

New trade union bureaucracies or rank-and-file workers' power?

# Lessons of the Matamoros workers' rebellion: Part four

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## The AFL-CIO and “democratic” unions in Latin America

The record shows Prieto and the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) have been working closely together to channel growing discontent among workers on the border behind Mexican unions partnered, financed and in some instances created by the AFL-CIO. These efforts are being intensified in response to the resurgent class struggle, which is rapidly turning into a rebellion against the Mexican CTM labor federation, and to the coming to power of a government aligned with the faction of the bureaucracy favored by the AFL-CIO.

It is not only a question of creating a new façade for the trade-unions, but of integrating the Mexican state and its political institutions more directly into the operations of US imperialism and, to a lesser degree, German imperialism.

While the initial impulse for the formation of the mass industrial unions in the US was provided by socialists and left-wing militants in the 1930s and 1940s, the merger of the CIO with the right wing AFL in 1955 was based on an explicitly anti-communist alliance with the US ruling elite to crack down on the support for socialism among workers during the Cold War. AFL leaders like George Meany, Irving Brown and Jay Lovestone collaborated with the war-time Office of Strategic Service (OSS) and its successor, the Central Intelligence Agency, in innumerable operations to subvert labor movements and counter the influence of socialists in Europe, Asia, Africa and Latin America following the war.

By 1961, the AFL-CIO founded the American Institute for Free Labor Development (AIFLD) to expand these activities across the world. The AIFLD was funded mostly by the US Government through USAID, which was founded the same year, and later through the National Endowment for Democracy (NED)—two products of the Cold War operating as slush funds for CIA operations.

Under the slogan of “the development of the democratic trade union movement in Latin America and the Caribbean,” the AIFLD trained unionists across the region as counterinsurgency assets to weed out radicalized workers and compete against trade unions led by Stalinist organizations. In 1969, the head of the AIFLD, William C. Doherty, openly told a Senate committee that the organization was founded in cooperation with top capitalist magnates like David Rockefeller and Peter Grace.

Grace became the corporate chairman of the AIFLD and declared in 1965—as quoted by a 1974 pamphlet written by a plumber and member of Plumbers and Steamfitters, Fred Hirsch, denouncing these ties, “The AIFLD urges cooperation between labor and management and an end to class struggle. It teaches workers to help increase their company’s business... to promote democratic free trade unions; to prevent communist

infiltration and where it already exists to get rid of it.”

Hirsch documents that AIFLD-trained agents penetrated the leadership of several Chilean unions like the Chilean Maritime Federation (COMACH) and the (CUPROCH) that participated directly in the military coup against the Salvador Allende government in 1973, as well as in the bloody purge of radicalized workers and youth carried out by the fascist, US-backed dictatorship of Augusto Pinochet. The junta outlawed unions, but soon allowed the activities of 26 small unions tied to the AIFLD. Thousands were killed, tortured and imprisoned and 200,000 workers were fired for political reasons. AIFLD records for 1962-1972 indicate that 92 percent of its budget came from the US federal government.

The AIFLD backed the 1954 coup in Guatemala and in the 1970s and 1980s allied with the death squads in Nicaragua and El Salvador.

So discredited was the AIFLD because of its complicity in CIA coups and counter-insurgency that by 1997, the new leadership of the AFL-CIO changed the name of the federation’s international operations to Solidarity Center. But its operations on behalf of US imperialism continue. The most recent report available for 2016 indicates that 93 percent of its budget of \$32 million came from the US federal government.

According to National Endowment for Democracy accounts, the US government agency assigned \$704,000 to the Solidarity Center’s operations specifically in Venezuela during the five years prior to the failed Venezuelan coup of 2002, in which the Venezuelan Confederation of Workers (CTV) played a leading role. This money was directly going into the coffers of the CTV under the pretext of supporting its “highly successful internal democratization process.” The CTV has had long-standing ties with the AFL-CIO and is led by the right-wing Democratic Action party that is co-leading the ongoing coup operation orchestrated by the Trump administration against the Nicolás Maduro government in Caracas.

In Mexico, the AFL-CIO veered away from backing the CTM in the late 1990s. In January 1998, the *New York Times* wrote approvingly that, “Since the passage of NAFTA and Mr. [George] Sweeney’s election to the AFL-CIO presidency in October 1995, the American federation has decided to reach out to smaller and more militant Mexican unions that for years have been persecuted here but are growing fast.”

This decision was based on broad strategic considerations. Mexico had suffered a major financial crisis in 1994 triggered by the devaluation of the peso and the implementation of North American Free Trade Agreement. Followed by the 1997 Asian financial crisis, the 1998 Russian crisis and the collapse of the US Long-Term Capital Management, Federal Reserve chief, Alan Greenspan expressed widely shared sentiments in ruling circles in early 1998 when he spoke of “a visceral, engulfing fear” about the global economy.

Globalization “facilitated the transmission of financial disturbances far

more effectively than before. The crisis in Mexico, several years ago was the first such episode associated with our new high-tech international financial system,” Greenspan said. The Clinton administration intervened in 1994, buying pesos and approving billions in loans for Mexico fearing that the crisis would seriously disrupt the US economy.

Inflation, unemployment and deeper social attacks against workers’ living standards provoked escalating social opposition to the ruling Revolutionary Institutional Party (PRI) and the CTM, which is affiliated to the PRI. The death of the longtime leader of the CTM and the Worker’s Council [CT] Fidel Velázquez in June 1997 and the July elections in which the PRI lost its majority in the Chamber of Deputies for the first time, led to an internal crisis in the political and union establishments. UNAM historian, Javier Aguilar García, writes: “It became apparent that the CT [Workers Council] and CTM as the main organs of mediation between the workers and power, stopped functioning as corporatist organs in the country and particularly in Mexico City.”

The Authentic Workers Front (FAT), the STUNAM and other smaller unions claiming to be “independent” from the PRI split from the CTM and CT and founded the National Workers Union (UNT) in November 28, 1997.

About seven weeks later, Clinton’s special adviser for Latin America, Thomas F. McLarty—a businessman who founded an advisory firm McLarty Associates in partnership with Henry Kissinger, President Nixon’s Secretary of State and one of the main orchestrators of the 1973 coup in Chile—arranged the first trip of an AFL-CIO president to Mexico for Sweeney to meet with president Ernesto Zedillo, his Labor Secretary, and the UNT leadership to back efforts “to organize new unions in Mexican border assembly plants” and to change the “fossilized labor system” in the country, according to the *Times* .

One of the UNT leaders Sweeney met, at the time the head of FAT, was Bertha Luján Uranga, who is currently the president of Morena’s top body, the National Council.

In 1998, there was a wave of wildcat strikes at maquiladoras near the border against the CTM unions, including one at Hang Young by workers in Tijuana, which was directly mentioned by Sweeney. The WSWWS published a letter from a reader at the time reporting wildcat strikes by 13,000 maquiladora workers in Matamoros and adding that US and Canadian unions, while “careful not to mobilize their own members in support of their Mexican brothers and sisters, they are pursuing legal means, in Mexico and the US, under the NAFTA treaty, to break the CTM monopoly.”

As the North American supply chains were becoming as closely integrated as the financial system, the American ruling class feared that at a time of economic crises a wave of strikes led by rank-and-file workers outside of the straitjacket of the unions in Mexico would quickly spill across the continent.

Two decades later, Prieto and her pseudo-left backers have played the key role in isolating wildcat strikes that threaten to spark such an upsurge, all behind the promise of “getting rid of the CTM.”

A 2003 publication by the Solidarity Center on Mexico noted that the ILO, the US State Department and NGOs had identified the need to address “the continued entrenchment of undemocratic unions not chosen by workers, not representative of workers and *not responsive* to workers (emphasis added),” clearly reflecting fears that the CTM had been thoroughly discredited.

The UNT became demonstrably the closest partner of the AFL-CIO in Mexico. When SINDJA was founded in 2015 with the support of the AFL-CIO, it immediately joined the UNT. That year, the AFL-CIO’s Solidarity Center wrote in a report, “with the support from the Solidarity Center, workers in Mexico voted to form the country’s first domestic workers’ union, SINACTTRAHO,” which also joined the UNT. At the same time, Gómez Urrutia’s Miners Union is openly affiliated to the American

United Steelworkers (USW), which is part of the AFL-CIO, along with IndustriAll, while the Solidarity Center reported in 2015 financing training programs for women union officials for Gómez Urrutia’s union.

After the Felipe Calderón administration liquidated the publicly-owned Luz y Fuerza in 2009 and ruthlessly fired 44,000 workers or two-thirds of the membership of the Electrician’s Union (SME), the union isolated and demobilized the resistance against the layoffs and the privatization efforts through empty “solidarity” campaigns and hunger strikes orchestrated with support of the AFL-CIO and IndustriAll. Once the privatized “wholesale electricity market” was set up by the Peña Nieto administration, the SME became a bidder for the private market by founding Fenix, a company that it co-owns with the Portuguese multinational Mota Engil and employs 1,400 workers. Now a key backer of the privatization, the SME General Secretary, Martín Esparza told the North American Congress on Latin America recently that “many multinational corporations have entered the markets...so it’s extremely important that we have ties with unions in the US to work together to organize and improve the conditions of the workers.”

In February 2014, the SME founded the New Workers Central (NCT) stating in its founding documents its intention to organize with IndustriAll, which sent greetings to the foundation, and to incorporate the UNT. Both, the AFL-CIO and IndustriAll made statements in support of the SME’s new front with Gómez Urrutia, the CIT.

IndustriAll, which describes itself as the “global union,” is dependent upon the German government. Much of its funding and assistance internationally comes from the Friedrich Ebert Stiftung Foundation (FES), which the union describes as its “long-standing strategic partner.” FES is run by the Social Democratic Party (SPD) of the ruling grand coalition in Germany and receives its funding from the federal government. IndustriAll’s German labor affiliate, IG Metall, has long collaborated with Volkswagen and other automakers in the slashing of jobs and living standards. One of its leaders, Bernd Osterloh, the chairman of the joint works council of the Volkswagen Group, is paid \$845,109 (16 million pesos) per year or nearly \$70,000 (1.3 million pesos) a month.

FES and the UNT co-host a trade-union school in Mexico. Lourdes Hernández Hernández and Lorenzo Rodríguez Jiménez, respectively the leaders of SINACTTRAHO and SINDJA—which Susana Prieto has been organizing closing with—received this imperialist trade union training, among leaders of other so-called “independent” unions.

Back in August 2015, the *World Socialist Web Site* warned of the danger posed by these ties, stating, “Fearing the possibility that a rebellion against the CTM could lead to a radical upsurge of Mexican workers, which could serve as a catalyst for a unified movement of the working class across the North American continent, a coalition of US and European unions have sought to construct ‘free and independent unions’ in Mexico based on the corporatist model of ‘labor-management partnership’ and explicit rejection of socialism and genuine internationalism.”

Since Trump entered office promising a renegotiation of NAFTA, the AFL-CIO has pushed, as it did in the late 1990s, for the new NAFTA to demand labor laws in Mexico encouraging a shift away from the CTM.

In a January 2017 letter, the AFL-CIO calls for the new deal to include “enforceable workers’ rights” in Mexico, while at the same time it spews out “Buy American” rhetoric aimed against Mexican and Chinese workers. In December 2017, the AFL-CIO sent a letter to the US trade representative, Robert Lighthizer, demanding that he suspend negotiations with Mexico unless it implemented laws favoring “negotiations in good faith with independent unions.” The following month, the AFL-CIO and the Mexican UNT sent a joint letter to the US Labor Department with similar demands. Ultimately, the promotion of these unions was incorporated into the new North American free trade agreement that still needs to be ratified by the US and Mexican legislatures.

After the inauguration of the Morena-led Congress last year, the AFL-CIO, IndustriAll and FES began organizing and financing lobbying efforts led by the SME and UNT to implement a new “labor reform” favoring “democratic” unions, based on the 1949 UN International Labor Organization (ILO) Convention No. 98 on anti-union discrimination. In September, Morena pushed the ratification of this convention through Congress.

In response to a tweet last September reporting a meeting between the SME-UNT and the Morena president of the Senate, Martí Batres, a worker tweeted, “Unions here in the border, Tamaulipas, are only good for taking weekly dues, but not for the worker. We are alone; I don’t understand why you want to impose unions on us since they never do anything when we ask for their help.”

Several drafts have been proposed for this reform, including the one worked out by Morena, the UNT and SME and presented on December 22, and another one on January 6, 2019, proposed by the UNT. The essential feature in both is the requirement that unions demonstrate they represent the majority of workers, disallowing “protection contracts” that hamper competition against the established company unions; however, legislators have no intention in annulling exclusivity laws that let only registered unions request strike authorizations and sign collective bargaining agreements.

On March 14, the president of the AFL-CIO, Richard Trumka, visited Mexico City for a high-level meeting. Highlighting the conspiratorial character of this meeting, the few news reports failed to even mention the presence of Trumka who has made many statements praising Trump’s America-First nationalism. Others present included AMLO’s trade negotiator, Jesús Seade Kuri, and Prieto’s ally Napoléon Gómez Urrutia, along with a large group of bureaucrats from the AFL-CIO and Canadian unions. Their purpose was to pressure for the approval of the new labor reform, with Gómez Urrutia reportedly promising that it would be aimed at improving “union democracy and freedom” and be approved within the next legislative period.

On April 2, the Speaker of the US House of Representatives, Nancy Pelosi, told *Politico* that Democrats want to “see the evidence” that Mexico’s labor reform will be enforced before supporting the new regional trade agreement. Two days later, AMLO responded that his administration is pressuring lawmakers to approve the reform, with Reuters specifically indicating that the Mexican Congress’s labor committee plans to “pass legislation by the end of this month that would make it easier for workers to form independent unions.”

*To be continued*

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