

~~CONFIDENTIAL~~

811032/4-462
72375
XR 811.062

MEMORANDUM OF CONVERSATION

Place: Blair House

April 4, 1962

Subject: Labor Matters

Participants: U.S.

Mr. George Meany, President of the AFL-CIO
Mr. Walter Reuther, President of the United Automobile Workers
and Vice President of the Executive Council of the AFL-CIO
Mr. George Harrison, President of the Brotherhood of Railway
Clerks and Vice President of the Executive Council of the
AFL-CIO
Mr. Joseph Keenan, Secretary-Treasurer of the International
Brotherhood of Electrical Workers and Vice President of the
Executive Council of the AFL-CIO
Mr. James Suffridge, President of the Retail Clerks Assn.
and Vice President of the Executive Council of the AFL-CIO
Mr. William Doherty, President of the National Assn. of
Letter Carriers and Vice President of the Executive Council
of the AFL-CIO
Mr. Joseph Beirne, President of the Communications Workers
and Vice President of the Executive Council of the AFL-CIO
Mr. Serafino Romualdi, AFL-CIO Representative for Latin
America

Mr. Neil Seidenman, Department of State Interpreter

Brazil

His Excellency João Belchior Marques Goulart, President of
Brazil
His Excellency Clementino San Tiago Dantas, Minister of
External Relations of Brazil
Senator Antonio Barros de Carvalho
Deputy Rachid Saldanha Derzi
Deputy Clodsmidt Riani
Gilberto Crockatt Da Sa, Chief Labor Adviser to the President

Distribution: G.
ARA - 2
EST
EST/B - 2
S/EL
RPA - Mr. Hammond

INR - 8
Embassy Rio de Janeiro - 2
CIA - Mr. McCone
S/S - Mr. Olsen
REA
Labor - 2

White room - Mr. Schlesinger

~~CONFIDENTIAL~~

CONFIDENTIAL

- 2 -

After several introductory remarks, Mr. Meany affirmed that the workers of the United States supported the Alliance for Progress, and expressed hope that there would be a close working relationship between the United States and Latin America for the implementation of projects that would assure benefits to the masses on the bottom of the economic pyramid. There was no interest here in helping the wealthy.

Asked what stand labor takes in Brazil with regard to the program, President Goulart replied that the labor movement in Brazil had a leading role in efforts toward promoting basic reforms within the country, to include agricultural and banking reforms, as well as regulations affecting remittance of profits. Such programs now enjoy the support of the PTB, organized labor, and other groups.

Mr. Reuther asked the President if the wealthy eight percent of the population owning 75 percent of the land was not finally beginning to awaken to the need and to the inevitability of social change, whereby the few will not be permitted to continue to get all the wealth and deprive the less privileged classes of economic and social justice. The President replied that there was possibly some awakening to reality now, but that, as everyone knows, the rich are characteristically motivated by intelligence or by fear. In Brazil, efforts are being made to bring both to bear in order to push reform.

Mr. Reuther observed that social revolution can often be more painful than political. Since social reform entails a shift in the pattern of property ownership and distribution of wealth, the process will be a peaceful one only if the land-owner classes go along with change. Otherwise, there can be violence. President Goulart said that this very apt definition was eloquently summed up in President Kennedy's phrase, "Those who make peaceable evolution impossible will render violent revolution inevitable". He went on to say that in Brazil every effort is being bent toward peaceful evolution. But if the privileged classes oppose this, force may have to be used in some areas.

Mr. Riani at this point spoke of the suffering rural masses in Brazil, who have not been able to organize themselves as the urban working people have. Today, there is need for legislation that will provide for benefits to rural workers, or change will be wrought by force. He went on to relate that President Goulart, as Minister of Labor during the Vargas administration, had concerned himself from the beginning primarily with the question of minimum wages and social legislation for rural workers. However, his seven years of careful study and persistent struggle were to no avail, and there is no legislation for rural workers to this day. This issue is today a crying need, said Riani, and declared the organized workers of the city to be entirely in sympathy with their brothers in the country.

Mr. Riani

CONFIDENTIAL

CONFIDENTIAL

- 3 -

Mr. Riani pointed out that there was confusion in the United States about the labor movement in Brazil. The Brazilian movement is purely Brazilian, and has no link whatsoever with international movements, and is based on the desire for healthy reform within the framework of democratic institutions.

Mr. Reuther recalled his two years' experience in Russia among the workers in auto factories there. He, therefore, saw with his own eyes that the fundamental difference between freedom and communism is not in the ownership question. Some nations may indeed feel it is best to nationalize the means of production, and many of our friends have adopted socialistic measures in their economic life. The fundamental difference lies rather in that free societies wish to improve living standards and offer more bread to their citizens, but within a framework of justice and political freedom. Our purpose is to ensure both bread and freedom. There is no doubt that the Russian people will get more bread as time goes on but they will not have freedom. Our hope is that the Latin American countries will build economic and political structures that, for whatever their variation from our precise system in the United States, will provide ways of finding adequate solutions to the problem of bread without sacrificing the values of liberty.

Mr. Meany launched into a statement of the AFL/CIO position on international labor associations, declaring first of all its strong support for the ICFTU. Each country may have its individual approach to the solution of its problems. But the problems of working people are similar in every country. Two basic requirements were paramount in the eyes of American labor. First, there must be freedom to organize labor unions as instruments that strive toward the welfare of the working people. Then, there must be a sufficient degree of freedom so that the system can be changed, if necessary, to make room for the right to organize free unions. The ICFTU is of the utmost importance as far as American labor is concerned. We lend much support to international organizations, and we are far more conscious of international issues than, say, twenty years ago, and take an active role in the programs of the ICFTU and the ORIT. An illustration of this is the support of American organized labor for the Alliance for Progress. Indeed, the Alliance for Progress would probably not exist without such support. The reason for this support is that we wish to help the workers of Brazil and of all the Latin American countries. The Alliance for Progress is not designed to aid American workers, whose problems however complex have no connection with the program. We would not support the Alliance for Progress if it went only to augment the profits of the ruling classes in Latin America. If the Alliance for Progress were to strengthen the hand of the rich few who rule some of the countries, to the neglect of literally starving masses, American labor would turn against it. The program must work toward raising the living standards of the people on the bottom of the economic ladder,

give

CONFIDENTIAL

CONFIDENTIAL

- 4 -

give them more purchasing power, which will in turn promote economic development. We feel that help in this effort should take the form not only of aid from the United States, but should be a part of the struggle of labor movements toward a better share for their people in the national wealth. For this reason we find it essential to associate ourselves with international movements. We have been able to get the benefit of timely and direct information, for example, only through our association with the international organizations. Mr. Meany pointed out that all those present around the table served to prove that United States labor is an international movement, since all these leaders are members of the Latin American Section of the International Committee, and all were well acquainted with the countries of Latin America. He brought his remarks to a close by reiterating his hope that the Alliance for Progress would be of help to Brazil and all the countries of the Hemisphere, but stressed that it must show its worth through higher living standards among the people.

President Goulart expressed agreement with Mr. Meany as well as with Mr. Reuther in emphasizing the need for "Bread with Freedom". With regard to the Alliance for Progress, it was indeed essential that it must not make the rich richer to the detriment of the poor. Brazil would not support it if this were the case. He expressed his appreciation for the spirit in which the Alliance for Progress was conceived, which reflects the intelligence upon which the action of the United States is based. He thanked the labor movement for its needed support for the program, through which American labor reveals the values it pursues as well as its patriotism and sense of struggle. It is true, the President said, that resources from international and United States credit institutions have gone to enrich small wealthy groups in Brazil and in other Latin American countries. But now President Kennedy has shown the measure of his patriotism and vision in his philosophy that only with social progress will it be possible to improve the living standards of the masses. Herein lies the principal merit of the Alliance for Progress idea.

Turning to the Brazilian labor movement itself, the President stated that, similar to present national policies on the international scene, an independent approach --- not neutralist, please note --- would be followed. At the same time, the Brazilian labor would abide by its commitments, for the strengthening and safeguarding of Democracy in the Western World. He asserted that Brazil would support international labor movements, and would stand with the United States in the struggle for the cause of democratic labor.

At this point, President Goulart had to leave the meeting in compliance with his scheduled morning talk with President Kennedy. He bid his guests remain, however, and continue the exchange with Mr. Riani. Mr. Reuther, Mr. Meany, and Mr. Romualdi accordingly remained.

Mr. Reuther

CONFIDENTIAL

CONFIDENTIAL

- 5 -

Mr. Reuther started off by emphasizing the importance of the International Trade Secretariats, notably as organs of liaison and cooperation on day-to-day problems affecting the struggle for better working conditions waged by trade unions. Steel workers in the United States have common problems with steel workers in Brazil. Auto workers in Brazil have problems similar to their brothers in the United States. The same goes for the mine workers. It is through the Secretariats that they can work closely with one another on concrete issues and be of mutual help.

Mr. Riani expressed his gratification at Mr. Reuther's concern with the lot of Brazilian workers and their efforts at self-improvement through their respective trade organizations. Indeed, the metal workers are strongly organized by this time, representing as they do the largest union, concentrated in the states of Guanabara, Sao Paulo, Rio Grande do Sul, and Minas. Here labor has made great strides. A different situation is to be found in the case of the mine workers, who are now at the beginnings of their organizational efforts, and have yet to obtain benefits needed for a better living standard. The Trade Secretariat scheme has been the subject of consideration in Brazil, but has not been carried out, and cannot be at this time. Labor is presently in the delicate process of re-organization, particularly in the leadership. Under these circumstances, Riani pointed, he as newly elected president of his confederation could not now bring up certain problems, for which there are not even sufficient means available to tackle them.

Mr. Romualdi declared that the Trade Secretariat required no large resources as means of support. There are sufficient means to at least make a beginning in Brazil. Branches of Trade Secretariats already exist in Brazil as affiliates in ten or eleven areas, such as transportation, metal workers, postal-telephone-telegraph workers, technical services, agricultural workers, public services, newspaper workers, oil workers. What is now needed is the supporting cooperation of three confederations, the largest of which is that now led by Mr. Riani, with the efforts of these Secretariats. As supporters of the large international free labor organizations, Mr. Romualdi said that American labor leaders attached the utmost importance to the Secretariats, for while the large organizations make lofty statements on generalities, the Secretariats are at work with concrete problems of working people, and the benefit of close informational exchange could come only through the Secretariats. Mr. Romualdi encouraged Mr. Riani to give active attention to these matters, recalling that his predecessor did so little.

Mr. Riani stated that he was aware of the existence of Secretariat branches in Brazil, though he had recently seen something of the activities of the metal workers Secretariat only. His organization, on the other hand, was just starting out, and has yet to establish contact. There is also need to put the organization's house in order, so as to arrive at a well-founded, honest orientation. At the present time, the upheaval in the confederation's leadership demands primary concern for difficult

problems

CONFIDENTIAL

- 6 -

problems of an internal order. He assured everyone as to the solidarity of the present leadership with their purposes, but insisted that it was necessary to study first causes within the union.

Mr. Reuther granted that first things should come first, but suggested that initial contacts might be made during the process of internal transformation in order to develop meanwhile a working relationship. He put in that his only motivation in making his suggestions was that of helping Brazilian labor to strengthen its own hand in the fight for economic and social justice with political freedom.

Mr. Riani thanked Mr. Reuther for his solidarity and support, but re-emphasized the need for preparing his organization for broader undertakings. He pointed out that the CNTI up to a short while ago was discredited in the eyes of the Government and, more important, in the eyes of the workers. Prestige must be regained. Only with the respect and support of the workers can a union function effectively. Now, happily, many strides have been made toward this end under the new leadership; with the Government, in view of the President's support (without political ties); and with the workers, in view of a highly productive recent council meeting that addressed itself to important outstanding problems and drew up an agenda for dealing with minimum wages, family allotments, the need for basic reforms in Brazil, statute revision (the present one is out-dated and in some ways reactionary), and priority grievances. A new image is being formed and projected into the state and local communities, under the philosophy that there is no victor and no vanquished in the labor cause, but only the attainment of the worker's welfare. Since the last national congress took place in 1946, the confederation is still highly disorganized, from top to bottom. Other organizations have had their conventions each year. But four regional conferences are now planned for the confederation, leading up to a general convention in 1963. Once the essential task of re-organization and consolidation has been accomplished, then will the union be in a position to act on international affiliation. Mr. Riani mentioned another direction he would like to take in this respect, and that is contact with other confederations, for which purpose he has already designated representative vice-presidents to meet with the heads of other confederations to deal with issues affecting the common interests of working people. In the light of their responsibilities, the leaders of the confederation are also examining ties with the ICFTU. There is no desire to go against the ICFTU or the ORIT. But there has heretofore been little satisfaction with these organizations with respect to their performances in Brazil. If the CNTI leadership were to yield to the urgings of its electoral majority and the pressure of basic issues, the confederation in all probability would split off from these organizations. But a sense of responsibility calls for caution against precipitating any drastic event, and an objective examination of opportunities for meeting the interests of the workers of

Brazil

CONFIDENTIAL

CONFIDENTIAL

- 7 -

Brazil through ICFTU and ORIT programs. The principal concern has been that these agencies are not attuned to the aspirations of Brazilian labor today. Healthy movements have been called pro-communist or subversive by Brazilian representatives of confederations who were affiliated with ICFTU and ORIT. This happened in the case of three national conventions. It happened at the 1960 convention, whose agenda had been reviewed by ICFTU and ORIT, and approved by the council and by the CNTI. Yet these confederation chiefs walked out of the convention, calling it communistic and thereby frustrated five years of preparatory work. Mr. Riani said that he could well testify to this, for it was he that assumed the chairmanship of that meeting, since he could not see such a gathering of labor representatives be left without guidance. No true labor leader can allow himself to misrepresent the movement.

The second instance was with the national convention of mine workers, who represented a sound movement with a healthy sense of political maturity. Brazilian authorities from all levels of government were present. Again, these men wrote the convention off as "subversive". The third convention at which this happened was attended by now President Goulart, who attempted to assist in finding a sound orientation for proceedings. So that we have been locked in a struggle with our own people, who have given the impression, because of their affiliation, that they were representing the point of view of the international organizations and following their prescribed policies.

Mr. Reuther hereupon suggested that it would be more productive to get away from some of the problems of the past. Our main interest is in the future. He admitted that he has himself not always been satisfied with the ORIT in Latin America. But now further efforts must be made toward establishing clearer terms and a closer working relationship. He declared that he was little influenced by accusations of the "Right", which has called him a communist, nor of the "Left", which has called him an agent of Wall Street. He is simply committed to the cause of free labor movements and against communist labor movements. He referred to his two years as a worker in Russia, and his year with the anti-Hitler underground in Germany, and assured all present that, based on his knowledge of Communism and Fascism, the difference in their respective labor movements is only one of slogan, while their effects upon the worker is quite the same. He told of how he grew up in a labor movement that faced powerful forces like Ford and General Motors, consisting of a coalition of Socialists, Communists, and other militants. The break with the communists came when they announced that in the event of a conflict of interests between the cause of the American worker and the foreign policy of the USSR, the latter would invariably have precedence. Mr. Reuther said he broke with the communists because he was loyal only to the American worker. He expressed his certainty that labor in Brazil had no desire to become an instrument of Soviet foreign policy, but only of the welfare of the Brazilian worker. Hence, the need to build a strong democratic movement that will never serve a foreign power or any internal

interest

CONFIDENTIAL

- 8 -

interest to the detriment of the working classes. For this reason, while it may be difficult for the new movement to take a clear line that would suit the tastes of all, it would behoove the movement to work toward an understanding, if not complete agreement — which is never to be expected in any event — to the extent that a working relationship can be built up for progress toward the permanent goals of freedom and justice and plenty, with immunity to slogans that would divide. The CIO helped to form the WFTU, which was later recognized to be an instrument of Soviet foreign policy. For this reason, the CIO joined the AFL in the ICFTU, with our own slogan, "Bread, Peace and Freedom!" Our only desire is to ensure free worker movements that cannot be used by any political group for its own ends against the interests of the working classes. It is not complete agreement we should seek for, but rather a basic understanding upon which to build a practical relationship in the common task.

Mr. Romualdi wished to make certain Mr. Riani was clear on the fact that the ORIT had little or no participation in Brazil programs up to the last two or three months. Beyond this, programs in Brazil have been under the authority of Brussels, with money and policy coming from there through the representation of Cavalcanti. But now things would be different with Mr. Becu, the Secretary General, and Couri..

The main issue in the case of the ICFTU, he went on to explain, was that of not upholding any degree of cooperation with the communists. This is why those leaders thought they must walk out in order to avoid endorsing resolutions implying any such participation.

Romualdi finally expressed the hope that Becu and Riani would attend the coming ICFTU Convention, which would determine policy for the next three years, and would give Brazil the opportunity to spell out its point of view. There would be changes in ICFTU leadership as well. The future is what is now most important.

Mr. Riani said he did not necessarily wish to dwell on the past, but asserted that some use of the past must be made in the present for purposes of the future. The ICFTU fell into discredit as an anti-communist agency, ready to spend lavishly on propaganda, travel, etc., and largely failed to identify itself with the interest of the Brazilian labor movement. This was why Madariaga and others with him were opposed to the new slate at recent CNTI elections. On the other hand, Riani said that he has finally been to Brussels and made contact with the Sub-committee, which had never before met with Brazilian leaders or explained its program and operations. He declared himself to have come away generally satisfied from Brussels, and resolved to stay with the ICFTU, and said as much to the Committee in Brazil, not with the hope of being chosen to the Sub-committee, but based only on a new certainty of an opportunity for Brazil to take an active part in the July Convention. The ICFTU is not paying for the trip or defraying expenses; nevertheless a delegation is being gathered for the convention, also for the purpose of defending the point of view of the CNTI.

With regard

~~CONFIDENTIAL~~

- 9 -

With regard to the ORIT, Riani went on, more extensive discussion would be necessary for understanding. He repeated that he could let bygones be bygones, though the past still must be examined in the light of future plans, in certain respects. He further declared himself to be satisfied with his contacts on this trip. He agreed that an important goal for the present was to steer away from any danger of confusing a labor movement with foreign policies, and one aspect of this job would be to disassociate the ICFTU from the Department of State in the thinking of the new leadership in Brazilian labor. Riani described himself as a democrat, but not among those who are engaged in the all too profitable anti-communist "industry", and neglect the real interests of the workers. He is a democrat in the humane, Christian sense of the word, and will exercise his leadership in the light of this spirit. If he succeeds, he will form a bulwark of the shared cause for a strong democratic labor movement whose only ideology will be the welfare of the Brazilian worker, in understanding and communication with other free labor movements, particularly that of the United States.

The talk ended amid expressed hopes of further discussions of such a fruitful nature, of meeting again at the July Convention in Berlin, and of growing friendship and solidarity.

~~CONFIDENTIAL~~