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The Washington Merry-Go-Round

Threat of Labor Split Laid to CIA Cash

By Drew Pearson and Jack Anderson

Inside reason why the giant AFL-CIO labor combine is on the verge of breaking up is because of Central Intelligence money secretly pumped into its "International Affairs Department."

President George Meany has denied that the AFL-CIO receives CIA money; but it does. Furthermore, part of the money is used to follow foreign policy exactly opposite to that of President Johnson.

Backstage story of the CIA battle inside the labor federation goes back to May 22, when Victor Reuther, brother of the president of the United Automobile Workers and head of the Auto Workers' International Affairs Department, charged that Central Intelligence money was "involved" in the AFL-CIO.

Victor stated that AFL foreign affairs activities "are a vest-pocket operation run by J. Lovestone . . . who seems to have brought into the labor movement the working habits and undercover techniques which he learned when he was in the highest echelons of the Communist Party. I guess it's awfully hard to break those habits."

AFL supporters of Lovestone immediately saw red, especially Joe Beirne, head of the Communications Workers. Beirne wrote a letter to Meany demanding that Victor Reuther

be disciplined. Meany referred the matter to the next AFL-CIO Executive Council, and Walter Reuther, brother of Victor, countered by asking for a review of all the Meany-Lovestone foreign policies during recent years, which included opposition to cultural exchanges with East European Communist countries and opposition to trade with Russia.

Reuther Is Slapped

At this point it looked as if there might be a bitter cat-and-dog fight between powerful labor executives just on the eve of a congressional election in which united labor support was needed for the re-election of liberal Congressmen.

So Walter Reuther—reportedly at the suggestion of the White House—approached Meany with a proposition that the review of AFL-CIO foreign policy be postponed until after the November election. Meany agreed. He told Reuther to propose such a resolution at the upcoming Executive Council meeting. "I will second it," he said.

But at the meeting, held Aug. 22, Jay Lovestone proposed a surprise resolution which endorsed Meany's entire foreign policy for the postwar years.

The vote on the Lovestone resolution was 21 to 2, with only Walter Reuther and Joe

Curran, president of the Maritime Union, opposing it.

Meanwhile, Joe Beirne had submitted a report to the Executive Council attempting to slap down Victor Reuther's criticism of CIA funds.

Beirne particularly defended the American Institute for Free Labor Development (AIFLD), which has spent tens of millions of dollars in Latin America, most of it from the CIA since it receives only about \$200,000 annually from the AFL-CIO and about \$280,000 from business executives such as Peter Grace of the Grace steamship lines.

Meany Gets Slapped

Earlier, Meany had tried to withdraw American support from the International Labor Office because the ILO, with headquarters in Geneva, had elected a Polish president—a Communist.

The International Labor Office is the oldest international organization, having been started by the League of Nations 20 years before the founding of the United Nations. For many years Communist nations boycotted it, but they affiliated in 1945 when the U.N. was created. It has been the opinion of David Morse, head of the U.S. delegation to the ILO, and of Jim Carey, former head of the United Electrical Workers, that the Communist labor unions were becoming more

independent of their governments and leaning more toward the type of trade unionism existing in the West.

However, Meany called a meeting April 8, 1965, after the ILO had elected a Polish Communist as president, and recommended that the United States not send a delegation to the ILO that year. Carey vigorously disagreed.

In a showdown vote Carey won; one of the few times Meany has been overruled.

One of the gripes which the Reuther brothers have against the Meany-Lovestone-CIA foreign policy is that they swing their weight behind dictatorships in Latin America and use CIA funds to do so.

In the Dominican Republic, Meany was dead opposed to President Juan Bosch, and it was AFL-CIO confederates, backed by CIA money either directly or indirectly, who helped to oust Bosch.

Later, during the 1966 election, Meany and Lovestone again swung their influence, backed by CIA money, to defeat Bosch.

In Brazil, AFL-CIO agents, backed by CIA money, helped overthrow President Joao Goulart in 1964.

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Drew Pearson will predict what the House will do on congressional ethics as a result of the Powell case at 6:40 p.m. today over Radio WTOP.