
AIFLD's Origins

Subversion by Grace, Romualdi, Rockefeller

The American Institute for Free Labor Development (AIFLD) was founded in 1962, under the auspices of the Alliance for Progress, with the alleged purpose of providing an anti-communist counterweight to the influence of Fidel Castro's revolution within the Ibero-American labor movement. AIFLD's real mandate, however, was quite different.

AIFLD's first chairman, leading contributor, and propagandist was **J. Peter Grace** of the company W. R. Grace, Inc. The Grace empire, comparable in many respects to Britain's East India Company of the 18th century, derived its vast fortune from nearly a century and a half of looting in Ibero-America. Starting out by collecting bird guano off the Peruvian coast and exporting it home to Britain, the Grace family—transplanted to the United States—rapidly evolved into shipping, and from there to sugar plantations, mining, textiles, and banking. Like the infamous United Fruit Co. (today, United Brands), the Grace empire extended its tentacles across the continent, buying up resources, towns, and people.

In a recent interview, *EIR* founder Lyndon H. LaRouche, Jr. told the Argentine publication *Nueva Provincia*, that J. Peter Grace is part of that circle of nominal Catholics implicitly attacked by the Vatican at the recent Extraordinary Synod of Bishops in Rome. Along with Grace, LaRouche names CIA director William Casey, former U.S. Treasury Secretary William Simon, and Notre Dame University president Father Theodore Hesburgh.

These men, who have embraced the "Protestant ethic," declared LaRouche, "accept the Teddy Roosevelt doctrine that Latin Americans suffer a natural cultural inferiority to the British and North Americans . . . and seek to wipe out existing Latin American institutions, to replace them with institutions and practices which correspond to the doctrine of Adam Smith. . . ."

The Grace empire has spawned any number of individuals who have been implicated in dirty tricks and destabilizations in Ibero-America. Among them are:

Manuel Ulloa, former Peruvian prime minister who played a leading role in implementing economic policies conducive to the flourishing of the drug trade there. Ulloa got

his start in the 1940s running the public relations office of Pan American Grace Airways, Panagra, and then W.R. Grace's Latin American Division in Peru;

Robert Hill, U.S. ambassador to Costa Rica during the Figueres period who helped to consolidate United Fruit control over that nation, and later was to be rewarded with a directorship in the company. Hill had earlier served as vice-president for W.R. Grace Co.;

Arthur H. Davis, current U.S. ambassador to Panama whose public pledge to destabilize that country's government nearly led to his being declared *persona non grata*. Davis worked for the Grace empire's Panagra airline during the same period as Ulloa, from 1945-56.

Rockefeller agents

The first executive director of AIFLD was **Serafino Romualdi**, an agent of the Rockefeller family. He began as an employee of Nelson Rockefeller's Office of the Coordinator Inter-American Affairs (CIAA) during World War II, and as an operative of the Office of Special Services (OSS), precursor to the Central Intelligence Agency. Romualdi's qualifications for the AIFLD post were not only his years of service to the Rockefeller interests in Ibero-America, but the sobriquet he earned as Gen. Juan Perón's "Enemy Number Two"—after former U.S. Ambassador to Argentina Spruille Braden. Perón's efforts to forge Argentina's labor movement and industrialist class into a single political movement for the industrial modernization of Argentina, was anathema to Rockefeller and Grace interests on the continent.

Romualdi was trained by master labor manipulator **Jay Lovestone**, former head of the Communist Party U.S.A. Together with Braden and other Rockefeller agents in the State Department, Romualdi plotted the creation of a new inter-American labor organization through which to isolate and destroy the Peronist "virus." In 1948, the Inter-American Confederation of Labor was born, to become the Interamerican Regional Organization of Workers (ORIT) one year later. Romualdi served as ORIT's assistant secretary general in 1951.

ORIT, as an umbrella organization of most of the democratic labor confederations of Ibero-America, was not an easily manipulable instrument, and therefore not useful for deployment against Peronism. It was determined that a new entity with finer-tuned political control over the flow of funds and indoctrination into Ibero-America's labor movements was required. Thus, AIFLD was born. The majority of AIFLD trustees, American and Ibero-American alike, can be traced to Rockefeller family interests. Exemplary is AIFLD's vice-chairman and trustee until his death in September 1985, **Berent Friele**.

Friele, like Romualdi, was a Rockefeller employee at the CIAA during the '40s, and from 1946 to 1968 was senior vice-president of the Rockefeller family's American Inter-

national Association for Economic and Social Development. In 1968, he served as special assistant to New York Gov. **Nelson Rockefeller**, during the latter's famous "fact-finding tour" of Ibero-America.

AIFLD's commitment to defend the usurious interests of the Grace and Rockefeller empires in Ibero-America was never more clearly stated than in its executive director's wholehearted endorsement of the Kissinger Commission Report on Central America, which AIFLD helped to formulate. AIFLD Executive Director **William C. Doherty, Jr.** enthusiastically testified at hearings of the House Committee on Foreign Affairs on Feb. 23, 1984, that the Kissinger recommendations "embody the major requirements for a successful foreign policy in Central America. They include, in particular, the concept of 'conditionality.'" That concept means making financial or military aid to those countries contingent upon conversion of Central America's economies into "Hong Kong"-style, labor-intensive "free ports" which would facil-

itate the trafficking of drugs through the region and, ultimately, convert all of Central America into a "free enterprise" drug plantation.

Funding

Funding sources for AIFLD in 1985 included \$900,000 from the AFL-CIO, \$4.8 million from the quasi-governmental National Endowment for Democracy, and \$13.5 million from the State Department's Agency for International Development (AID). However, trustworthy sources report that the funds which AIFLD handles are actually at least five times that.

AIFLD's effort to pass itself off as a labor organization is limited to putting a handful of labor leaders on its board of trustees. It is run by multinationals with the worst record in labor relations in Ibero-America—the Grace and Rockefeller empires. Upon close inspection, one discovers that it is not labor they are financing, but drugs and communism.

AIFLD aids communists and terrorists: toppling of the Sudan government

Despite the claims of the American Institute for Free Labor Development (AIFLD) to be anti-communist, it and its fellow institutions—the African-American Labor Center and Asian-American Free Labor Institute—have been repeatedly caught running operations of benefit to communist or terrorist drug-running regimes, such as those of Fidel Castro and Muammar Qaddafi. Exemplary is the case of AIFLD's link through José "Pepe" Figueres to Robert Vesco, the Lansky money-launderer who today lives in Havana as Castro's drug-runner in residence.

The U.S. State Department deployed one of its dirty tricks operations, the African-American Labor Center, in tandem with the International Monetary Fund to bring down the government of Sudan.

Business Week magazine reported the following on Nov. 4, 1985: "[Executive Director of the African-American Labor Center Patrick] O'Farrell describes a revolution last April in Sudan against the government of President Gafar Mohammed Numayri: 'It was brought down largely by the unions, especially the doctors, and we had been helping to train some union members. Now, for God's sake, don't say we were training people to overthrow the government, because we weren't,' says O'Farrell. 'But the unions did go to the streets to help bring

down the government.'" *Business Week* adds, "Today, Sudan's prime minister is a former leader of the doctors' union."

The sequence of events leading up to the fall of the Numayri government on April 6, 1985 was summarily as follows:

- In December 1984, the U.S. State Department privately informed the Sudanese government that all U.S. funds would be cut off until the government implemented further austerity conditions, as demanded by the International Monetary Fund. Sudan's neighbor, Libya, immediately opened negotiations with the Sudanese government, offering to exchange financial aid for a military and political alliance between the two governments.

- By February, when the Numayri government still had not implemented the IMF program, the State Department publicly reiterated the U.S. aid cut-off threat. Within 48 hours, Col. Muammar Qaddafi announced that he was "deeply disgusted with American attempts to interfere" in the Sudan, and therefore, "Libya . . . will pay the cost, no matter how much the financial burden."

- On March 27, the Sudanese government acceded to U.S. pressure and imposed the IMF measures, including a one-third increase in the price of basic foods. Immediately, the African-American Labor Center-influenced unions led demonstrations against the government, mobilizing 15,000-20,000 people at a time.

- On April 6, Numayri was overthrown by military officers seeking to restore order. Sudan has suffered continuous instability ever since, and is now in alliance with Libya.