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P R 281200Z JUL 77  
FM AMEMBASSY BUENOS AIRES  
TO SECSTATE WASHDC PRIORITY 1519  
INFO AMEMBASSY CARACAS  
AMEMBASSY MEXICO  
USMISSION GENEVA  
AMEMBASSY BRUSSELS

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USEEC

DEPT. PLEASE PASS AFL-CIO, AIFLD AND RCIA

E.O. 11652: GDS

TAGS: , ELAB, SHUM, AR

SUBJECT: ARGENTINE TRADE UNION REQUEST AFL-CIO VISIT

REF: (A) BUENOS AIRES 5339 (NOTAL), (B) STATE 171332 (NOTAL)

SUMMARY: UNFORTUNATELY, THE RUMORS OF GOVERNMENT PRESSURES ON TRADE UNION LEADERS TO RESIGN THEIR POSTS HAVE TURNED OUT TO BE TRUE. AT LEAST ONE LEADER RESIGNED LAST WEEK AND ANOTHER UNION -- GASTRONOMIC WORKERS -- WAS INTERVENED WHILE ITS LEADER ELORZA WAS OUT OF THE COUNTRY. THE PRESS IS SPECULATING THAT THESE ACTIONS HERALD A NEW GOVERNMENT OFFENSIVE TO REMOVE THE ENTIRE CURRENT GENERATION OF TOP UNION LEADERS IN RETALIATION FOR THEIR DECISION NOT TO REPRESENT ARGENTINA AT THE RECENT ILO CONFERENCE AND IN ORDER TO SET THE STAGE FOR THE NEW STYLE OF TRADE UNIONISM BEING PLANNED BY THE DRAFTERS OF A NEW UNION LAW NOW UNDER PREPARATION.

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WHILE WE HAVE NOT ELICITED REACTIONS, WE BELIEVE MANY UNION LEADERS WILL VIEW THE PROPOSED AFL-CIO VISIT AS A MATTER OF EVEN GREATER URGENCY THAN BEFORE. EMBASSY RECOMMENDS SPECIAL SECURITY MEASURES AND AFL-CIO ADVANCE MAN. END SUMMARY.

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1. IN PLANNING FOR SOLIDARITY VISIT, AFL-CIO AND AIFLD SHOULD BE MADE AWARE OF FOLLOWING RECENT DEVELOPMENTS WHICH HAVE CAST A GLOOMY PALL OVER THE ARGENTINE TRADE UNION SCENE:

A. GASTRONOMIC WORKERS UNION WAS INTERVENED LAST WEEK BY MILITARY AUTHORITIES ON CHARGES OF ADMINISTRATIVE AND FINANCIAL IRREGULARITIES. UNION HEAD RAMON ELORZA LEFT THE COUNTRY FOR A VISIT TO SPAIN SOME DAYS BEFORE THIS ACTION. HE PROBABLY KNEW IT WAS COMING. JULY 26 PRESS SPECULATES THAT ELORZA MAY DECIDE NOT TO RETURN.

B. MAXIMIANO CASTILLO WAS PRESSURED INTO RESIGNING FROM HIS POSITION AS SECRETARY GENERAL OF THE GLASS WORKERS UNION LAST WEEK. IN REPORTING THIS DEVELOPMENT, THE PRESS, BASING ITS INFORMATION ON "AUTHORITATIVE SOURCES," LACONICALLY ATTRIBUTED CASTILLO'S RESIGNATION TO HIS "LACK OF REPRESENTATIVITY."

C. PAPER WORKER LEADER FERNANDO DONAIRES LEFT TOWN LAST WEEK AFTER REPORTEDLY RECEIVING VISIT FROM TWO ARMY OFFICERS (REFTEL A). WE DO NOT KNOW WHETHER HE HAS RESIGNED HIS POSITION AND HAVE NO FURTHER DETAILS.

D. EMBATTLED COMMERCIAL EMPLOYEE FLORENCIO CARRANZA APPEARS TO HAVE BEATEN BACK THE OPENING ATTACK OF HIS FEDERAL CAPITAL LOCAL AIMED AT DISLODGING HIM, BY GAINING A VOTE OF CONFIDENCE FROM A MAJORITY OF HIS EXECUTIVE BOARD. HOWEVER, TRADE UNION SOURCES SUSPECT THAT THE NAVY IS BEHIND THE LOCAL'S REVOLT AND

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THAT THE NAVY IS UNLIKELY TO ACCEPT THIS DEFEAT SO EASILY.

E. THE PRESS REPORTS THAT OTHER UNIONS ARE CURRENTLY UNDER INVESTIGATION FOR ALLEGED FINANCIAL IRREGULARITIES AND THAT PUNITIVE ACTION IS IMMINENT OR HAS ALREADY BEEN TAKEN AGAINST THE SOFT DRINK WORKERS, TRAVELLING SALESMEN, TOBACCO EMPLOYEES AND CHEMICAL WORKERS UNIONS.

F. WHILE PERHAPS NOT FALLING INTO THE SAME PATTERN OF ACTIONS, AFL-CIO SHOULD ALSO BE AWARE OF THE CURIOUS FATE THAT BEFELL MILK WORKERS UNION LEADER AND EX-CGT FINANCE SECRETARY ABELARDO ARCE, WHO REPORTEDLY WAS KIDNAPPED BY UNIDENTIFIED INDIVIDUALS IN MAY. ARCE SUPPOSEDLY WAS DISCOVERED BY POLICE IN AN ABANDONED CAR A WEEK AGO. ARCE REPORTEDLY EMERGED UNSCATHED FROM HIS ORDEAL ONLY TO BE ARRESTED OFFICIALLY THIS TIME ON CRIMINAL CHARGES.

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2. FEB TO SOME DEGREE BY SOURCES IN THE GOVERNMENT, THE PRESS HAS DEVELOPED VARIOUS LINES OF SPECULATION AS TO THE GOVERNMENT'S MOTIVES AND OBJECTIVES BEHIND THESE MOVES. IN PART, THE GOVERNMENT PRESSURES ARE SEEN BY SOME AS AN ACT OF GOA RETALIATION FOR THE TRADE UNION LEADERS' DECISION TO BOYCOTT THE ILO CONFERENCE AND THEREBY EMBARRASS THE GOVERNMENT AT GENEVA. LAST WEEK AGAINST SECRETARIES GENERAL OF HERETOFORE NON-INTERVENED UNIONS TO THE NEW TRADE UNION LAW WHICH IS BEING DRAFTED IN THE LABOR MINISTRY. IN ORDER TO PUT THE NEW LEGISLATION INTO EFFECT, "LA NACION" SPECULATES, THE GOVERNMENT PLANS A CLEAR SWEEP OF THE ENTIRE CURRENT GENERATION OF NATIONAL UNION SECRETARIES GENERAL -- "NO MATTER WHAT THEIR DEGREE OF CULPABILITY IN UNION POLITICS, SINCE THEIR COMMITMENT AND CONNECTIONS WITH THE PAST ARE SUFFICIENT TO INDICATE THAT THEY ARE INCAPABLE OF ADAPTING TO THE CURRENT SITUATION, OF EXACTLY UNDERSTANDING THE SPIRIT OF SERVICE THAT (WILL BE DEMANDED) OF THE UNIONISM OF THE FUTURE."

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3. AGAIN PROBABLY REFLECTING SOURCES IN THE GOVERNMENT, PRESS REPORTS COINCIDE IN FORESEEING THREE POSSIBLE OPTIONS FACING THE CURRENT UNION LEADERS: (A) THEY GIVE IN TO THE PRESSURES AND RESIGN; (B) THEIR OWN UNION BOARDS FORCE THEM OUT; OR ELSE (C) NVE GBSRNMNT INTERVENES THE UNIONS, AS IN THE CASE OF THE GASTRONOMIC WORKERS./

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4. COMMENT: ALTHOUGH THE ARMY RECENTLY ISSUED A COMMUNIQUE DECLARING AT IT WAS TIME FOR A CHANGE IN THE LEADERSHIP OF THE COUNTRY'S POLITICAL AND ECONOMIC ASSOCIATIONS, THE GOVERNMENT HAS NOT YET ENUNCIATED CLEARLY OR OFFICIALLY ITS POLICY CONCERNING TRADE UNION LEADERSHIP IN THE FUTURE. IT LONG HAS BEEN ASSUMED THAT TRADE UNION LEADERS VERY CLOSELY IDENTIFIED POLITICALLY WITH THE PAST PERONIST REGIME AND THOSE CHARGED WITH LARGE-SCALE GRAFT AND CORRUPTION WOULD NOT BE ALLOWED TO REASSUME THEIR LABOR POSTS WHEN UNION ACTIVITIES WERE NORMALIZED. HOWEVER, THE GOVERNMENT MOVED AGAINST THE MOST PROMINENT INDIVIDUALS IN THESE CATEGORIES OVER A YEAR AGO AND, AT LEAST UNTIL NOW, IT APPEARED SATISFIED WITH HOLDING THE THREAT OF INTERVENTION OR OTHER PUNITIVE ACTION OVER THE REST AS A MEANS OF KEEPING THEM IN

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LINE. (AND BY AND LARGE THE LATTER KEPT IN LINE UNTIL THEIR DECISION NOT TO FIELD A DELEGATION TO THE ILO CONFERENCE). BY WAY OF EXPLANATION, A GOVERNMENT OFFICIAL TOLD US SOME TIME AGO THAT IT WAS DIFFICULT TO PROVE FINANCIAL WRONGDOING, BECAUSE THE LEADERS DID NOT LEAVE ANY EVIDENCE BEHIND WHICH COULD WIN A CONVICTION IN A COURT OF LAW. THEREFORE, COURT ACTION WAS OUT OF THE QUESTION AND OTHER METHODS HAD TO BE USED. IT IS PARTIALLY A COMMENTARY ON THE CURRENT PLITICAL SCENE AND PARTIALLY A REFLECTION OF THE GENERAL DISDAIN IN WHICH UNION LEADERS ARE HELD BY THE CURRENT GOVERNMENT AND PRESS ESTABLISHMENT THAT LABOR LEADERS CAN BE VISITED BY ARMY OR POLICE OFFICERS AND TOLD TO QUIT, OR ELSE, WITH THE PRESS ACCEPTING THIS AS PERFECTLY NATURAL AND LEGITIMATE. SUCH PRESSURE TACTICS TAKE PLACE AGAINST AN INTIMIDATING BACKDROP OF THE BOMBING OF ONE LEADER'S HOME (CARRANZA'S) AND THE RECENT KIDNAPPING OF AT LEAST ONE LABOR LEADER (ARCE), SEVERAL LABOR LAWYERS IN MAR DEL PLATA AND EVEN AN AMBASSADOR. MOREOVER, AS DEPT. IS AWARE, WE HAVE BEEN SKEPTICAL THAT THE GOVERNMENT IS PREPARED TO PUT A NEW TRADE UNION LAW INTO EFFECT ANY TIME IN THE NEAR

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FUTURE -- THE OSTENSIBLE REASON FOR THE GOVERNMENT'S WANTING TO SWEEP THE UNIONS CLEAN NOW. END COMMENT.

5. WE ARE ATTEMPTING TO TAKE A NEW READING OF TRADE UNIONISTS' ATTITUDES TOWARD THE PROPOSED AFL-CIO VISIT IN LIGHT OF THE NEW DEVELOPMENTS AND WILL REPORT ASAP. WE BELIEVE THE MAJORITY PROBABLY WILL VIEW THE NEED FOR SUCH A VISIT AS BEING MORE URGENT THAN EVER.

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6. RECOMMEND AFL-CIO ADVISE ARGENTINE AMBASSADOR TO WASHINGTON OF PROPOSED VISIT AND REQUEST HIS VIEWS. (NOTE THAT AJA ESPIL PLANNING VISIT TO BUENOS AIRES IMMINENTLY). ALSO SUGGEST THAT AN ADVANCE MAN OF STATURE AND WITH DECISION-MAKING AUTHORITY  
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PRECEED THE MAIN PARTY TO ARRANGE THE AGENDA, AGREE ON TRIP OBJECTIVES WITH LOCAL LABOR LEADERS AND FIRM UP OTHER DETAILS.

7. UNDER PRESENT CIRCUMSTANCES, EMBASSY BELIEVES SECURITY ESCORT ADVISABLE FOR GROUP. EMBASSY PREPARED TO ARRANGE DISCREET SECURITY COVERAGE. REQUEST DEPT.'S ADVICE CONCERNING FINANCING ARRANGEMENTS.  
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