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Memorandum From the Chairman of the Ad Hoc Interagency Working Group on Chile (Meyer) to the Working Group

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Nota de Archivo: *Summary: This memorandum outlined a proposal to the Ad Hoc Interagency Working Group on Chile that AID grant $125,000 to the American Institute for Free Labor Development for programs in Chile. Source: National Archives, Nixon Presidential Materials, NSC Files, Box 776, Country Files, Latin America, Chile, Vol. VII. Secret. Sent to the Working Group members: Selden, Leddy, Kendall, Hartman, Hewitt, Broe, Carter, and Eaton. A February 9 covering memorandum from Hewitt to Kissinger, stated, "The AIFLD overseas program permits the U.S. to maintain a toe-hold in Chilean labor, and is consistent with the President's decision to continue people-to-people type programs." Haig initialed approval for Kissinger on the covering memorandum.*

A.I.D. Funding for AIFLD Program

As part of its FY 1972 grant program the Chile A.I.D. Mission, with the Embassy's concurrence, proposes to obligate up to $125,000 to continue financing the activities of AIFLD (the American Institute for Free Labor Development, an affiliate of the AFL–CIO) in Chile through December 31, 1972. The current AIFLD contract, which is financed with FY 1970 funds, will expire on February 28, 1972. Since President Allende took office the principal AIFLD activity has been to finance overseas training and seminars for Chilean union leaders. Other aspects of the program, such as in-country union seminars, were discontinued because of their sensitivity.

The overseas training program permits AIFLD to maintain a limited U.S.-oriented presence in the labor union sector. To minimize possible political difficulties, AIFLD carefully selects leaders both from opposition and pro-government unions who are willing to participate in the training programs. In addition, USAID and Embassy staff maintain close contacts with the AIFLD Country Program Director to insure that potential stumbling blocks are avoided. In the last half of CY 1971 eighteen union leaders received training or attended seminars under this program. About 32 leaders are expected to participate in 1972. The programs are generally of a short-term nature, averaging about one month in duration.

I propose, subject to appropriation levels, that the Embassy/USAID proposal be approved. On December 23, 1970 the Senior Review Group approved inter alia a recommendation that the A.I.D. Mission in Santiago "... continue those existing activities which have little benefit for the Chilean Government but keep individual Chileans well disposed toward the United States." An extension of the AIFLD contract would be consistent with this decision. If at some point this policy were changed, we could terminate the contract by giving AIFLD thirty days notice. (As an alternative, we could continue financing beyond that point for union leaders already in training if we chose to do so.) It would not be necessary to notify the Chilean Government to terminate the contract.

Recommendation Please telephone to John Fisher, 623–3023, by c.o.b. February 4, your decision or comments on this proposal.