worker demands with support for the armed opposition; and failure to enforce sanctions against employer behavior - interminably prolonging the pre-strike negotiation process by refusing to bargain in good faith; firing, suspending or transferring unionists without cause; and shutting down plants where union organization is on the rise.313

In a June 2, 1985 raid of a strike of the Social Security Institute Workers Union (STISS) Duarte ordered a US trained SWAT team to the General Hospital.314 Duarte announced that the unions are "infiltrated and used at the altar of war and

destabilization",315 and said of an ongoing hospital workers strike that virtually all of the strikes "are by the unions managed by the Communists who are not interested in reasonable settlements".316 Yet as Chomsky reports

In fact, consumer buying has decreased over 50% during the past five years while huge sums flow abroad and the oligarchy retains or enhances its privileges, and "diplomats, political observers, and union leaders say" that the strike resurgence "reflects widespread workers dissatisfaction with the government’s economic policies, which have accelerated the steady decline of the standard of living." But Duarte has learned, it is easier, and more effective with his Northern boss, to blame it on the Communists, while sending SWAT teams to carry out a "commando raid against unarmed nurses and doctors occupying a hospital but continuing the handle emergency cases," firing the entire strike leadership of the water utility union, and otherwise providing sufficient hits to people who well recall the terror against labor unleashed a few years before by the government for which Duarte provided a fig-leaf.317

Many unions of the former UPD also moved closer to the more progressive oppositional labour unions such as FENASTRAS both of (whom eventually became founding members of the National Unity of Salvadorean Workers UNTS). The mass movement, decimated in the brutal repression of the early 1980s was rapidly re-gaining strength in 1985 and 1986 - with the appearance of revived women, student, human rights and union organizations. An urban mass movement, Bread, Work and Freedom (MPTL) openly started to call for mass armed insurrection while the FMLN increased its numbers and began carrying-out operations within San Salvador in 1988. The year 1986 was marked by increased union activity, the

315 Noam Chomsky, Turning the Tide, p.110.
316 Ibid., p.110.
317 Ibid., pp. 110-111.
roots lying, says Americas Watch, "in the legacy of unfulfilled expectations stemming from the first year of the Duarte presidency".318

In 1986 the 54 strikes involved 18,251 workers and resulted in 2,232,801 lost person-days of work. Independent observers have recorded even higher levels of worker activity. As of 1986, the Ministry of Labor registered 97 unions with 91,230 members.319

In February 1986, the progressive opposition (most of whom formed the base of the FDR) formed the UNTS, a broad federation of unions peasant cooperatives, Indian organizations and student groups. It is composed of more than 90 organizations representing over 300,000 people.320 The immediate catalyst for the formation of the UNTS was the IMF inspired austerity measures of January 1986 imposed in part as a result of the foreign debt was $2 billion dollars. The package included a 100% devaluation, an increase in consumer taxes and a rise in the cost of public utilities. The UNTS is concerned with issues relevant to its 467 constituent and affiliated organizations, including: implementation of land reforms, fair labour practices, right of repopulation, amnesty for political prisoners, right of cooperatives to credit; as well as larger national issues such as: an end to US intervention in El Salvador, a negotiated solution to the war, an end to repression

318 Americas Watch Committee, op. cit., p. 13.
319 Ibid., p. 13.
and respect for human rights.321 The UNTS also called for a new
government of national unity.

For the UNTS, 1986 was a year with increased militant labour
action. "Throughout the fall of 1986 workers went on strike,
picketed, held sit-ins, and initiated hunger strikes to protest
the dismissal of union activists from their jobs, the failure of
government and private managers to respect agreed upon
contracts, and the arrest of trade unionists."322 The Committee
in Solidarity with the People of El Salvador (CISPES), a
national US network, explain the first activities of the UNTS:

On February 21, 1986, just weeks after its formation, the
UNTS defied the government's six-year state of Siege by
organizing a march and rally of over 50,000 people to
protest Duarte's economic programs. February 8, was only
the beginning, as the UNTS mounted a series of strikes,
work stoppages, and protests, culminating on May 1, in El
Salvador's largest demonstration is six years.

During the period leading up to the abortive third round of
dialogue between the FMLN/FDR and the government, the UNTS
played a particularly visible role, calling on President
Duarte to negotiate with the rebels in good faith. The
UNTS advocated the inclusion of representatives of all
segments of Salvadorean society in the talk, hoping to
convert them into an authentic national dialogue.

The UNTS sponsored a series of forums and labor assemblies
in 1986, focussing on the search for peace and the urgent
need to reverse the country's economic and political
policies. Each assembly received substantial national
attention, particularly the November 1986 "U.S. El Salvador
in Search of peace" conference attended by hundreds of
Salvadorean and U.S. delegates representing labor,
religious students and professional groups from both
countries.

When San Salvador was devastated by an earthquake in
October, the UNTS immediately launched a relief effort, in
coordination with church and other non-governmental groups

321 Ibid.
322 Ibid.
immediately following the quake. UNTS volunteers provided 70,000 homeless people in 83 communities with temporary shelter, food, and medicine.323

The UNTS has been the constant target of repression from government and private employers, its members suffering arbitrary arrest, torture, assassination, "disappearance". The AIFLD immediately denounced the UNTS of being Marxist-Leninists, and guerilla supporters.324 The Wall Street Journal at the time remarked,

At the same time, AIFLD promised to grant the recalcitrant union $150,000 to campaign for Christian Democratic congressional candidates if they would join the new federation. They still wouldn’t budge. Moderate labor remains divided; meanwhile, Marxist-led unions are on the rise.325

The UNTS then called for the expulsion of AIFLD from El Salvador. These, in AIFLD’s and William Doherty’s above words, the organizations that are "well-known guerilla-backed labor front" are led by the UNTS. However a Report of the National Labor Committee for Peace and Justice in El Salvador, an organization with membership from 25 AFL-CIO affiliated national federations, quoted the Salvadorean Ambassador to the US who stated that UNTS-affiliated unions had negotiated 77% of the collective bargaining agreements reached in 1988.326

323 Ibid.
AIFLD then directed its efforts to organize the National union of Workers and Peasants (UNOC) which was to "defend the social-economic reforms of the government" and to "counterbalance the UNTS' opposition to the government".327 AIFLD was successful in then again convincing the UPD leadership to withdraw from the UNTS, however, important member organizations such as ANIS, the largest indigenous peasant organization, didn't follow. "The leader of the UPD who made the decision, Ramon Mendoza, received $3,000 from AIFLD. He was later expelled from UPD for misappropriation of funds."328

At home, AFL-CIO actively lobbied U.S. unions against supporting UNTS affiliates which it describes as "fronts for the Marxist-Leninist FMLN guerilla movement." In 1988 the US embassy asserted that the UNTS is "composed almost entirely of unions headed by members or sympathizers of the FMLN/FDR", and that FENASTRAS has "close links with the FAPU/FARN guerilla groups".329 As Tom Barry has noted, this gave licence to the military to bomb the headquarters of the UNTS, FENASTRAS and COMADRES a short time later.330

Inter-UNOC and UNTS rivalry continued. In March of 1987 the expelled former leaders of the ANC, a UNTS affiliated peasant association, announced that it would leave the UNTS, saying the present leadership was there unlawfully. In reaction the

328 Theodore M. Lieberman, Emily Bass. op. cit., p. 22.
executive responded by asserting that the former leadership were expelled for stealing association funding and alleged that they had received funding from the AIFLD. "The majority of the ANC, led by a governing board elected in December, 1986, remained within the UNC (UNTS)."331 Similarly, the government created a parallel government controlled organization named ANIS to compete with its non-governmental equivalent, ANIS, the major indigenous peasant organization.332 In the year 1987, however, the UNTS was able with other sectors to build a broad national consensus for a negotiated military solution.

At a September "National Dialogue" sponsored by the Catholic Church, the affiliates signed on to resolutions decrying "the growing social alienation, demoralization and dehumanization of Salvadorean society," "the persistence of the death squads" and "the permanent interference of the U.S. in the geopolitics of El Salvador." UNOC participants endorse solutions to El Salvador's problems that included "respect for sovereignty and self-determination" and "rejecting all types of foreign interference... especially North American.333

A UNTS Communique describes in their own words

In spite of blackmail and attempts to divide our organizations through parallel structures set up by AIFLD, which an organization financed by the ...CIA, these structures did not grow, and on the contrary, during this period, because of our intense militant activity, their publicity was even reduced to a bare minimum. We can intuitively say that in the next few months, these organizations will disappear.334

331 Americas Watch Committee, op. cit., p. 27.
332 Ibid., p. 27.
Duarte failed on most of his promises, with workers living standards continuing to fall and violence - although less than in early periods - still uncontrolled.

Actual salaries and working conditions have deteriorated in this period. Under Duarte, both inflation and unemployment have grown. Sixty percent of the workforce in the capital city is underemployed or out of work. And for the lucky ones who have jobs, the 50 percent inflation rate and frequent shortages of basic foodstuffs have diminished the purchasing power of workers, whose median income is only $200 per year. Medicine prices have tripled in may pharmacies since 1986. Bean prices have doubled since last fall. If President Duarte succumbs to International Monetary Fund (IMF) pressure to devalue the colon, the paycheck of the average worker will buy even less.335

In 1988 the far-right Republican Nationalist Alliance (ARENA) won the mayoral and parliamentary elections by criticizing the PDC’s economic policies, targeting in particular the agrarian reform and the nationalization of foreign trade and banks. ARENA, together with an army led by hard-liners ("La Tandona") proponents of "total war strategy" as opposed to LIC. This occurred in the context of President Christiani’s completion of the structural adjustment agenda, including:

- Reducing government spending by increasing costs for services, privatizing or cutting many government entities, and reducing the size of the state apparatus
- Further reducing government ‘intervention’ in the economy by deregulating prices
- Increasing exports by reducing protectionist measures and adjusting tax structures
- Converting land formerly held by cooperatives (many of which have debts to the government’s agrarian reform institute into plots owned by individuals
- Devaluating the currency.336

336 "Structural Adjustment in El Salvador" Report of the Religious Task Force on Central America, (Los Angeles: Fall,
In the face of the increased power of ARENA, in November of 1988, UNOC and UNTS began working together marching in a 70,000 strong demonstration against structural adjustment programs and in support of the National Dialogue for Peace. It was also in response to the growing militarization of Salvadorean society. The previous June FUSADES was making increasingly belligerent warnings to the labour movement.

There is no explanation as to why so few subversives are holding an army of 60,000 hostage...A military victory is the only solution... Any soldier or civilian who does not want the immediate triumph of the Armed Forces is an accomplice.337

Much of the intra-union organizing was in opposition to new legislation of the ARENA party which 'legalized' repression of the labour movement effectively outlawing all forms of public democratic expression. Salvadorean and international lawyers suggested that the proposed reforms were about suspending constitutional guarantees without paying the political costs of invoking a state of siege. A University of Central America journal stated that the legislation reveals "a radical unconstitutionality, aberrant legal perspective and foolish political conception...it is profoundly anti-democratic."338 Under the legislation the government could label any trade union, religious or community group a 'front' for the FMLN and

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declare its activities illegal. Among other things it would prohibit protest marches, peaceful sit-ins, strikes and international campaigns in support of human rights. A five or ten year prison sentence would be given to anyone promotes acts, declarations or programs in which other states or international organizations could be seen to intervene in the internal affairs of El Salvador.

Over 60 organizations participated in the demonstration including the three major labour federations, UNTS, UNOC and FUT. Said Humberto Centano, UNTS leader: "We have gotten together for the first time in nine years of war. This is something the US had always told [UNOC] not to do. Now, the rights wing [in El Salvador] is accusing UNOC of being part of the FMLN too."339 Francisco Colocho of UNOC added:

Those labels - pro-government, leftist - were all just adjectives. These forces were just trying to separate us. Their minimum salary is the same as ours. We're both workers, and we both want peace. That draws us together. We were the ones who suggested the meeting" [with the UNTS].340

Similarly, Gregorio Osorio, general secretary of FEASIES, the Federation of Independent Unions and Associations of El Salvador:

It is no secret that the UNTS...and different parties agree with the FMLN on a number of points. The FMLN calls for an end to violations of human and union rights, for restructuring of the reactionary military in order to begin

340 Ibid.
democratization. We agree. The FMLN says we have no freedom of speech and assembly, that there is no democracy in El Salvador. We agree. All groups but the most reactionary, including the Christian Democratic Party, which lost the last election, agree that the obstacle to peace is ARENA. But that doesn’t mean that we are all members of the FMLN.341

In the same article another member of UNOC, Escobar Dartegena warned that UNOC may not vote this time for the Christian Democrats if they don’t back the FMLN’s peace proposal. Once the proposal was rejected the UNTS and UNOC were divided over the issue of participation: in the 1989 Presidential elections UNOC again stood with the Christian Democrats. But today these former AIFLD organized unions have participated more than ever with the progressive sectors because of the new ARENA “anti-terrorist” legislation which illegalizes most forms of democratic expression. Unionists were accused of ‘subversive association’ and in violation of ‘anti-terrorist’ laws making peaceful protest a political crime.342 "During this period UNOC demonstrated against attempts to reverse the agrarian reform."343 In the 1990s the peasant sectors of both UNTS and UNOC are forming an organization called the Democratic Campesino Alliance.344 The year 1989 marked a increase in FMLN military activity as the Salvadorean armed forces continued its attacks on students, priests, labour leaders and all sectors of the

341 Gregorio Osorio, "A Tortured Union Leader Looks Back". Labor Action, (February 1990), 0. 4.
343 Envio, (Managua: Instituto Historico Centroamericano, Many 1990), p. 35.
'popular movement'. The government's response was the imposition of a state of Siege (martial law) including shoot-to-kill curfews.345

The current Salvadorean government, using the civil war as an excuse, has ransacked every major union office, abducted hundreds of unionists, and issued orders to arrest scores more union leaders. Government-controlled radio stations broadcast death threats against union leaders, by name.346

An unknown number of opposition activists were jailed or 'disappeared', and military 'death squads' were unleashed on Jesuit academics -- among the country's most prominent advocates of a negotiated peace -- and at least one top trade union leader. Several opposition political leaders were force to seek refuge in various embassies. Other popular movement and church leaders are underground. Dozens of church workers have been arrested an foreigners systematically expelled from the country.347

The decade ended in a massive ARENA attack on all popular organizations. The FENASTRAS office in the capital was bombed killing ten unionists including the national director, Febe Velasquez. Six Jesuit University professors were murdered in cold blood as well as hundreds of others from numerous popular organizations.

Chapter V

Solidarity: A Change in the AFL-CIO?

Given the anti-union bias of the Reagan administration, are we able to do the job in Central America we want to do? (Victor Gotbaum, vice president AFL-CIO's American Federation of State, County and Municipal Employees)348

The AIFLD program of hemispheric pacification can be stopped by the rank-and-file. We can blunt the edge of the most valuable cutting tool of the multinational corporations by passing resolutions in union after union and in labor councils in every major city. We can confront the AIFLD before the rank-and-file, and demolish the Meany-Lovestone lie of "wholehearted backing." To continue to function, AIFLD must have a protective blanket of rank-and-file silence. That silence can become peals of thunder if we can move AIFLD out from the shadows of ignorance so it can be seen for what it is by union members across the United States. (OPEU #29/AFL-CIO in San Jose, 1974)349

U.S.-Central American worker solidarity goes back to the turn of the century and is chronicled in Philip S. Foner's book, The U.S. Labor Movement and Latin America. Foner showed that at every turn of AFL-CIO support for US foreign policy, dissent was widespread within the labour movement. This work built on other authors, such as William Appleman Williams, Sidney Lens and Ronald Radosh, who criticized US labour foreign policy.350 Yet it is in the 1980s with the bloodbath that occurred in Guatemala and El Salvador, and the revolution that occurred in Nicaragua that a dramatic change occurred. The internal quarreling that ensued in the U.S. labour movement displayed a remarkable example of the "contested terrain" of AFL-CIO foreign policy.

349 Fred Hirsh in William Bollinger, op. cit., p. 34.
Throughout the previous decades there were isolated cases of union locals and federations of the AFL-CIO protesting AIFLD policy. For example, in 1967 the UAW withdrew from the AFL-CIO partly over the federation's foreign activities. Victor Reuther, of the AFL-CIO's international affairs department, said that their affiliates "have permitted themselves to be used by the Central Intelligence Agency as a cover for clandestine operations abroad."351 In September, 1981, Reuther posed this question to a crowd of workers in Detroit,

Who among you would be so bold as to suggest a training program for new leadership in your union and name J. Peter Grace or the head of Anaconda Copper or the head of ITT to serve on the board of directors and permit such corporate leaders to decide who is to be trained and what kind of course were to be offered. Yet that is being done in your name by an institute of the AFL-CIO."352

On the one side, at the start of the decade at the AFL-CIO's 1981 national convention, its support for El Salvador's ruling junta was ratified. It is instructive to note that at the beginning of the decade, they were willing to endorse US government support of massive military aid for the Duarte regime subject to some conditions: "substantial progress toward land reform, free elections, human rights guarantees and control of the 'death squads'".353 Almost without fail it would later support US assistance claiming these conditions were met.

On the other side, an action that begins the decade of solidarity action was on September of 1980 when the International Longshoremen's Union (ILWU) refused to load military cargo intended for El Salvador. Said the union's international officer: "If by our actions we can stop one bullet, loaded by our hands, from killing one innocent citizen in El Salvador, we will be extremely pleased."354 Actions to obstruct military shipments also took the form of protests on railways. Isolated cases from across the US displayed local incipient forms of solidarity with their Salvadoran counterparts.

During 1981, after a general strike in El Salvador the previous year, large labor forums and benefits were held in a whole string of cities from Seattle to New York. In San Francisco, 800 union members including 40 local union presidents, signed an open letter opposing U.S. military aid and advisers for El Salvador. In Boston, Local 201 of the International Union of Electrical Workers, representing 10,000 defense workers, endorsed a New England Labor Conference resolution against intervention.355

The National Labor Committee

In 1981 three union delegates from the CUS (Comité de Unidad Sindical) federation in El Salvador toured through the US encouraging the formation of a network of solidarity committees. Resolutions opposed to US policy were passed at local and regional labour federations.356 In mid-1981 the National Labour

Committee for Democracy and Human Rights in El Salvador (NLC), a broad based network of national unions affiliated with the AFL-CIO was formed as a challenge to the official positions espoused by AFL-CIO Foreign Affairs Department. The Committee initiated by the national leaders of three major unions, Jack Sheinkman (ACTWU), William Winspisinger (IAM), and Douglas Fraser (UAW) now includes the presidents of 26 of the AFL-CIO's 94 affiliates representing over 50% of the U.S. labor movement. The committee includes most of the burgeoning service and public sector unions in the country. This committee marked the start of a broadly organized, concerted campaign to oppose official AFL-CIO policy.

In 1983, a NLC-sponsored fact-finding group returned from El Salvador, where they met with government and military officials, business people, guerillas, and jailed trade unionists; they circulated 30,000 copies of their report throughout the labor movement, warning trade unionists that "the current rationale behind our military policy in El Salvador cannot but lead us to another Vietnam."

The name of the 1983 NLC publication is "El Salvador: Labor, Terror and Peace". Reports NACLA, "in issuing the report, 12 AFL-CIO union presidents took the unprecedented step of directly contradicting the official Federation line." Yet, the NLC members met with limited success at the next Federation's October 1983 national convention. Appended to standing AFL-CIO

policy was a call for negotiations between the FDR-FMLN and the government of El Salvador.

"By February 1984, with growing rank and file debate over Central America, the anti-interventions were able to push the AFL-CIO National Executive into a forthright call to halt all military aid to El Salvador."361 There were calls from a number of union locals for the resignation of Lane Kirkland from the Kissinger Commission, the most recent State Department sounding-board for its continued military policy.362 When the Executive Council of the AFL-CIO met, it made only technical changes in its position in 1983, but called for a halt to military aid pending progress on the prosecution on the murders of Pearlman and Hammer, former AIFLD workers in El Salvador.363 While they continued to call for the implementation of land reform in other statements, they were still firmly behind general US government policy to defeat the 'extreme left'. To attain this position on military aid to El Salvador the opposition movement agreed to say nothing about Kirkland and the Kissinger Commission and to join in a condemnation of the Sandinistas in Nicaragua. Yet, due to massive internal pressure, in August of 1984 the position on war was reversed unilaterally by the AFL-CIO hierarchy. It supported the Reagan request for $70 million in supplemental military aid.364

362 Ibid., p. 12.
363 Ibid., p. 12.
1985 National Convention

In anticipation of the 1985 National AFL-CIO convention, a second report of the National Labor Committee called "The Search for Peace in Central America" was then published in 1985 after a trip by nine Committee representatives to El Salvador and Nicaragua. Their conclusions were as follows:

* The human rights situation in El Salvador had not been improved.
* Trade union and political rights were still being violated.
* The crimes of the past had gone unpunished and the repressive structures of Salvadorean society remain intact.
* President Duarte did not possess the power necessary to implement needed reforms and sustain a democratic society.
* U.S. policy in El Salvador undermined its stated objectives.365

As reported by Jonathan Bennett in the Guardian, there was a large lobbying campaign building as the 1985 AFL-CIO National Convention neared. The AFL-CIO signed an agreement with the US Information Agency’s (USIA) International Visitors Program in 1983 which continually brings rightist unionists to the US.366 Bennett explains how "two antagonistic delegations" one "lobbying for more U.S. military aid...and the other for less" crisscrossed the U.S. in anticipation of a battle at the upcoming convention. The former were officially sponsored by

the AFL-CIO and the other by local committees of the NLCCA.\textsuperscript{367} The AFL-CIO executive were thus expecting a confrontation with such large and influential unions as: the International Association of Machinists (IAM), the Amalgamated Clothing and Textile Workers Union (ACTWU) and the American Federation of Government Employees (AFGE).

AFL-CIO President Lane Kirkland tried to head off growing movement mounted against AFL-CIO policy, exemplified by a local Oregon State AFL-CIO resolution "requesting the AFL-CIO to abandon its cold-war Central American policy."\textsuperscript{368} Kirkland sent a 20,000-piece mailing\textsuperscript{369} to "officers of state and local central bodies" to request that endorsement or sponsorship should be avoided of "a proposed U.S. tour for 'Central American trade unionists...who represent organizations that are associated with the Communist World Federation of Trade Unions".\textsuperscript{370} Bennett concludes "despite the AFL-CIO effort, the independent tour kept the support of its organizers in Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware and Washington, D.C."\textsuperscript{371}

At least four separate initiatives on El Salvador were, however, moved at the 1985 convention by: the Marion-Polk-Yamhill

\textsuperscript{368} Ibid.
\textsuperscript{369} Pedro Rubio, "US Workers in Solidarity with Central American Brothers", \textit{World Trade Union Movement}, (No. 4, 1986).
\textsuperscript{370} Jonathan Bennet "Splits Deepen".
\textsuperscript{371} Ibid.
Counties Central Labour Council, the Central Labor Council of Santa Clara County, the Central Labor Council of Alameda, and the United Automobile, Aerospace and Agricultural Implement Workers of America International Union - requesting the AFL-CIO to endorse opposition to all military aid to El Salvador and general support for an immediate ceasefire and political settlement to the conflict. The resolutions also called for adherence and respect for the Contadora committee's efforts.

The debate that ensued is illustrative of the consciousness of US workers about international issues in general. In one resolution, explicit reference is made to issues of "a common struggle for decent working conditions, trade union rights, justice and democracy"; the diversion of finances for "needed social programs" to "military budgets"; direct US support for "low wage havens" that cause "runaway shops to Central America"; and the "risking of the lives of youth in combat".372 Direct reference was made in Resolution No. 122 to the findings in the May 1985 Report of the National Labor Committee for Democracy and Human Rights in El Salvador.

Another resolution mentions the "50,000 murders since 1980", the "massive aerial bombings of civilians in the countryside" being carried out by "the air force, supplied by the U.S.", and the "attacks and killings by right-wing death squads".373

373 United Automobile, Aerospace and Agricultural Implement Workers of America International Union, Resolution 163
Furthermore, it speaks of troops sent in by Duarte to quell "health workers striking for better wages and working conditions". The resolution stresses the fact that the government troops were trained by the US. The United Automobile, Aerospace and Agricultural Implement Workers of America International Union spoke specifically about the Land to the Tiller Program remarking that military aid should be conditioned upon "demonstratable achievement in implementing the land reform program, including Phase II." Finally, they pointed to lack of judicial reform and the failure to litigate in situations of gross violations of human rights involving the military. Actually, a 90-minute debate broke-out at the Convention.

The debate over the federation’s foreign policy heated up further when delegates began circulating a Business Week article revealing that the AFL-CIO spends $43 million per year overseas (as opposed to $45 million domestically), much of it to prop up right-wing regimes. Some 90% of the funds come from government sources; about $5 million comes from workers’ dues.

On the one hand, there are unionists who believe a break-through occurred at the 1985 convention: "In terms of how foreign policy is made by this organization," said New England Amalgamated Clothing and Textile Workers leader Ed Clark, who spoke against the motion because it did not oppose aid to the contras, "a

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374 Central Labor Council of Santa Clara County - AFL-CIO, Resolution No. 89. (Sixteenth Convention, AFL-CIO, 1985).
375 Resolution 163 (Sixteenth Convention, AFL-CIO, 1985).
radical change is taking place."377 As *The Nation* stated at the time:

The concession in the resolution that the noninterventions' forces had wrung from the AFL-CIO leadership was not momentus... But the exchange that preceded it was the first open debate on foreign policy at an AFL-CIO convention in the federation's thirty-year history and the result marked the first time the federation's foreign policy establishment had to compromise its position.378

Another observer believed that the convention was a failure and that "behind the scenes arm-twisting circumscribed the terms of a pseudo-debate that was only permitted after the terms had been settled to Kirkland's satisfaction".379 To pass some components of their resolution, they seem to have given up more: with language characterizing Nicaragua as "totalitarian"; didn't speak out about general endorsement of the Kissinger Commission Report on Central America; condemned Cuba and other "Marxist-Leninists" in the region; and were silent on the approbation for the Grenada invasion. The resolution condemned Cuba and other 'Marxist-Leninists' in the region. The resolution specified that AFL-CIO support would be "conditioned on progress" of the Salvadorean regime in eliminating human rights abuses. Like countless discretionary powers president Reagan maintained over interpretations of Congressional legislation, Lane Kirkland had final veto power.

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378 Ibid.
Kirkland make it clear that he and he alone "unfortunately" would make that decision. Kirkland also gave up the right to support a military instead of a negotiated solution.380

Kirkland also agreed that member unions of the AFL-CIO had a degree of autonomy over the leadership in regards to Central American policy.381 But, says Al Taugott,

What was it that Asner, Blaylock and other known opponents of U.S. intervention reluctantly approved? They, however reluctantly, lauded the role of the... AIFLD. Through their silence, they helped cover up a recent bitter denunciation of AIFLD by one of the largest trade union confederations in El Salvador, the Popular Democratic Union - which prior to Duarte's election had been under the control of AIFLD.382

The reluctant supporters of the resolution spoke not a word against the characterization of Nicaragua as consolidating totalitarianism in line with Soviet foreign policy. Nor did they speak out against the recommendation on behalf of implementing the Central American Development Organization - a contrivance of the Kissinger (Kirkland) Commission intended to insure the unrestricted domination of the Central American economy by U.S. based industry and finance.383

"The wording of the resolution was a compromise, reached after intense private bargaining over several days,"384 reported another observer. It contained the important phrase "a negotiated settlement rather than a military victory, holds the best hope" for achieving peace in Nicaragua and El Salvador. What this ambiguous wording meant was that each side could advocate their own side, either in support for, or against traditional AFL-CIO policy. Since it is already in the

380 Ibid.
381 Ibid.
382 Ibid.
383 Ibid.
federation's bylaws that member federations have autonomy in this area, and in a de facto sense there has always been this expressed difference of opinion it was not much of a victory. The debate pitted the two sides around the National Labour Committee on Peace and Justice in El Salvador, and those support the stance of William Doherty and AIFLD.

The compromise was designed to prevent an intense floor fight at the convention between the two sides, in accordance with long-standing traditions in the federation and many unions that public debate over differences between unionists should be avoided.385

As many stated,

There was no real struggle over an anti-interventionist position versus an interventionist position. Resolution 34 is a pro-imperialist document. It supports U.S. intervention at every level, with only a false conditionality placed on military intervention. Kirkland gave the so-called anti-interventionists the right to have a public discussion on the floor of the convention hall. That is what many have termed an historic event.386

In the following year, in August of 1986 the New York Area Committee of the NLC asked New York Democrat Ted Weiss to enter a resolution into the congressional record concerning trade union rights violations in El Salvador. The record was then published in a Salvadorean newspaper El Mundo. Two months later, Edward Cleary, president of the New York State AFL-CIO, admonishing Weiss for endorsing a "disinformation campaign

385 Ibid.
designed to undermine the democratic trade union movement in El Salvador.\textsuperscript{387}

Cleary praised "the truly democratic unions in El Salvador, which have long been supported by the AFL-CIO" and he dismissed the unions Weiss supported as "guerilla-backed Marxist-Leninists" whose protests and strikes were only "disastrous".\textsuperscript{388}

The New York NLC replied with a letter signed by 13 New York locals saying that the resolution and ad were legitimate and depended on first hand accounts of repression of opposition union members and further denounced AFL-CIO policy.\textsuperscript{389}

\textbf{Washington Demonstration}

On April 25, 1987, a simultaneous demonstration at Washington and San Francisco was organized by 24 top labor leaders, those of four of the five biggest AFL-CIO unions. Most were members of NLC. The demonstration was a public show of solidarity to victims of repression in Central America and in South Africa and was organized in conjunction with other religious and solidarity groups.

While labour was the main organizer of the protest, it was directed in general at Reagan's foreign policies rather than at the AFL-CIO. It called for, among other things, "an end to the U.S. war on the people of El Salvador". The demonstration was also remarkable for the consensus displayed between unions,

\textsuperscript{388} Ibid.
\textsuperscript{389} Ibid.
churches and other organizations in a specifically political demand. As The Nation at the time stated:

it is the first street-level barometer of mass dissent since the Iran/contra scandal, and it offers a chance to measure the moral disgust with U.S. foreign policy that has been simmering for the past six years in hundreds of churches, synagogues and union locals. 390

The counter-attack came from Lane Kirkland in a three-page memo sent to heads of state AFL-CIO federations saying that the demonstration was not in accordance with AFL-CIO policy because:

(1) it called for a cutoff of U.S. aid to the "democratically" elected governments of El Salvador, Honduras, and El Salvador, and;
(2) because the rally speakers were "not committed to genuine trade union rights" - Kirkland said representatives of Salvadorean rebels and Nicaraguan Sandinistas were to speak at the rallies. 391

AFL-CIO policy is only binding on state levels and local bodies, not with the approximately 100 autonomous union federations affiliated to the AFL-CIO. State or local bodies, under the AFL-CIO constitution can have their charter suspended if they violate federation policy. The Nation at the time remarked "ritual fulmination against leftist infiltrators with hidden agendas, reaches a climax that is almost papal in its demand for obedience, insisting on conformity with the leadership, the federations constitution and the rule book." 392

390 Editorial, "Rites of Passage", The Nation, April 18, 1987.
392 Editorial, "Rites of Passage", The Nation, April 18, 1987.
The second point was rebutted by a letter signed by Rev. Jesse Jackson among other prominent individuals. After a vote of 400-0 in favor of the demonstration, a Baltimore chapter rescinded the vote in the face of the letter. In San Francisco, the response was endorsement by the membership, but only "as individuals". The letter was followed by a 16-page report red-baiting the organizers as 'left-wing extremists' and 'dupes' of the Committee in Solidarity with the People of El Salvador (CISPES), a major U.S. popular solidarity organization. The Report read:

Anyone who...remembers the popular fronts put together by Communists in the 1930s will know precisely how the April Mobilization works and what it is all about: Take a common issue and a common enemy, work behind the scenes to create a protest movement, enlist trade unionists, religious leaders, community activists and other people of good will, keep control of the planning apparatus and make certain that the final agenda is the organizers agenda...393

Another attack came from an ad published by Albert Shanker of the American Teachers Federation, on the Board of NED, etc. in the New York Times claiming the participants are "dupes". The ad provoked a counter-ad from Stanley Hill and New York City's District Council 37, an affiliate of the American Federation of State, County and Municipal Employees (AFSCME).

Hill's union paid $10,000 for a quarter-page New York Times ad in which he directly attacked Shanker for red-baiting. "Nobody's going to be misled in this march," he declared. Hill noted that Shanker had "dragged up" the "same infuriating cliches and innuendos" used to bait the

In another action Lane Kirkland sent a circular to 20,000 AFL-CIO affiliates urging them to boycott a tour of trade union leaders from Nicaragua, Guatemala, El Salvador and Honduras, saying many of them were affiliated with the WFTU. But through the independent initiative of a number of union locals the unionists were brought to the U.S. to relate their situation. AFL-CIO leaders also organized a parallel visit of unionists from organizations such as CUS.395

1987 Convention

On October 7, 1987 in the Guardian, Laura McClure reports how the AIFLD gave a "wrist slapping" to the Nicaraguan contras over human rights abuses; it was also holding regional conferences to account for its budget priorities. The hope was to avoid a floor battle at the upcoming convention on contra support and support for the Salvadorean Duarte regime. Yet at the Conference, American Federation of State, County and Municipal Employees (AFSCME) area director Eliot Siede proposed a resolution "recommending that the AFL-CIO oppose contra aid, back Salvadorean unions critical of Duarte’s human rights violations and support the new Central America peace plan".396

394 Ibid.
After AIFLD staffer David Jessup showed an anti-Sandinista film at the meeting, and State federation president Dan Gustafson ruled the proposal out of order because it contradicted official AFL-CIO policy, the motion still passed a voice vote. While in 1987, the Reagan administration gave $270 million to the contras, at the AFL-CIO convention of that year, a resolution was passed explicitly condemning this aid. This means that just more than half the total membership of the AFL-CIO have taken anti-contra positions by resolution, or executive action. They are also making their opposition known to Congress.397 At the 1987 National AFL-CIO Convention many more resolutions were presented. One by the International Ladies’ Garment Workers union show the lack of clarity and influence of the State Department line.

In El Salvador, workers and their unions have not reaped the benefits of the key support they gave to President Duarte. Despite his good intentions, he has proven unable to control the right-wing death squads which have killed and tortured thousands of workers and unions leaders.398

President Duarte, after presiding over two administrations in the 1980s where gross violations of human rights were endemic still has ‘good intentions’. The same resolution also reaffirmed the AFL-CIO’s support only for ICFTU-affiliated unions which would exclude those associated with the progressive

sector including the UNTS. The American Federation of Government Employees is more clear concerning Duarte's motives:

The Duarte government has been unable to fulfill any of its campaign promises to labor such as completing the agrarian reform, improving the standard of living, ending repression, and achieving peace. The judicial system does not work in El Salvador, and human rights violators are not brought to trial or punished.399

**Attack against the Press**

There was less discussion and less controversy at the 1987 Convention as opposed to the previous one reflecting both the lack of attention to Central American issues, and the progress that was made on issues in the past. Yet officials at the AFL-CIO continued there offensive against dissent. A short history of AFL-CIO foreign policy and alternatives was published in 1987 coming under direct criticism from the DIA. In Dan Cantor and Juliet Schor's 'Tunnel Vision' they outline the rise of "Wall Street Internationalism" and the collusion of the "US labor establishment". The short book has been reviewed in much of the progressive labour press, but attacked by none other than William Doherty. In it, they outline reason they believe opposition to AFL-CIO policy is increasing: many workers remembered fighting Viet Nam and feared that Central America was on the same road. Many were angry that millions of dollars were being spent on military hardware which completely distorted domestic spending priorities. The "better business climate"

that U.S. repression causes in Central America directly undermines U.S. working conditions by creating runaway shops, low wages and domestic unemployment. Many of the major backers of Reagan's foreign policy, such as the Coor's family support for the Contras, and J. Peter Grace ties to repression in Bolivia, are also prominent anti-union employers in the U.S.400

In the publication, Cantor and Schor recommend a new set of priorities within the AFL-CIO which would democratization within the organization and support a new policy:

* support for free and democratic trade unions, respecting political pluralism based on different histories and contexts
* rejection of 'official' union constraints on international contacts with legitimate and independent trade unions
* support for the 'Third Road' progressive unions, particularly within the Third World
* shifting the 'labour rights' agenda from protectionism and competitiveness to genuine solidarity and meaningful controls on capital investment.401

Ken Blaylock, the National President of the American Federation of Government Employees, AFL-CIO described the book in this way:

Labor unions - like governments - become tyrannical, totalitarian, or lose the support of the people when only one view is allowed or heard. In order for a government or a union to unify its strength and power, opposing views and different needs must be voiced and reconciled. This book will play a key role in that reconciliation regarding the American labor movement's position on foreign policy.402

In a letter written on March 1, 1988, to the Oregon State branch of the AFL-CIO, David Jessop of the AIFLD launched an attack on

401 Ibid.
402 Ken Blaylock, cover of Tunnel Vision, op. cit.
the Cantor and Schor publication. He red-baits the authors themselves and questions both their union and academic credentials. The questions he poses avoided discussion of the socioeconomic realities of US or Central American unionism. He repeats the line of "the courageous struggle" of AFL-CIO supported unions against the "guerilla backed" forces of such unions as the UNTS. Attached to the letter is a photo-copy of an article written by the UAW's K.L. Billingsley whose final comment reads "The American rank and file, for whom Tunnel Vision is written, will do well to keep an eye on their leadership in these days ahead." He poses the question: "would they argue, for example, that the AFL-CIO could more vigorously pursue plant-closing legislation if it cooperated with communist unions around the world?"

**Doherty Again On the Offensive**

On April 5-8, 1988, William Doherty expressed his views on labour in El Salvador to a group of trade unionists in Denmark in a speech entitled "Central America: What Course for Trade Unionists?". Doherty very clearly states his understanding of the power structures in El Salvador being divided into three sections. The first are the "former landowners who want to live like feudal lords and the thugs and killers who do their dirty work." The second are on the left and are the "communist guerillas and their front groups allied with Cuba and the

Sandinistas, who are destroying the economy, killing civilians to stop elections, and provoking violence with their phoney labor fronts." The third is the "democratic centre" - "trade unions, peasant associations, democratic political parties, the Church, and most citizens." Of course, Doherty positions the AIFLD with the third group. The practical mechanism with which the AFL-CIO implements this solidarity with the 'centre' in El Salvador is through its official policy of 'conditionality' of U.S. military aid. Says Doherty:

We said, we will support military aid to defend democracy - but not to help wealthy landowners. We will support military aid to promote human rights - but not to arm death squads. We will support aid, but with conditions....The Democrats in the U.S. Congress enacted our position into law. The idea of conditionality was accepted.405

Doherty claims that the AFL-CIO's main leverage in protecting worker rights in El Salvador is through its ability to pressure on the U.S. Congress to condition aid on improvements in human rights. He states:

Salvadorean campesino organisation also won important land reform victories. Twenty percent of the land has been transferred form a handful of rich oligarches to more than 500,000 members of poor campesino families. There are few countries in the world that have distributed so much land in so short a time.

Gains have also been made in labor rights. The new constitution guarantees the right to bargain and strike for private employees and the right of campesinos to form unions. In contrast to Nicaragua, most Salvadorean unions engage in collective bargaining. Strikes are commonplace. Many are successful.

Another gain is the holding of the first series of free elections is Salvadorean history. Only last month,

Salvadorean voters again defied guerilla killings and kidnappings of civilians, and guerilla attacks on civilian buses, to cast their ballots in massive numbers.406

In a January 22, 1988 letter addressed to "interested labor people", William Doherty Jr. launched an attack on the Labor Network on Central America, another grass-roots information and lobbying organization. Comparing the LNCA to the National Right to Work Committee, a domestic right wing organization working for a 'union-free America', Doherty claimed the LNCA tries "to undermine the free trade unions that represent them and the efforts of the AFL-CIO to support free trade unionism abroad".407 Doherty is a founder of Friends of the Democratic Centre in Central America, a group the raised public contributions to support the anti-Sandinista contras in Nicaragua.

1989 Convention

By the time the 1989 AFL-CIO Convention occurred a large body of opinion and support for a changed policy was clear. The Amalgamated Clothing and Textile Workers Union introduced a clearly stated resolution calling for an end to military aid:

Whereas, recent reports from the ICFTU (International Confederation of Free Trade Unions), the OAS (Organization of American States), the United Nations (Special Representative on Human Rights), Americas Watch and Amnesty International have all cited a rise in human rights' abuses in El Salvador;

Whereas, Salvadorean trade unions continue to be singled out for political attack; and,

Whereas, The Salvadorean judicial system is in complete collapse; and,
Whereas, Current US policy in El Salvador serves to perpetuate the current civil war; and
Whereas, The Bush Administration has earmarked millions of dollars to intervene in the Nicaraguan national election February 1989; therefore be it

Resolved that the AFL-CIO recommends that

That the government of the US support an immediate ceasefire and a process of dialogue and negotiation among the warring parties as recommended by the National Debate of the Archdiocese of San Salvador in 1988.

The Congress of the United States halt military aid to the government of El Salvador until the 'violators' of human rights are brought to justice;

The Congress of the United States oppose the politicization of economic and humanitarian aid in El Salvador which leads to widespread corruption, and provide for safe passage of relief supplies to civilian populations;

The United States Trade Representative fully review petitions of labor rights' violations in El Salvador which would deny preferential treatment under the Generalized System of Preferences until El Salvador recognized and allows the exercise of internationally recognized labor rights.408

Both the State of Oregon AFL-CIO as well as the American Federation of State, County and Municipal Employees presented similar resolutions. At the 1989 Convention of the California Labor Federation a resolution asking for the review of the AFL-CIO practice of "shunning" unions connected to the WFTU was passed. It called on the AFL-CIO "to consider a change in policy to permit contact between US unionists and unionists of all other nations without government restrictions." Lane Kirkland responded in a letter to Cal-Fed secretary-treasurer Jack Henning saying the "resolution is based on false premises

and misinformation" and disregarded it as a serious question in terms of AFL-CIO policy.409

The previous year, in a more general challenge to cold war politics, the California Labor Federation passed at their 1988 convention a resolution entitled "Increasing Contacts and Trust Between the World’s Unions" which called on the AFL-CIO "to consider a change in policy to permit contacts between U.S. unionists and unionist of all other nations without government restrictions".410 This is a direct challenge to the AFL-CIO commitment to abide by State Department bans on meeting between U.S. and Soviet trade unions and specifically those affiliated with the World Federation of Trade Unions (WFTU). As Tony Harrah states:

Kirkland red baited the Committee for International Support of Trade Union Rights, a San Francisco-based group with WFTU ties which has been promoting Cal-Fed-like resolutions in unions and central labor bodies throughout the U.S. Kirkland maintained that "the resolution is based on false premises and misinformation" and refused to accept it as a basis for a reconsideration of AFL-CIO policy.411

Congressional Action

Recent efforts have joined the National Labor Committee with Americas Watch to sever special trade privileges for El Salvador, based on U.S. laws conditioning such privileges or respect for labour rights. The U.S. contributed billions of

410 Ibid.
411 Ibid.
dollars in economic assistance to the region of Central America in the 1980s. It provides tariff benefits under the U.S. General System of Preferences (GSP) and special tariff extensions of CBI as well as other US commercial regulations.

In 1987 almost 34 percent of the regional exports to the United States were produced under the protection of special programs such as the CBI, the GSP, and section 807, as opposed to 23 percent in 1983 (U.S. Department of State, 1989: 12).

The 1984 US Trade Act stipulates that preferential trade status, which El Salvador currently enjoys, should be halted where "such country has not taken or is not taking steps to afford internationally recognized workers' rights." U.S. Trade Representatives have continually rejected petitions for revoking these privileges citing the AFL-CIO's hostility to them. The AFL-CIO's hostility is more over the demands associated with the trading privileges: stating it has used this mechanism to 'pressure' the Salvadorean government to respect trade union rights.

In an apparent attempt to 'take the offensive in international worker solidarity' as late as August of 1988 William Doherty "strongly supported" a worker rights clause in a "regional development bill" introduced by Rep. George W. Crockett. The wording of the bill stated that aid or special privileges should

412 Dolinsky, op. cit., p. 88.
be withheld when "any government or economic enterprise in the Caribbean does not extend, protect and enforce recognized worker rights."415 Said Doherty:

Heretofore, there has been no incentive for countries and business firms which are violators of worker rights to improve their behaviour. Now there will be a cost involved.416

The legislation, said Doherty,

places us where we should be: on the side of the poor, in favor of the broadening of a pluralistic democratic system, and very definitely in support of worker rights.417

Doherty and Crockett they succeeded in getting language into the 1990 U.S. aid bill for El Salvador stating that "the Salvadorean government and armed forces must demonstrate progress towards protecting internationally recognized worker's rights before any U.S. military aid will be disbursed".418

This has been a major tactic that a coalition of labour, religious and human rights groups have been pursuing is demanding that US imports be dependent on worker rights abroad. "Free trade" policies give corporations the right to exploit workers without local regulations. A number of bills have been presented to the US Senate and Congress asking that the systematic abuse of worker rights become an "unfair trading practice". Key pieces of legislation include: The Omnibus Trade

416 Ibid.
417 Ibid.
418 Ibid.
Act of 1988 introduced by Representative Don Pease specifically mentions trade union rights, but has yet to sanction any countries.

The Trade and Tariff Act of 1984, which added worker rights legislation to the Generalized System of Preferences (GSP), allows products from 136 "developing countries" to enter the US market without duties.419 It states that if "such country has not taken or is not taking steps to afford internationally recognized workers rights to workers in the country (including any designated zone in that country)." While bringing a number of "unfriendly" countries under the requirements of the Trade and Tariff Act, petitions for the review of El Salvador as of Spring 1989 have failed. "In 1987, $5.6 million worth of Salvadorean goods entered the U.S. free under the terms of the GSP."420

Representative George Crockett, with backing from the AFL-CIO proposed strong language for worker rights in the 1983 Caribbean Basin Initiative (CBI) documents. Section 212(C)(8) of the CBI Recovery Act makes it incumbent upon the President of the US to consider "the degree to which workers in such country are afforded reasonable workplace conditions and enjoy the right to organize and bargain collectively," in deciding on beneficiaries of the Act. But as of yet, no country has been denied aid

through the CBI. "El Salvador shipped $243.7 million worth of exports to the United States duty-free under the Caribbean Basin Initiative."421

The Overseas Private Investment Corporation (OPIC) provides risk insurance for overseas US corporations activities. "In 1985 Congress prohibited OPIC from insuring corporate activity in any country which is not taking steps to adopt and enforce worker rights."422 Yet, so far this provision has only effected the countries of Rumania, Ethiopia, Nicaragua and Paraguay. Says Americas Watch about the rejection of its petition to the US government concerning these trade privileges with El Salvador:

The Americas Watch submitted a petition requesting review of El Salvador’s benefits on May 30, 1987...The USTR [U.S. Trade Representative] rejected the petition on the grounds that the government of El Salvador did not violate labor rights, and that the victims described in the petition were not trade unionists, but rather, guerilla supporters.423

An August 28, 1987 letter to Congress explaining the decision from U.S. Trade Representative Clayton Yeutter:

All of the arrested union members named in the petition were members of the organizations of the insurgent Faribundo Marti National Liberation Front (FMLN). The arrests listed in the petition were made under emergency Salvadorean legislation providing for detention and investigation of suspected members of the FMLN. Of those union and cooperative members subsequently charged with a crime and jailed pending trial, all were charged with membership is a specific guerilla organization. We have no reason to believe that any of the arrests were intended to prevent workers from exercising their rights to associate, organize and bargain collectively.424

421 Labor Rights in El Salvador op. cit., p. 98.
422 "The Real Trade Wars" op. cit., p. 94.
423 America's Watch, op. cit.
424 Labor Rights in El Salvador op. cit., p. 100.
It thus becomes clear where the AFL-CIO stands in relation to the US solidarity movement and the US government.

[Assistant Secretary of State Richard Schifter] also implied that the Administration would have accepted a labor rights petition on El Salvador if it had been filed by the AFL-CIO, stating that, "if you were to get it [a labor rights petition] from the AFL-CIO, it would be a different story." Secretary Schifter’s dismissal of a petition by an independent human rights organization (which does not receive government funding) coupled with his willingness to accept a petition filed by AFL-CIO, which organizations activities in El Salvador are almost entirely funded by the U.S. government is revealing.425

Yet the legalistic framework is important in some respects, claims Matt Witt, the director of the American Labor Education Center in Washington.

Even if the Bush administration takes no action against the countries which were the subject of GSP and OPIC hearings in 1988, the fact that some steadfast U.S. allies were the subject of international scrutiny will be of some use to workers in those countries.426

Further Action

In February of 1989, the AFL-CIO Executive Council was forced to call for an end to all military aid to El Salvador until the human rights violators are brought to justice. Importantly, the Council also supported a number of issues directly requested by the armed insurgency the FMLN. These included:

425 Ibid., p. 100.
426 "The Real Trade Wars" op. cit., p. 97.
Negotiations leading to an end to the conflict in El Salvador. We hope such negotiations, including the postponement, if necessary, of the elections scheduled for the spring will lead to full and fair participation in the democratic political process by all parties to the conflict. As the first step toward that goal, we call on all parties to begin an immediate cease-fire and an end to hostilities.427

On April 28-29 of 1989 unionist from 14 U.S. cities formed the Labor Coalition on Central America (LACCA) another organization opposed to AFL-CIO foreign policies. LACCA helps local unions to develop "sister-union" relationships with their counterparts in Central America, as well as coordinate phone calls, telexes and newspaper ads to protest disappearances or arrests of Central American unionists.

On July 21-23, 1989, the University of Central America in San Salvador hosted the 'International Conference for Peace and Solidarity Among Twin Sister Unions' which brought together all the major Salvadorean unions and popular organizations and about 70-80 international unions that have established 'sister' relationships with their Salvadorean counterparts. Among the Resolutions of the week-long event:

1. declare our support for a negotiated political solution as an alternative to the armed conflict in El Salvador, due to the serious repercussion that the conflict causes among the labor movement and population in general

2. promote campaigns at the international level in favor of ending military aid to El Salvador

3. support the platform for peace presented by the Permanent Committee of the National Debate, and support the

effort by the political parties to form an opposition coalition whose goal is the search for peace, democracy, and sovereignty in El Salvador

4. support the initiative undertaken by Americas Watch which has the support of 107 member of the US Congress that requests a revision of the preferential status for external trade given to the Salvadorean Government as a result of the constant violations of labour and union rights by the armed forces of El Salvador

5. implement a permanent campaign of moral, political, material and financial solidarity in support of the Salvadorean labour organizations at the same time encourage the consolidations and broadening of the Sister Union movement

6. suggest to the AFL-CIO to revise their foreign policy regarding El Salvador and support the Salvadorean workers in their demand for peace

7. support the different peasant sectors in their demand for land, credit and defense of the Agrarian Reforms that they have achieved, and at the same time, support them in their attempts to achieve further gains in the area of agrarian reform.428

In June of 1989, the NLC Third Report was published with its conclusions: political repression is on the rise; trade unions are special targets of the repression; the Salvadorean judicial system is in complete collapse; current U.S. policy in El Salvador serves to perpetuate the war; opportunities for peace have been lost.429 Their recommendations are as follows:

* the government of the United States support an immediate ceasefire and a process of dialogue and negotiations among the warring parties as recommended by the National Debate of the Archdiocese of San Salvador in 1988
* the Congress of the United States halt military aid to the government of El Salvador until the "violators" of human rights are brought to justice. Any resumption of military aid should be conditioned on a review of the judicial system and human rights' abuses

429 Ibid., p. 15.
* the Congress of the United States oppose the politicization of economic and humanitarian aid in El Salvador which led to widespread corruption and provide for safe passage of relief supplies to civilian populations
* the United States Trade Representative fully review petitions on labor rights' violations in El Salvador, which would deny preferential treatment under the Generalized System of Preferences until El Salvador recognizes and allows the exercise of internationally recognized labor rights.430

The bloodshed of the fall of 1989 forced many labour leaders of the AFL-CIO to speak out. These included Lane Kirkland, who specifically left out blame of the perpetrators:

The AFL-CIO abhors the brutal and senseless attack on the headquarters of the FENASTRAS and the killing and wounding of a great number of innocent people. This incident, together with other recent violent acts suggests a return to the terrorism which characterized the early 1980s.431

The trade union solidarity movement in the US focussed its efforts on Congressional Bills to cut US military aid. Opposition to military aid was now official policy of the AFL-CIO, but as Martin Lahr pointed out "unions at all levels need to take action and commit resources to the cutoff campaign effort."432

What's needed is grassroots labor action of every kind: letter-writing, house meetings, petitions, phone campaigns. The goal: to get our local unions and labor councils to pass resolutions, lobby Congress, and encourage union internationals to actively oppose aid to El Salvador.433

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430 Ibid., p. 16.
433 Ibid.
Statements by the a group of Washington D.C. unionists are typical of the localized pressure brought to bear on the Congress.

Over the decade of the '80s, four billion US taxpayer dollars have gone to El Salvador. We're told that our dollars are buying democracy. As trade unionists, we see little evidence of democracy in El Salvador.

What our dollars in El Salvador have bought is more time for an oligarchy full of contempt for Salvadorean working people. What our dollars have bought are weapons for a Nazi-like military machine. What our dollars have bought are safe havens for foreign companies who like prevailing wages at $3 per day.

We say not another dime to fund the war against the poor workers of El Salvador. We urge all our brothers and sisters in the labor movement to join with us. Help us make sure that labor activism in El Salvador no longer carries a sentence of death.434

On May 22, 1990, the House voted 250-163 to cut military aid to El Salvador by 50 percent in fiscal 1990, yet this amendment was defeated when the foreign aid authorization bill to which it was attached was defeated 244-171. Ben Davis, secretary of the Labor Coalition on Central America states:

A number of representatives went on record against military aid for the first time. The AFL-CIO finally took some action and sent a letter to Congress supporting the aid cut. UFCW President William Wynn also sent letters urging an aid cut to every representative.435

On June 28, the House voted 308 to 117 for a 50 percent cut in foreign aid to El Salvador. Yet, as Allen Kaplan and Mark

Urquhart, both of the American Federation of Government Employees, remarked, "this endorsement [of the amendment to withhold 50 percent] was too little and too late to actually influence the process" which they say, "demonstrates once again the need for grassroots trade union action on foreign policy issues." By the start of the 1990s, sufficient mobilization by union and other forces in the US successfully pushed the US government to ending its aid to the government of El Salvador. This was short-lived, however, as the rush towards war and refocus to the Gulf again made it easy for Bush to push through renewed aid.

The official AFL-CIO position on El Salvador at the end of the decade is clear in its failure to endorse a new and major tactic of the solidarity movement which was a coffee boycott. Like the successful campaign organized in response to Apartheid, labour leaders hoped this tactic would hurt rulers in El Salvador in the pocketbook. On the issue of military aid AFL-CIO policy is clear. At least on paper, the official AFL-CIO hierarchy seems not to have changed its policies one bit from its policies at the start of the decade, preferring to warn member locals against calls for cuts in aid, refusing to join the coffee boycott, continuing to red-bait progressive unions and solidarity organizations in the US:

(AFL-CIO NEW GUIDELINES, Spring 1990)

CONGRESSIONAL LEGISLATION: The AFL-CIO seeks to cut US military aid to El Salvador until the judicial system can

436 Ibid.
be significantly reformed to deter human rights abuses...Affiliates are advised to refrain from endorsing any particular legislation at this time, and instead urge vigorous communication with Congress stating our general position...

COFFEE BOYCOTT: We have been advised by the top leaders of UNOC that their organization's Executive Committee discussed the idea of a boycott of Salvadorean coffee but does not advocate such an action at this time. They say than many campesino co-ops of the UCS and other UNOC affiliates are engaged in coffee growing and distribution, and a boycott would adversely affect them.

SPONSORING SALVADOREAN TRADE UNIONISTS: Affiliates and state and central bodies are urged not to sponsor meetings for touring Salvadorean "trade unionists" who have an ulterior agenda. These include the guerilla backed UNTS unions (such as FENASTRAS, ASTTEL and STISSS) as well as the ARENA government backed UPD.

COALITIONS, PETITIONS, DEMONSTRATIONS, ETC.: Some union bodies are being asked to endorse various activities to halt aid to El Salvador. Unfortunately, many of the activities are organized by pro-guerilla support groups such as CISPES, the Central American Labor Defense Network and others. Affiliates and AFL-CIO units should avoid endorsing such efforts...437
The AFL-CIO through AIFLD 'trade union imperialism' is an important component in US sponsored war and terror in El Salvador. While it has played this role for many decades, in the 1980s the opposition movement of AFL-CIO unions has made unprecedented gains. For the first time since the AFL became involved in international issues, rank and file movement on the plenary floor has forced positions contrary to the long-standing stance of official AFL-CIO policy. Twice in the 1980s, the hierarchy of the AFL-CIO were forced, albeit temporarily, to oppose US military aid altogether. This is a reflection of the level of analysis and organizational capacity that has resulted from 'solidarity' as a particular form of labour internationalism.

Many authors have suggested that workers are incapable of championing anything but their own sectarian interests and narrow 'national interests'. Yet the forces of internationalization of capital as well as concerted effort on the part of workers themselves have brought the workers in different regions of the globe together to recognize their mutual struggle. Within the 'trade union solidarity movement', we see relatively sophisticated conclusions drawn by workers about such things as their own authoritarian organizational structures, their position within the international capitalist mode of production, and other immediate issues.
These changes are partly the result of global economic changes. The post-war Fordist regime in the United States which included mass production, Keynesian economics and an adversarial industrial relations system changed in the following decades. A system which produced a large middle class of workers now presents a system where "US income distribution is now becoming more like an hourglass instead of a diamond; real wages are falling; union power has declined; and the social 'safety nets' are being shredded".438

While in the past workers recognized the nation-state as the prime arena for political participation, some are drawing conclusions that they must look beyond the national to the global level to confront local problems. As capital successfully outflanked the power of workers by international mobility, workers organizations evolved to accommodate the process.

The globalization of capital presents workers with the possibility of discovering "natural" allies in the workers of foreign countries. The geographical proximity of Central America, combined with the central role Central America plays in U.S. foreign policy makes solidarity between the two regions a reasonably predictable occurrence. The simultaneous offensive of capital in the eighties in the two regions under study, and the intensity of the crisis of domination and legitimacy has

culminated in the growing counter-hegemonical movement to challenge the power of capital.

This challenge is generated through the personal contact of rank-and-file and leads to the questioning of both regions of the system of domination. Contact between the workers of the United States and various Central American countries provided an arena for discussion and practical action against an integrated system of domination.

U.S. workers' solidarity with their counterparts in El Salvador in the eighties was the result of these core changes in the US economy. The "better business climate" that U.S. repression causes in Central America directly undermines U.S. working conditions by creating runaway shops, low wages and domestic unemployment. It was the same US administrations that were sending millions of dollars of military aid to suppress the labour movement in El Salvador with its gruesome effects, that cracked down on the US labour movement in the 1980s. As workers attempted to organize to change AFL-CIO policy, they saw the extent to which the bureaucracy was willing to be apologists for US foreign policy. The consequent politicization was directed towards critiquing the undemocratic and unresponsive structures within the US labour movement. Solidarity with Central Americans becomes, simultaneously a struggle against the organizational forms and labour aristocracies of the bureaucracy and leadership of the AFL-CIO. It becomes a struggle with the
conservative factions of leadership who share seats on elite corporatist boards.

No less than in the 1930s, key questions facing the left wing of the labor movement include not only who, when, and how to organize, but also who controls the decision-making process that decides the answers to those questions, and how that control is exercised.439

The potential direction for US action then corresponds to these three points. Firstly, international solidarity is necessary because helping unionists organize in El Salvador is working on another front of the same battle. Secondly, a larger political role is necessary if US unionists want to confront national foreign policy objectives. Thirdly, a self-critical democratization process must occur before unionists can act with one voice in everyone's interests. A possibility presented is alliance building and the reintegration of labour and unions back to the vanguard of a larger popular and progressive movement in the US. The nation summarizes some of these issues:

As investment flowed from the United States to repressive regimes abroad, many workers lost jobs. And as the leadership applauded or assisted in countless U.S.-sponsored wars, coups, assassinations and other forms of terror abroad, organized labor became increasingly separated from its natural allies within progressive communities in the United States - as well as potential allies within foreign labor movements that suffered U.S. aggression.440

But with this new movement:

439 Jerry Lembcke, op. cit., p. 170.
They showed that organized labor need not be, as its critics maintain, a "special interest" group, single-mindedly bent on achieving material gains for its (dwindling) membership and indifferent or hostile to everyone else. It can be a genuine popular voice for democracy, if it recognizes that democracy at home requires democracy abroad and an end to the destructive U.S. policies in which the AFL-CIO leadership remains complicit.441

Remarked the New Internationalist:

Third World development agencies, for example, used to attack the unions as bastions of selfish protectionism. Unions, for their part, reviled the 'development set' as middle-class trendies with no understanding of working people's real problems. A seismic shift is now taking place. More and more unions and development agencies are realizing that they are allies in a broad coalition aiming to achieve democratic rights and decent living standards for all working people, wherever they happen to live.442

There are indications that through international solidarity, labour is building new links with democratic and progressive foreign labour movements and with the progressive communities within the US. It is clear that this movement has a cross-fertilizing relationship with other 'non-class' movements within the US and El Salvador. Yet many examples clearly indicate that the level of analyses and corresponding strategy and organizational capacity does not match what is necessary for a consequential confrontation to the cultural hegemony that supports to present US foreign policy. Despite the threat

441 Ibid.
442 Glen Williams, "Global Trade Unionism", New Internationalist, (Issue No. 117).
mounted by this movement, the AFL-CIO is still a major proponent of the U.S. government's foreign policy in El Salvador, and in the foreseeable future, will remain so. Yet common among the analysis of labour analysts is this statement by Al Weinrub about the events just portrayed.

This represents a shift in the overall political terrain of U.S. working-class politics. In the most immediate sense, having a large section of organized labor active in the movement to oppose U.S. intervention abroad strengthens that movement considerably. And, in the longer term that section of organized labor active in the broader movement for peace and social justice will mature politically as it summarizes its own experiences in the class struggle, coalition politics and so on. 443

443 Al Weinrub "Opinion and Analysis", Guardian (April 1, 1987.)
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SOLIDARITY


