

AMERICAN INSTITUTE FOR  
FREE LABOR DEVELOPMENT

1925 K Street, N.W., Washington, D. C. 20006 • Tel.: 965-2100

Cable Address: FREELAS

George Meany  
President

William C. Doherty, Jr.  
Administrator

Peter Grace  
Chairman of the Board

A. Eirne  
Secretary-Treasurer

February 7, 1968

MEMORANDUM TO: Mr. Hiram S. Phillips  
Deputy Director, Office of  
Institutional Development, A.I.D.

FROM: William C. Doherty, Jr.  
Administrator

SUBJECT: GAO Report on Review of Activities of AIFLD under  
AID Contracts made at Request of Senator Fulbright  
as Chairman of the Committee on Foreign Relations,  
U.S. Senate.

1. GENERAL COMMENTS

We are delighted to note that in the first section of the Report the auditors clearly re-stated and agreed with the overall goals and objectives of the union-to-union activities being conducted by AIFLD in Latin America, which are designed to strengthen the free trade union movement. We also noted that the report dealt with the three general areas suggested by Senator Fulbright, namely what the Institute is doing, the relative success of its program, and how the relationship between AID and the Institute is working. We are pleased that the auditors are generally impressed with the scope of the Institute's activities in both the areas of Education and Social Projects. We also feel that the auditors have given ample testimony to the relative success of these programs pointing out, of course, that there are areas where improvement is needed. In our opinion, most of the recommendations of the Report deal with the third area of study, namely the working relationship between A.I.D. and AIFLD. The auditors made very clear that they do not want the union-to-union aspect of the program to be lost in an over-identification of the AIFLD with the Government of the United States. They also heavily emphasized the need for continued flexibility. We believe that they are calling for a better management relationship only in areas where the two aforementioned principles will not be violated. This more coordinated and cooperative relationship, in our opinion, will flow automatically if AID accepts the GAO's advice

to put a labor technical officer in those countries where we have major programs and adds personnel to the AID/Washington staff servicing our overall contracts.

## 2. EDUCATION

Two primary issues were raised in the Report regarding the Education program:

- a) The Report suggests that there should be much greater uniformity in the curriculum and in the quality of the instructors used in the educational program in each country. To a degree, more uniformity should be our ultimate objective. However, any attempt to achieve greater uniformity must take into consideration the vast differences which exist in the levels of cultural, economic, political, social and trade union development in Latin America. In addition, we fully agree that improving the quality of our teaching staff is an essential goal of the Institute, as exemplified by advanced teacher training courses at Front Royal and in the participating countries.
- b) The Report suggests that there is at present an inadequate system of evaluating the effectiveness of the Education program and in providing the kind of follow-up of students who benefit from this program, factors which we agree are desirable. We have been aware for some time of the need to improve greatly our ability to evaluate the effectiveness of both our education programs and their follow-up, and for quite some time we have been aware of the need of an evaluation system. As a matter of fact, we have engaged a professional organization to provide us with an evaluation system which in the future will definitely satisfy the auditors' comments in this regard.

## 3. SOCIAL PROJECTS

The auditors in their introduction to the Report properly state the purpose of the Social Projects Department: "...to provide technical assistance to help labor unions provide tangible social projects for their members and to give them the capabilities for active involvement in the economic and social development of their countries ...in such projects as low-cost housing, community facilities, labor training and organizational centers, the establishment of cooperatives and workers banks and many other smaller projects". The auditors correctly highlighted the many difficulties which have been associated with our housing programs. The Report also indicates that some doubt as to whether or not housing and even our smaller projects are as essential, as we of the AIFLD believe, in the strengthening of the free

trade union movement. Despite all the difficulties, we note that in most instances the report does not hold AIFLD responsible for the adverse circumstances surrounding these programs. It is our considered judgement that it is only through AIFLD that labor in Latin America has gained a positive role in the Alliance for Progress.

If AIFLD were to take the easy course of action and not persist in these difficult areas the United States Government might lose the support of the Latin American labor movement for the Alliance for Progress. We fully believe that the workers of all Latin America can only benefit from the development of the economic, social, and political infrastructure of Latin America as envisaged by the A.I.D. However, it is essential that the trade union movement of Latin America identify itself with the Alliance for Progress through physical manifestations of progress, such as housing programs, small projects, credit institutions, and the other programs for which the Social Projects Department was established.

## 5. CONCLUSIONS

AIFLD is desirous of continuing its close cooperation with the Government of the United States and is happy to note that this audit report recognizes that we have not violated any of our contract relationships with the AID. We recognize the need for a balance between the flexibility which the AIFLD must have to be effective and the responsibility that AID has to Congress for funds supplied to us under contract. In our opinion any substantial changes that might be contemplated in our current contractual relationships with AID would be a proper matter for review by the labor Advisory Committee on Foreign Affairs.