

# COUNTERSpy

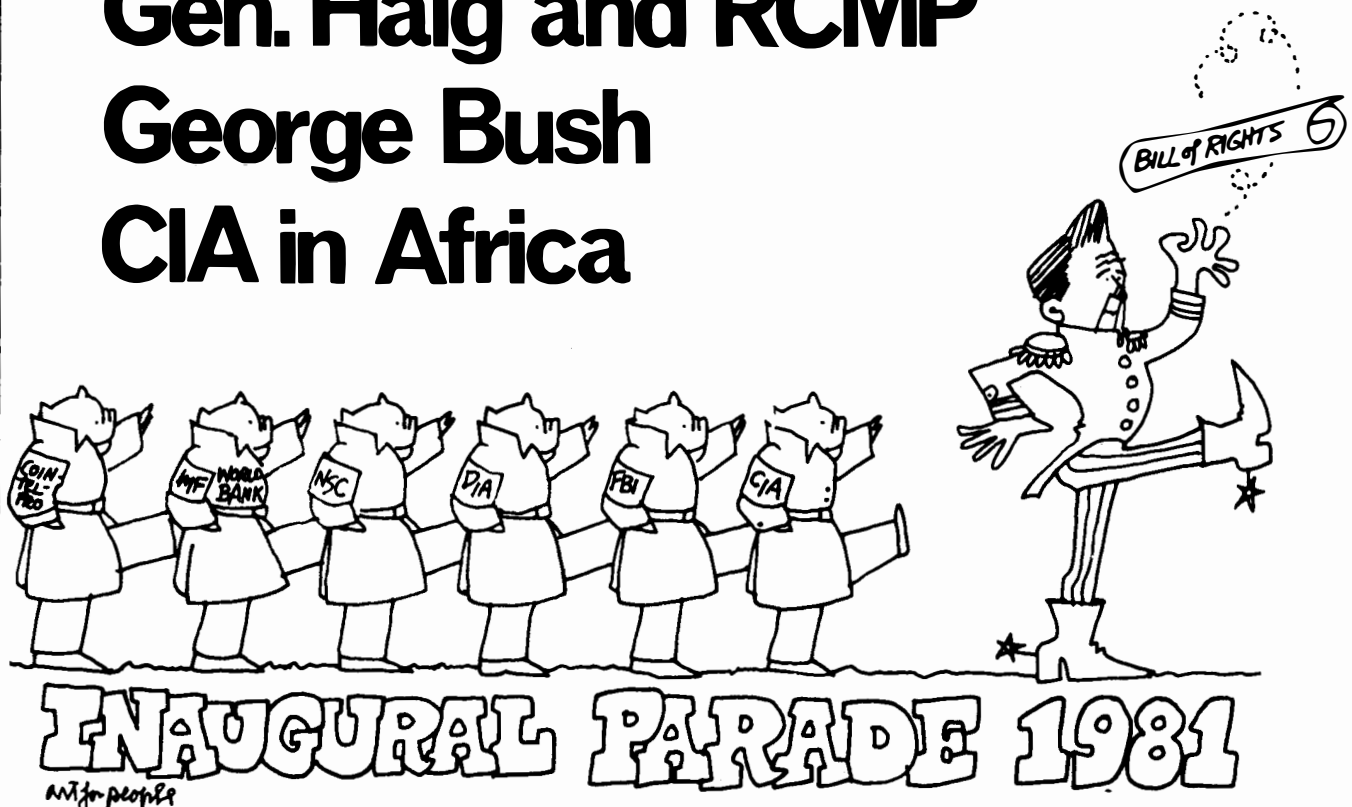
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**Secret World Bank  
Document on Marcos  
AFL-CIO and Poland  
U.S. Bases in Oman  
Gen. Haig and RCMP  
George Bush  
CIA in Africa**



# Editorial

As we go to press, tax lawyer William J. Casey has just been nominated to be CIA Director. In 1969, Casey ran the "Citizens Committee" which ardently supported Richard Nixon's war in Indochina and bought full page newspaper ads promoting the war. In return, Nixon appointed Casey chairperson of the U.S. Securities and Exchange Commission (SEC). While at the SEC, Casey gave the SEC's files on I.T. & T. to the Justice Department which, in turn, delayed and neutralized a Congressional investigation of I.T. & T. bribes to electoral campaigns.

In late 1972, Richard Allen, who is now Ronald Reagan's national security advisor, arranged a meeting between Casey and Howard Cerny, an attorney for stockswindler Robert Vesco. At the time, Vesco was paying Allen \$10,000 a month, and Cerny's meeting with Casey was to convince him that Vesco was "an honorable fellow". (See Mother Jones, Sept.-Oct. 1980) On the same day that the meeting took place Vesco contributed \$200,000 to Nixon's reelection campaign. His contribution came more than a year after the SEC had begun to investigate Vesco's financial dealings.

Described by Newsweek as "gruff, shambling and surprisingly inarticulate" (12/22/80), Casey was also the chairperson of the Export-Import Bank. The appointment of a banker and economic expert to head the CIA comes as no surprise. After all, a main task of the CIA is to further the interests of U.S. corporations and banks. U.S. intelligence agencies, banks, and corporations work hand-in-glove to promote their common interest of strengthening and expanding U.S. corporate and military pow-

er. (The role of international lending institutions in working for that aim is described in one article in this issue which is based on a confidential World Bank document.)

The CIA under Casey will continue to push for its own Official Secrets Act which was not passed by Congress before it went into recess in December 1980. The CIA's efforts in months to come can only benefit from the presence of Ronald Reagan and George Bush in the White House. The nature of the CIA as an intrinsically undemocratic institution is nothing new. This was recognized even in a Congressional report of July 14, 1966:

*"The general argument is now clear: left to itself, the CIA is the most dangerous agency in the United States Government.. If the American people are against covert operations, for instance, let them rise up and say so (Emphasis added)... No issue is more basic than whether we can preserve rule by 'consent of the governed' in today's troubled world... It is imperative that we meet the challenge, or American democracy will either be rapidly destroyed or slowly whittled away."*

The only point that needs to be added is that to "rise up" against covert operations is not enough since the CIA is just one part of an economic and political system, which history shows is far from invincible. As long as this system dominates there will be "need" for the CIA and covert operations. Radical transformation of the present economic and social system is the only way to end covert operations.

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# Introducing George Bush

by Konrad Ege

(Ed. note: Konrad Ege is an independent journalist. He has worked with CounterSpy for over two years.)

George Bush: a former CIA Director becomes Vice President. This might not be quite as drastic as in Brazil where João Baptista Figueiredo, the former head of the national intelligence service actually became president. However, George Bush's vice presidency deserves serious scrutiny particularly since Bush, in his presidential campaign, tried to capitalize on his term as CIA Director in the Ford administration. The following article will highlight some aspects of Bush's career in the CIA and in the Nixon administration.

Bush is "the only candidate any of us can remember who has made the agency an issue," said Jack Coakley, a retired Defense Intelligence Agency (DIA) officer and past executive director of the Association of Former Intelligence Officers (AFIO) of Bush's presidential campaign. "He's the guy who raised the intelligence community to a national campaign issue." <sup>1</sup> In turn, Bush received strong support from a number of former intelligence officers. The Washington Post commented that "no presidential campaign in recent memory - perhaps ever - has attracted as much support from the intelligence community as the campaign of former CIA director Bush." <sup>2</sup>

The former intelligence officers who flocked to Bush's campaign and held leading positions in it included Ray Cline, CIA Chief of Station in Taiwan from 1958 to 1962 and CIA Deputy Director for Intelligence from 1962 to 1966; Lt. Gen. Sam V. Wilson, a former director of the DIA; Lt. Gen. Harold A. Aaron, former deputy director of the DIA; Henry Knoche, acting director of the CIA after Bush was fired; Robert Gambino (he left his job as CIA director of security to become Bush's bodyguard), and Gen. Richard Stillwell, once CIA chief of covert operations in the Far East. Retired CIA officers were also influential in local organizing efforts for Bush in New Hampshire, Tennessee, Virginia and Florida. Jon Thomas, who served in the CIA's clandestine division in Spain while Bush was CIA Director, summed up why he joined the Bush campaign in Tennessee and

why so many former intelligence officers were working for Bush: "I firmly believe we wouldn't be in the trouble we're in today in Iran and Afghanistan if George Bush had stayed at the CIA..." Referring to Bush's candidacy for President, Ray Cline added: "It's panned out almost too good to be true, ... the country is waking up just in time for George's candidacy." <sup>3</sup>

As it turned out, it was too good to be true, and Bush had to concede defeat in the presidential race, but he was able to satisfy his hunger for power when Ronald Reagan offered him the number 2 position - even though he had to compromise on a number of campaign issues to be accepted.

Bush will have plenty of support in the Reagan administration for strengthening the CIA, but a former CIA Director in the White House is certain to open up "new possibilities" for the CIA, especially since Bush has already appointed a number of former CIA officers to his personal staff. His chief of staff is retired Admiral Daniel J. Murphy, who served as Bush's deputy when he was CIA Director. Murphy's responsibility was supervision of the intelligence "community" staff and coordination of all intelligence agencies. To accept the White House job under Bush, Murphy left a position in the Pentagon where he was chief intelligence aide for former Secretary of Defense Harold Brown. Murphy quit his Pentagon job in November in order to have enough time to personally hire the rest of Bush's staff. In addition, Bush's executive secretary at the CIA, Jenifer A. Fitzgerald, has already been named as Bush's appointments secretary. <sup>4</sup>

George Bush was CIA Director for only a short time - in 1976, the last year of the Gerald Ford administration. His appointment came at a time when the CIA was being publicly scrutinized, and a number of illegal CIA activities had been revealed. Bush was to succeed William Colby, who had been fired by President Ford. One important reason for his dismissal was that Colby had "been too cooperative with the House and Senate committee investigating the CIA." <sup>5</sup> Bush was to correct Colby's "mistake" of being "too open."

Bush's nomination hearings on December 15 and 16, 1975 were conducted in a very

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friendly atmosphere. Bush drew praise from almost all the Senators in the Armed Services Committee, including Strom Thurmond, who lauded Bush as "well qualified" for the CIA job because of his "intellectual integrity,... honesty... and personal qualities." <sup>6</sup> However, in the course of the hearing Bush had to answer a few tough questions put to him by Senator Gary Hart (D-Co.) who asked him outright: "How do you feel about assassinations?" Bush replied: "I find them morally offensive." Hart continued to query Bush. "What about supporting and promoting military coup d'etats in various countries around the world?" Bush said that he could not tell Hart, and he didn't think he should, "that there would never be any support for a coup d'etat" and added: "... in other words, I cannot tell you I cannot conceive of a situation where I would not support such action."

When questioned what he thought about supporting the overthrow of a constitutionally elected government, Bush conceded: "I think we should tread very carefully on governments that are constitutionally elected. This is what we are trying to encourage around the world and I feel strongly about it." Hart went on: "What about paramilitary operations, providing funds and arms to establish a government that we wanted?" Bush was not willing to rule out that option either: "I can see under certain circumstances where that could be in the interest of our allies, the best interest of the free world." Bush conceded that he would have "a little more difficulty" in justifying payments to political parties in other countries, but again, added: "I would not make a clear and definite statement whether that ever or never should be done."

Later on in the hearing, Senator Hart got back to Bush's opinion that assassinations are "morally offensive." Using the example of the assassination of General Schneider in Chile in 1973, Hart pointed out that the U.S. government has "encouraged or supported coup d'etat attempts that have resulted in assassinations of foreign leaders... The point I [am] making is you cannot come out against assassinations and leave open the possibility of covert operations that may lead to assassinations." After that, the following dialogue between Hart and Bush took place.

Bush: "It happens to be the way the world appears..."

Hart: "And that is the kind of world you want to perpetuate?"

Bush: "No, but... I have a concern about the world as we really see it... I think we have a certain commitment to morality but I do not think we should close the door forever on covert activity which is where this discussion appears to logically lead."

Hart: "There are all kinds of covert activity. I am specifying attempts to overthrow governments of other countries."

Bush: "And I said I would not suggest that we rule that out forever. I suggest we tread very, very carefully. And I have given you [the] example... of a Hitler." <sup>8</sup>

Bush was referring to an earlier statement where he had used Hitler as an example of someone "who had been democratically installed," and where covert operations could be useful and morally justifiable to remove him. Bush concluded: "I think it makes that point that we should not rule out that kind of thing." <sup>9</sup>

Using Hitler as an example of a "democratically" installed ruler illustrates Bush's understanding of democracy. At the time Hitler was given almost dictatorial powers by the parliament, a number of members of parliament who opposed him had already been imprisoned, and the vote was taken with stormtroopers filling the hallways of the building where the parliament met and lining the walls of the meeting room. Before that, Hitler had never won the majority of the votes of the German electorate.

As CIA Director, George Bush had other opportunities to demonstrate his understanding about how democracy is supposed to work. In a September 1976 speech, Bush bemoaned that while no one in Congress is campaigning any more "against strong intelligence," Congress still is a continuing problem for the CIA, because the CIA has to inform seven committees about covert operations in a "timely fashion." <sup>10</sup>

Only one month after he was in office, Bush announced a new policy defining CIA relations with the media. The guidelines were as follows:

"CIA will not enter into any paid or contractual relationship with any full-time or part-time correspondent accredited by any U.S. news service, newspaper, periodical, radio or television network or station. As soon as feasible, the Agency will bring existing relationships with individuals in these groups

into conformity with this new policy."<sup>11</sup> These restrictions might look good at a first glance, but a closer examination shows that George Bush's guidelines, while countering certain criticism, excluded a large number of journalists. Freelance reporters and writers were not covered, as well as journalists working for foreign media outlets, including U.S. journalists.

During his term (he was replaced by Stansfield Turner in 1977), George Bush achieved certain important objectives. In the words of Jon Thomas: "When Bush became director, the agency had been dragged across the coals in all directions for several years. There was disastrously low morale, and our efficiency had fallen off. ... Bush turned it around in about 90 days." <sup>12</sup>

One of Bush's first tasks as CIA Director was to end the CIA's mercenary war in Angola. Agents and officers had to be withdrawn, and a lot of people had to be paid off. The CIA made very generous payments to the people who were involved in the Angola war. John Stockwell, who was the head of the CIA's Angola Task Force during the time, described who got how much in his book In Search of Enemies. President Sese Seko Mobutu of Zaire got \$600,000 for one of his planes that was destroyed but managed to pocket another \$1,137,700 which was intended for FNLA and UNITA leaders Holden Roberto and Jonas Savimbi, respectively. A total of \$2 million was to be given to UNITA, \$540,700 of it for "continuing UNITA activities." The original Portuguese Angolan commandos who had fought in the northern part of the country "were compensated as though they had been on contract as CIA mercenaries throughout the war."

And there were other CIA mercenaries who had to be paid: "...pilots, boat crews, and propaganda specialists began to line up for bonuses and plane tickets to leave the country." Santos Castro, a mercenary recruiter who was supposed to get 300 men for the CIA but in fact recruited only 13 managed to convince the CIA that he had recruited 126 men who had all quit their jobs while preparing to go to Angola. Therefore, Castro argued, they had to be paid "as though they had fought in Angola for the full five months." Stockwell wrote there was no proof of his claims but "the agency's reputation was at stake" and Castro was paid \$243,600.

While the CIA's mercenary war in Angola

was a complete failure and created immense suffering for millions and the "disengagement" had its embarrassments, there was one thing CIA Director George Bush wanted to ensure: that the morale of the agency would be boosted. He ordered the Angola Taskforce to produce recommendations for awards for everyone who had been involved. "The rationale was, although things hadn't gone very well, we had worked hard and the defeat was not our fault. Medals and awards would bolster morale." It took the task force weeks to write the recommendations for 26 medals and certificates, 140 letters of appreciation, and one meritorious salary increase.

In Bush's opinion, the mercenary war in Angola was "moral": "I believe that we have always had a moral foreign policy.... I think we've been generous. I think we've been fair. I think we've been extraordinarily compassionate to countries around the world." <sup>13</sup> To George Bush, the U.S. war in Vietnam was also "moral". "We had Vietnam. It divided us. We're asked to accept a rather revisionist view and impression of the United States and of our purpose. What's happened in Vietnam today has made our purpose more clear, less uncertain. We got out of Vietnam. Vietnam indeed is unified. ... They've [the Vietnamese] taken over Cambodia and they've taken over Laos and they've brutalized the ethnic Chinese in their own country and we realize that this isn't a nice, peace-loving nation... it's something very different." <sup>14</sup>

Another very important factor in George Bush's term as CIA Director was a study he commissioned on the capabilities and intentions of the Soviet Union. The study group included former head of the DIA, Gen. Daniel Graham and was chaired by Richard Pipes, a Harvard University professor. The study group's report has been described as a "sharp departure from what had been the Washington orthodoxy on the subject of Soviet intentions throughout the Kennedy-Johnson and Kissinger areas. In essence, it said the Soviet Union was aiming not at parity with the United States, but at superiority." <sup>15</sup> The logical conclusion of such a thesis is that the Soviet Union is aiming for domination over the U.S. and, in order to achieve that, for war. Therefore, there is no use for the U.S. to enter into any arms limitation agreements with the Soviet Union until the U.S. becomes number one.

A recently published book, Assassination on Embassy Row by John Dinges and Saul Landau, reports another outstanding event in George Bush's CIA career. According to this book, Bush played an important role in the cover-up of the assassination of Ronni Moffitt and Orlando Letelier on September 21, 1976. Bush knew before the bombing of Letelier's car that the Chilean secret police DINA had sent a team to Washington on a "covert mission." Bush did not disclose this information to investigators of the assassination. On the contrary, he told the Justice Department that DINA was not involved, and the CIA leaked stories to the press saying that Letelier might have been the target of the Left, thus actively participating in the cover-up.

One aspect of Bush's career he didn't talk about much during the presidential election campaign was his close relationship with the Nixon administration. Bush was the Permanent U.S. Representative to the United Nations from March, 1971 to January, 1973. As such, he was a regular participant in all Cabinet meetings at the time. In January, 1973 he was appointed Chairperson of the Republican National Committee and served in that position during the height of the Watergate scandal.

Senator Lowell Weicker (R-Ct.) says Bush considered destroying certain material that would have been embarrassing for himself, Richard Nixon, and over 30 other fellow Republicans. The records Weicker is referring to were about the "Townhouse Fund", a secret campaign fund run by Richard Nixon's White House. Bush denies he did anything wrong, and called Weicker's statements "an absolute lie." 16

Bush himself was a beneficiary of the Townhouse Fund. When he was running for Senator in Texas in 1970 (he was defeated) he received \$106,000 from the Fund as one of Nixon's "favorite candidates". 17 Most of the money was given to Bush in cash and was not disclosed as required by Texas campaign law. While it is not clear whether Bush was actually in direct violation of the law - which had a number of loopholes - the contribution by the Nixon controlled Fund highlights once more Bush's closeness to Richard Nixon.

According to the Los Angeles Times, one of the reasons that Bush did not disclose most of the Nixon contributions at the time is that there was already a certain

resentment by many Texans of "his close ties to Nixon and then Vice-President Spiro T. Agnew." 18 When Bush was confronted with the evidence of Nixon's contribution to his campaign produced by the Los Angeles Times investigation, he at first refused to comment. The next day, he stated "my record is clear" and denied that he had failed to report most of the Townhouse Fund contribution. However, the Los Angeles Times pointed out that "the explanation offered by Bush... did not appear to be supported by his campaign data on file in Austin, Texas." 19 The Times presented several examples of Townhouse contributions (including \$40,000 that went to pay an advertising firm that had done work for Bush's campaign) that were not reported. 20

It appears that even that incident did not harm Bush's reputation significantly - at least not within the Republican Party. The chief incident for which Bush was attacked during his campaign was his past membership in the Trilateral Commission. The extreme right of his party considers the Trilateral Commission "liberal" and "internationalist".

George Bush likes to portray himself as an idealist, as someone with a sense of responsibility for his country. He talks about morale and manages to portray himself as a "Mr. Nice Guy". In this way, he was able to gloss over dangerous statements such as the idea that a nuclear war between the U.S. and the Soviet Union is winnable. Bush estimates that about 5 percent of the U.S. population could survive such a war and declare themselves winners. Bush obviously represents the interests of that 5 percent who have enough money to make sure that they will be the ones to survive.

#### FOOTNOTES

- 1) Washington Post (WP), 3/1/80, p.A-2.
- 2) ibid.
- 3) ibid.
- 4) WP, 11/12/80, p.A-1.
- 5) David Wise, The American Police State, Random House, New York, 1976, p.256.
- 6) Nomination of George Bush to Be Director of Central Intelligence, Hearing before the U.S. Senate, Committee on Armed Services, 94th Congress, 1st session, 12/15 and 16/1975, p.7.
- 7) ibid., pp.27,28.
- 8) ibid., pp.72,73.
- 9) ibid.
- 10) WP, 9/17/76, p.A-10.

- 11) The CIA and the Media, Hearing before the U.S. House of Representatives, Subcommittee on Oversight of the Permanent Select Committee on Intelligence, 95th Congress, 1st and 2nd sessions, 12/27-29/77; 1/4-5/78; 4/20/78; p.332.
- 12) cf supra, #1.
- 13) New Yorker, 3/3/80, p.94.

- 14) ibid.
- 15) New Statesman, 9/5/80, p.11.
- 16) WP, 2/29/80, pp.A-1, A-4.
- 17) Los Angeles Times, 2/7/80, p.19.
- 18) ibid.
- 19) Los Angeles Times, 2/8/80, p.1.
- 20) ibid., p.23.

## General Haig and RCMP Attack Canadian Labor

by Martha Wenger

General Alexander Haig apparently succeeded in explaining away his past involvement with the Nixon administration to the satisfaction of Ronald Reagan who appointed him to be U.S. Secretary of State. Although there has been much to-do about Haig's more well-known past under Nixon, few have sought to draw lessons about the man from his most recent job: President of United Technologies Corporation (UTC).

UTC - the third largest defense contractor in the U.S. - is a far-flung network of factories and wholly-owned subsidiaries. It produces helicopters, rocket motors, space equipment, airborne systems, and military electronic systems, among other things. It ranks tenth in U.S. manufacturing corporations overall, but has "substantially expanded its business operations in foreign countries in recent years." About 200,000 people work for UTC; 46,000 of these overseas. And in Connecticut, which the company calls "home", more people work for UTC than for anyone else. Sales are expected to reach \$12 billion in 1980.

Haig has been president of the company for about a year. It is "widely assumed" that Haig was "being groomed" to replace UTC's number one man, Harry J. Gray, when he retires in 1985. (New York Times, 12/8/80). Gray welcomed Haig to the corporation, recognizing the obvious assets a prominent retired general brings to a corporation with major defense-oriented contracts.

UTC boasts ties to Reagan and the right of the Republican Party even apart from Haig. William Simons - of the UTC board of directors - was in the running for a Reagan cabinet post until he removed himself from consideration. Reagan appointed

John M. Oblak, a UTC technical planning director, to a national strategic minerals taskforce. Clark MacGregor, Senior Vice President for external affairs, directed Richard Nixon's 1972 re-election campaign.

As important as simply reviewing the "qualifications" of Haig and his associates at UTC - which after all aren't surprising for men of their positions - is to look at the corporation from the perspective of the people who work for it. The example we will examine took place in a UTC factory in Canada.

On November 16, 1979, three women workers were laid off from the Pratt & Whitney Aircraft plant in Longueuil, Quebec (a wholly-owned subsidiary of UTC). The women were told that there was a surplus of workers and that their termination was effective immediately. At first glance it might seem to be one more case of women being the last hired and first fired. In fact, the story of these particular women proves to be an example of how corporations such as Haig's UTC work hand-in-glove with intelligence agencies (in this case the Royal Canadian Mounted Police) to harass and punish workers for their political beliefs, if those beliefs don't fit in with the corporate capitalist system.

Suzanne Chabot, Wendy Stevenson and Katy Le Rougetel were hired in August 1979 to work in Plant 1 of Pratt & Whitney Aircraft of Canada, Ltd. Two of the women were qualified as machinists, and during the initial three months probationary period all received good work ratings in written reports. Days before the end of their probation periods, on November 16, 1979, each woman was unexpectedly called to the employment office and informed that

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she was being "laid off" because of a surplus of workers in her section.

Machinist Suzanne Chabot described her reaction:

"I told [the personnel director] that I was very surprised to learn of a personnel surplus because two days earlier my foreman had sent me to an information session for new employees where the personnel office had informed us that the company intended to hire another 200 people and that our jobs were secure for at least 7 or 8 years to come... I brought to his attention that a large number of employees had been hired after me in my section."

The other women made similar protests, and requested jobs for which they were qualified in other areas of the plant in which they knew the company was hiring. The company official didn't answer their questions, didn't offer them other jobs in the plant, and stuck to his line about a "surplus of workers." When the women insisted, they were each given termination papers stating that their work had been competent.

A month before this unexplained "surplus" developed, the president of the corporation had sent a letter to all employees stating that the workforce would not be reduced and that he foresaw an important expansion in the next period. Two weeks after the firings, on November 29, 1979, Pratt & Whitney ran an ad in La Presse (Montreal) offering jobs for apprentice machinists (jobs which two of the women were qualified to perform), and inspector trainees (the position which Katy Le Rougetel had held at the plant).

The women went to their union for help. When the company gave no satisfactory explanation, Local 510 of the United Auto Workers (UAW) took the case to the Quebec Human Rights Commission. The union argued that the "layoffs" were in fact discriminatory firings based on the political beliefs of the three women. All three had discussed various political issues with their fellow workers; they supported self-determination and independence for Quebec, were feminists, and pro-union. Two had previously been involved with the New Democratic Party and their beliefs had led them to become socialists. All three were members of the Revolutionary Workers League when they were hired at the plant.

After eight months of investigation, on June 29, 1980, the Quebec Human Rights

Commission revealed that four weeks after the women were hired, the Royal Canadian Mounted Police (RCMP, Canadian intelligence agency) had investigated the women for political reasons. The RCMP then gave their names to the vice-president of personnel and the director of industrial relations of Pratt & Whitney. The director asked that the women be surveilled by the company's industrial relations counsellors (without the knowledge of any of the foremen at the plant).

The Commission's report pointed out that of the 190 probationary employees working for the plant at that time, only Chabot, Le Rougetel and Stevenson were singled out for termination due to "surplus workers." The Commission concluded in no uncertain terms that the evidence indicates that the women were "fired by the authorities of Pratt & Whitney because of their political convictions with visits by an RCMP agent concerning them having played a decisive role in the decision." The Human Rights Commission resolved that the company reinstate the three, give them retroactive seniority rights, and award them a total of nearly \$30,000 in back pay and damages.

The Commission thus overwhelmingly confirmed the suspicions of the women that theirs were no ordinary firings. There was one serious drawback: the resolutions of the Commission have no force of law. Needless to say the company made no move to comply with the recommendations. Pierre Henry, a Pratt & Whitney representative told the Montreal Gazette, on October 16, 1980, that "there were complaints that these ladies were troublemakers... We have not rehired them, despite the human rights commission ruling because their actions with press conferences and the like and their employment record since leaving there have proven them to be the troublemakers we thought they were."

The "employment record" that Henry is referring to is the fact that the women were simultaneously fired for a second time from two separate companies where they had found new jobs, on April 11, 1980 (Chabot and Stevenson from Canadair and Le Rougetel from Canadian Marconi). The "coincidence" of these firings occurring on the same day to the same three women and the later revelation of RCMP involvement in their first firings, confirms the existence of a well-organized harassment campaign against them.

The cooperation of Pratt & Whitney with



the RCMP comes as no surprise. In 1974 UAW Local 510 fought a bitter 20 months battle against the company (then known as United Aircraft). The company employed police informants and strikebreakers and tried to crush the union's strength by firing 34 strike leaders. Even today wages at the plant are \$2.00 an hour less than at comparable aerospace plants in Ontario. Only about 150 out of 3,000 workers are women, and certain jobs are considered "men's jobs" by the company even if women are qualified to perform them.

The three women in this case are only

the latest in a long line of victims of RCMP harassment. Evidence presented in the press and testimony before two investigatory commissions on the RCMP reveal numerous examples of violations by the RCMP: Autumn 1969, RCMP investigation into the New Democratic Party begun... October 1970, the War Measures Act is proclaimed. In Quebec 3,000 are raided and 500 arrested. A secret RCMP list is used to determine who is to be raided... January 1973, RCMP raids the office of Parti Quebecois, steals membership and financial lists... 1977, RCMP steals and uses

A strikingly similar case of political firings happened in the U.S. on November 25, 1980. Five pipefitters working for Coastal Dry Dock and Repair Company at the Brooklyn Navy Yard were abruptly fired and marched out of the yard by security officers.

Each of the five - Susan Wald, Robert Dees, Steve Smith, Marilyn Vogt, and Bill Henry - was given a termination letter (as reprinted in the December 19, 1980 issue of The Militant) which clearly stated why they were fired. "This action is being taken based upon a letter dated 25 November from the Commanding Officer USS AYLWIN [a U.S. Navy ship being repaired in the yard]. His letter speaks of the issue of your engagement in political activities which are in direct violation of Title 18, U.S. Code, Section 2387."

Section 2387 is part of the notorious Smith Act which provides that a person can be fired from any government job, fined up to \$10,000 and imprisoned for up to ten years for activity which "in any manner causes or attempts to cause insubordination, disloyalty, mutiny, or refusal of duty" by military personnel.

The five workers - all active unionists - and their lawyers, moved quickly to question the role of Navy Commander J.R. Kott in their firings and to fight to get their jobs back. Apparently the Navy and the company had not expected such an organized response. They caved in completely in 24 hours. On November 26, all five pipefitters were reinstated in their jobs.

The legal investigation continues. Commander Kott gave sworn testimony to lawyer Shelley Davis, who asked what the charges were against the workers. First,

Kott said, the two women were seen distributing a pamphlet called Soldiers and Sailors and the Fight for Socialism, a Progressive Labor Party (PLP) publication. Second, copies of this leaflet were found aboard the U.S.S. Aylwin and the Navy concluded that the same women had put them there. Third, Kott charged that the five had sent out an anonymous mailing of PLP literature to many of the sailors.

Davis called the charges "false" and "absurd". She said that none of the five has ever had any connections with the PLP. As it turns out, not even the New York headquarters of the PLP knows who sent the brochures. They say it didn't look like one of their mailings because some of the mailing labels included the social security number of the addressee; the PLP certainly didn't have people's social security numbers.

The final charge was that Navy personnel had overheard three of the five workers asking people to join the Socialist Workers Party (to which some of them belong). The workers' lawyer said she found it "astounding to hear a navy officer even suggest that urging membership into a legal political party in this country is a crime."

Commander Kott admitted that both the Naval Intelligence Service and the FBI were involved in the investigation. The workers and their attorney point out the many similarities between this incident and the FBI's COINTELPRO operations which disrupted progressive movements in the '60s and '70s (and which the FBI claims to have discontinued). The five workers are convinced that a COINTELPRO-type campaign led to their firings. They are determined to pursue their investigation and take legal action.

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"confidential" tax and medical records to spy on and harass people. RCMP victims include Quebec nationalists, trade unionists, women's organizations, political dissidents, Native and Black militants, farmer's organizations, and others.

The importance of RCMP involvement in the Pratt & Whitney firings is that the incident took place after revelations and promises by the RCMP in 1977 that it had stopped its disruption activities which went by the code-name "Operation Checkmate".

The RCMP ultimately is an arm of the Canadian federal government (just as the FBI and the CIA are arms of the U.S. government). The smoke-screen of "national security" is used to help cover up illegal acts by these agencies which are essentially doing the "dirty work" of the government.

Supporters of the Pratt & Whitney women have not given up the struggle. The UAW local 510 is now taking the case of the unjust firings through arbitration. The Quebec Human Rights Commission is taking Pratt & Whitney to court, and the three women are considering a court case against the RCMP itself.

The struggle of these women workers is perhaps one of the most dramatic examples of how UTC and its subsidiaries treat their workers. U.S. foreign policy will soon be directed by the same general whose company collaborated with the RCMP to fire three workers with excellent work records who had violated no law. Working people in this country should understand clearly that their economic interests and political freedoms are at the bottom of General Haig's agenda.

## AFL-CIO: Trojan Horse in Polish Unions

by John Kelly

(Ed. note: In 1956, CIA official Frank Wisner took to the microphones of Radio Free Europe (RFE), which he had founded, to broadcast to the Hungarian people: "Hold on. Your friends in the West are coming." <sup>1</sup> Wisner, whose anti-Communism "was sometimes apt to cloud his judgement," <sup>2</sup> had secretly collaborated with Nazi General Reinhard Gehlen to organize and equip spy and sabotage units in East Europe after World War II. <sup>3</sup>

It is now a matter of public record that Wisner's RFE broadcasts deceived the Hungarian people some of whom went to their deaths in vain. The American people were also misled as the U.S. media - which Wisner and the CIA had penetrated - portrayed the events in Hungary as "spontaneous" and said nothing about the CIA/Nazi covert intervention being carried out in their name.

Given this history, CounterSpy is publishing the following article about AFL-CIO "aid" to Polish workers. CounterSpy fully supports grassroots workers' struggles particularly against oppressive bu-

reaucracies. (It has to be pointed out, though, that in the case of the Polish strikes, the Polish United Workers Party (PUWP) has responded quickly to workers' demands. It replaced high ranking government officials and some 500 managers of factories. In addition, a number of PUWP leaders have been replaced. Stanislaw Kania, the first secretary of the PUWP has repeatedly stated that he wants to work closely with the new Solidarity Unions and does not see them as anti-socialist. Kania has also criticized the PUWP bureaucrats and the PUWP's lack of response to workers' dissatisfaction and criticism over the last years.)

CounterSpy believes that in assessing current events in Poland, careful attention must be given to the role of the Polish workers' "friends in the West", like the AFL-CIO. While there is something to be said for taking money "from the devil" for a just cause, the recipients should know the nature and intention of the source of their aid. As the following article shows, AFL-CIO aid has invariably

had the ulterior motive of establishing, securing and expanding U.S. corporate and strategic interests. In addition, almost all of AFL-CIO international aid operations were carried out in conjunction with the CIA.

The theme of AFL-CIO international labor operations was captured by George Cabot Lodge, a multimillionaire who works with the AFL-CIO hierarchy in CIA labor operations. According to Lodge, the AFL-CIO, U.S. corporations and the CIA are interested in workers because: "The obscure trade unionist of today may well be the president or prime minister of tomorrow."<sup>4</sup>

CounterSpy welcomes all comments from our readers to this article. We want to stress that, of course, it does not present the whole picture of the situation in Poland, but is an integral component hardly mentioned by the Western media and ignored by U.S. propaganda broadcasts into Poland.

#### FOOTNOTES

1) Richard Mosley, Dulles, Dial Press/James Wade, New York, 1978, p.419.

2) *ibid.*, p.226.

3) *ibid.*, p.510.

4) George C. Lodge, Spearhead of Democracy: Labor in the Developing Countries, Harper and Row, New York, 1962, p.49.

John Kelly, the author of this article, has done extensive research on CIA-labor operations. He is the author of the forthcoming book, The CIA in America.)

On September 4, 1980, the General Board of the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) voted to establish a Polish Workers Aid Fund with an initial contribution of \$25,000. Before the vote was taken, President Lane Kirkland told the Board: "We are establishing a central fund in the federation where we can receive contributions... These contributions should be forwarded in the name of the Polish Workers Aid Fund."<sup>1</sup>

As usual, rank-and-file members had no participation in this decision. Kirkland stated that the fund is "entirely consistent... with ... financial aid and support for the rebuilding of the German trade union movement"<sup>2</sup> immediately after World War II. The German program was directed by CIA labor operative, Irving Brown who used dual unionism (setting up one union against another) and whose secret agenda was to build support for in-coming U.S. corporate investors. Brown, undoubtedly,

will be involved with the Polish Fund since he is now the AFL-CIO representative for Europe. Kirkland, however, has not publicly specified how the funds will be transferred and to whom.

On September 16, 1980, David J. Fitzmaurice, President of the International Union of Electrical, Radio and Machine Workers handed Kirkland a check for \$10,000 for the Polish Fund. At the same time, Fitzmaurice pointed out that many U.S. "editorial writers have come out in support of the same trade union rights in Poland that they would deny to American workers."<sup>3</sup>

As of September 1980, a reported \$120,000 had also been raised from West German, Austrian, French, and U.S. unions for unidentified Polish unions. This funding is being handled by Herman Rebhan, Secretary-General of the Geneva-based International Metalworkers' Federation.<sup>4</sup>

By December 2, 1980, the AFL-CIO hierarchy had raised \$140,000 for its Polish Fund. Reportedly, \$50,000 of the \$140,000 has been spent on a printing press for the Polish unionists.<sup>5</sup> (After World War II, Irving Brown also provided printing presses to his chosen unionists.) Aside from the \$50,000, there has been no indication as to whether rank-and-file unionists are receiving financial assistance. Apparently, some of the Polish Fund money was used to print 12,000 copies of a Polish-language edition of the AFL-CIO Free Trade Union News. Its editor, Thomas Kahn, stated frankly that: "We seem to have developed a vested interest in having stability over there."<sup>6</sup> According to Kahn, even these newsletters are not getting to rank-and-file unionists. "We are sending just enough copies into Poland so the leaders of Solidarity know what we are doing."<sup>7</sup> (Kahn, by the way, is chairperson of the board of directors of the League for Industrial Democracy (LID) whose board contains well-known CIA collaborators such as Eugene Rostow.)

"To further human rights, whether it's workers in Poland or South Africa, the AFL-CIO has established a Documentation Center in Paris, under the direction of [Irving] Brown, the U.S. Worker Delegate who is the AFL-CIO European representative."

Michael D. Boggs, AFL-CIO Federationist, November 1980

RIGHT AT THE START

A good example of the AFL-CIO's historical technique of manipulation through aid to foreign unions is Guatemala. In 1944, Guatemalan dictator Jorge Ubico was overthrown and replaced by presidents Juan José Arévalo and his democratically elected successor, Jacobo Arbenz.<sup>8</sup> Under Arévalo and Arbenz, Guatemalan workers for the first time received official recognition of unions, a minimum wage, an eight-hour day, labor courts for worker-employer disputes, and a social security system. In conjunction with the General Confederation

The problems in Poland can best be solved by the Polish people themselves, working critically with their government. Lane Kirkland disagrees. While ranting against Soviet involvement, Kirkland says the Polish issue is "not a matter of pure domestic interest."

Kirkland's perception highlights the danger of AFL-CIO assistance to Polish workers' sovereignty. The AFL-CIO hierarchy has never seen its dominating interventions as interventions. For example, the late David Dubinsky of the AFL-CIO Executive Council described Irving Brown's AFL/CIA assistance to German trade unions right after World War II: "Had it not been for the extensive educational activities of the Free Trade Union Committee of the AFL... the Communists... might by now have seized control of the reviving German trade unions." As labor activist Sidney Lens responded: "...it is odd that Dubinsky never asked himself whether the German workers had a right to make their own choice without 'educational activities' from the outside. Had the help been given to all non-Communist union leaders, it is possible that a different movement might have evolved."

It is clear that Kirkland and the AFL-CIO hierarchy are not asking themselves whether rank-and-file Polish workers want AFL-CIO assistance. Neither do they mention that their assistance always comes with a secret agenda. It is, therefore, very likely that Lane Kirkland speaks with a forked tongue when he says: "There is only one consideration that guides me in this matter. And that is the interest and the wishes of the Polish workers themselves."

of Guatemalan Workers (GCGW), Arbenz also instituted a land reform program for the benefit of the landless peasants.<sup>9</sup> Despite the worker-orientation of the Arbenz government, then AFL-CIO President George Meany, working with the U.S. CIA undertook to bring down the Arbenz government.<sup>10</sup> This operation was in the interest of the United Fruit Company (UFCO) which wanted a restoration of its powers to exploit the workers. Indeed, General Miguel Ydigoras Fuentes, who worked for the CIA, later admitted that the CIA had asked him to restore UFCO's powers and to "destroy the railroad workers' labor union."<sup>11</sup>

For its part, the American Federation of Labor (AFL), under Meany's direction, funded the CIA-involved, National Union of Free Workers of Guatemala (UNTIL). The UNTL leaders collaborated with the AFL's representative in Latin America, Serafino Romualdi, a CIA agent who also worked for Nelson Rockefeller.<sup>12</sup> Romualdi placed the UNTL leaders under the CIA's "liberation army" led by Carlos Castillo Armas, and the AFL's magazine, The American Federationist published anti-Arbenz articles by UNTL President, Rubén Villatoro.<sup>13</sup>

In June 1954, the Arbenz government was overthrown by a CIA coup, and Meany announced that the AFL "rejoices over the downfall of the Communist-controlled regime in Guatemala..."<sup>14</sup>

Within a few months, according to Romualdi, Armas' "anti-Communism threatened to sweep away the labor movement itself."<sup>15</sup> Armas almost immediately dissolved unions representing UFCO plantation workers, teachers, and employees of the International Railway of Central America.<sup>16</sup> Even Romualdi admitted many years later that agricultural workers "were brought back to conditions of servitude if not actual slavery"<sup>17</sup> under the CIA's Armas.

To this day, the AFL-CIO, aside from a few, hollow statements, has undertaken no meaningful programs to help to improve the labor situation in Guatemala. On the contrary, the AFL-CIO has continued to function in Guatemala within the structures of each succeeding regime. The present Guatemalan military government runs CIA-created assassination squads whose main targets include union leaders.<sup>18</sup>

Throughout the 1950's, Meany (who once bragged he was second only to Richard Nixon as "the most rabid anti-Communist... in America"<sup>19</sup>) and the AFL hierarchy sup-

ported and helped create anti-worker regimes to the profit of U.S. corporations. As Meany once told the Council on Latin America, an association of some 200 U.S. corporations in Latin America:

"We believe in the capitalist system, and we are members of the capitalist society. We are dedicated to the preservation of this system, which rewards the workers, which is one in which management also has such a great stake. The investors of risk capital must also be rewarded. It is, perhaps, not a perfect device, but it is the best the world has ever produced..." 20

The story of Meany's betrayal of the labor movement in Guatemala is particularly significant because it was published by Meany's biographer, Joseph Goulden. Goulden's biography, while "unauthorized", "benefited from Meany's cooperation", and "hours of taped interviews on his career and unrestricted access to records of the AFL-CIO executive council, as well as valuable introductions to persons within and without the labor movement who were involved in his career." 21

Goulden also published the story of Meany's sabotage of the labor movement in the Dominican Republic, as did fellow AFL-CIO member, Victor Reuther, who himself was once a recipient of CIA money for a program in Europe.<sup>22</sup> In the Dominican Republic, Meany and the CIA worked through the AFL-CIO's American Institute for Free Labor Development (AIFLD). According to Reuther, "In the Dominican Republic, the AIFLD wanted a military dictatorship rather than the return of the democratic Juan Bosch, to whom most of the working people in the country felt great loyalty." 23 To divide and confuse the workers, the AIFLD engaged in the strategy of dual unionism (which Meany himself had once attacked when he first came to power in the U.S.<sup>24</sup>). AIFLD representative, Andrew McLellan, with the financial aid of the U.S. Ambassador, created an organization called CONATRAL which ran propaganda units as well as goon squads against the legitimate unions in the Dominican Republic.<sup>25</sup>

In 1965, when President Lyndon Johnson sent the U.S. Marines to bolster the CIA-installed military dictatorship in the Dominican Republic, neither the AFL-CIO nor CONATRAL protested. On the contrary, CONATRAL attacked the opposition to the invasion as "Communist-inspired", and

CONATRAL publicly thanked President Johnson for sending the Marines.<sup>26</sup>

Reuther also wrote about AIFLD's anti-labor work in conjunction with the CIA in Brazil. (These operations were admitted by William Doherty, Jr., then director of AIFLD's Social Projects Division.<sup>27</sup>) In Brazil, the AIFLD worked hand-in-glove with the CIA to overthrow João Goulart who, according to Reuther, "enjoyed widespread support among the workers and throughout the Brazilian trade union movement." 28 Following Goulart's overthrow in 1964, the AFL-CIO issued the following statement (excerpt):

"The recent events in Brazil which culminated in the successful military revolution of April 1st demonstrated the great determination of freedom-loving people to end the grave threat to their constitution and democratic processes." 29

AIFLD embraced the Brazilian military junta which quickly dissolved the rights of workers. AIFLD went so far as to urge Brazilian workers to docilely accept a wage freeze.<sup>30</sup> As a former AIFLD employee put it: "By the definition of AIFLD anyone who wanted a raise was a Communist."<sup>31</sup> Indeed, William Doherty, Jr. took it on himself to speak for Brazilian workers in support of a wage freeze because: "You can't have the poor suffer more than the rich or the poor less than the rich." 32

Victor Reuther saw AIFLD's backing of the wage freeze differently: "Not even the most servile company union in the U.S. would dare to advocate this kind of sell out. I am horrified that all of this is being done in the name of establishing a 'strong, free, virile trade union movement in Latin America'... With this kind of friends, who needs enemies?" 33

The AFL-CIO also worked with the CIA to overthrow the democratically elected government of Salvador Allende in Chile. Chilean graduates of the AIFLD, such as Jorge Guerrero, as well as AIFLD-created unions organized the CIA-financed strikes which precipitated Allende's overthrow.<sup>34</sup> After the coup in September, 1973 AIFLD graduates provided DINA, Chile's secret police, with thousands of names of their fellow unionists who were subsequently subjected to imprisonment, torture, and even execution.<sup>35</sup> Not surprisingly, the Pinochet junta quickly outlawed all effective unionism in Chile. There was no protest from the AFL-CIO hierarchy.

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Victor Reuther reported that AIFLD repeated its anti-labor, CIA dirty work throughout Latin America. He summarized the results of AIFLD's training of Latin American unionists: "Obviously they were charged with AIFLD directives well soaked with both U.S. corporate and CIA juices. It was, in effect, an exercise in trade union colonialism, paradoxical as those words may seem." <sup>36</sup>

The reason Reuther added the word "corporate" is because AIFLD from its beginning has been financed, in part, by more than 90 U.S. and foreign corporations as well as the CIA. AIFLD's board chairperson since its beginning has been the multimillionaire, J. Peter Grace. The late Nelson Rockefeller, another AIFLD board member, once praised AIFLD as follows: "This Institute is one of the most daring and far-reaching plans I have seen for attacking the problems of Latin America - it is worthy of our interest and support." <sup>37</sup>

#### TARGET EUROPE

The AFL-CIO and the CIA also supported certain secret activities in Poland and Hungary prior and during 1956. Meany, Jay Lovestone (the head of the AFL International Affairs Department) and the AFL-CIO helped the International Confederation of Free Trade Unions (ICFTU) raise a special Hungarian fund of \$850,000 - most of which never reached the Hungarian people.<sup>38</sup> At the time, the ICFTU was heavily controlled by the CIA.<sup>39</sup> For many years, this influence came from Meany's friend Irving Brown, a long-time CIA labor operative.<sup>40</sup> Lovestone also worked on the Hungarian question at the United Nations through the Free Trade Union Committee, a recipient of CIA funding.<sup>41</sup>

Perhaps the most telling aspect of the CIA's involvement in Poland and Hungary was the fact that it was carried out in conjunction with Nazi General Reinhard Gehlen and his intelligence agents.<sup>42</sup> At the time, Gehlen was receiving between \$5

Throughout their careers, Meany, Lovestone, Irving Brown, and other AFL-CIO officials denied working for the CIA or even receiving money. They repeated their denials even after exposure by former CIA officer, Thomas W. Braden who personally handed CIA money to Brown; and revelations by fellow AFL-CIO official, Victor Reuther.

Their denials, however, ring hollow for two important reasons. First, the CIA secretly read the mail of Meany, Lovestone, and others in order to monitor their handling of CIA money. Secondly, Meany and the others were very likely pledged to secrecy and to lying about their CIA connections. Thomas Braden was asked by the New York Times why he thought Meany and the others were denying their CIA connections. He said that he assumed it was because they had pledged secrecy to the CIA.

It is also significant that Meany admitted that the CIA and he shared objectives. As he put it: "I take a great deal of pride in the work we've done overseas, and I resent the fact the CIA is trying to horn in on it and say that they have done some of it."

Lane Kirkland, secretary treasurer under Meany and now president of the AFL-CIO, even had an opportunity to expose

CIA labor operations when he was appointed to the Rockefeller Commission on the CIA. At the time of his appointment, Kirkland promised to "deal with the facts as I see them;" and said: "I want no part in any domestic secret police operation in this country." When asked about reports that the AFL-CIO had received CIA money, Kirkland said: "The CIA has not been involved in the funding at all." The Rockefeller Commission report did not even mention CIA involvement in labor, and Kirkland later served with Nelson Rockefeller at the CIA-involved AIFLD and with David Rockefeller at the Trilateral Commission.

Lane Kirkland is also a member of the U.S. Atlantic Council which is chaired by a former Union Carbide Corporation president, Kenneth Rush. The Council is a strident, right-wing support organization of NATO. Kirkland serves on the Atlantic Council along with: CIA Director William Casey; the president of the New York Stock Exchange, William McChesney Martin; Henry Kissinger; CIA official, Lincoln Gordon; Jay Lovestone; Henry Cabot Lodge; J. Allan Hovey, Jr., a former vice-president of Radio Free Europe; and known former CIA officers Robert R. Bowie, Richard M. Helms, Kermit Roosevelt, and Joseph J. Sisco.

million and \$6 million a year in CIA money.<sup>43</sup> Gehlen, while in the employ of the CIA, had also been involved in anti-Communist riots in East Germany in 1953. At the trials of his captured agents, according to The Nation, East German officials produced lists of names they said were being carried by Gehlen's agents. Reportedly, these names were anti-Nazi West Germans marked for assassination by Gehlen's agents.<sup>44</sup>

The AFL had also earlier collaborated with the Nazis in Germany and pro-Nazis in France. Jay Lovestone had recommended Nazi pilots for carrying out the Berlin airlift.<sup>45</sup> In France, Irving Brown had engaged in dual unionism. Meany later admitted this divisive work. He said: "We financed a split in the Communist-controlled union in France. I say we financed this split - we paid for it. We sent them American trade union money; we set up their offices, we sent them supplies and everything else so we could weaken the Communist front." <sup>46</sup>

What Meany did not mention was that Brown worked with pro-Vichy French unionists who had accommodated the Nazis during World War II.<sup>47</sup> In France, Brown also collaborated with Pierre Ferri-Pisani and his Mafia thugs. Brown passed CIA money to Ferri-Pisani to pay his gangs to physically attack French workers on strike in Marseilles.<sup>48</sup> Ferri-Pisani also used his CIA money to finance his illegal drug operations.<sup>49</sup>

#### ULTERIOR CORPORATE MOTIVES

It is significant that the original AFL/CIA labor operations could not even be justified as a response to Soviet advances, according to labor historian Henry W. Berger.

"It is important to emphasize that AFL agents were proselytizing in Latin America, Asia and Europe well before it can be seriously argued that the Soviet Union was in any active sense intervening in those areas on behalf of Communist labor leadership. Soviet support and direction came after local Communists were already involved in unions on their own, as in France and Italy. Moreover, as even conservative journalists reported, the Communists in Western Europe were quite moderate and cooperated with non-Communist groups until 1947, when East-West relations turned exceed-

ingly cold. The AFL intervened vigorously prior to these developments and did so on its own initiative. The intervention was surreptitious and designed to undermine labor elements already in existence or emerging from the chaos of World War II."<sup>50</sup>

Labor historian and unionist Sidney Lens reported the following.

"The Communists far from being obstreperous, were quite moderate....They were so intent on rebuilding Europe's shattered economies that they impressed even Joseph Alsop [CIA journalist], who attributed the reconstruction of France in great measure to 'the enthusiastic collaboration of the French Communist Party.'" <sup>51</sup>

During detente (which Meany and the AFL-CIO hierarchy avidly opposed), the CIA labor operations continued and even escalated. As The New Republic observed in May, 1967: "Far from tapering off as the cold war began to subside, the apparatus reached out for new minds to conquer. Only last week, it was learned that from early 1963 through 1965, CIA had put \$526,500 into a subsidiary of the Cooperative League of the USA to finance overseas activities." <sup>52</sup>

#### BUSTED IN THE U.S.A.

The AFL-CIO didn't restrict its peculiar kind of unionization to other countries. Even within the U.S., the AFL hierarchy conducted campaigns against radical members - something that continues to this day. At times, the AFL went so far as to actually bust progressive unions. An example of this type of unionism is the 1954 destruction of the Fur Workers Union which was negotiating on behalf of 1,500 workers at the A.C. Lawrence plant in Peabody, Massachusetts. These negotiations were suddenly sabotaged, not by the owners, but by the Amalgamated Meat Cutters of the AFL.<sup>53</sup> The AFL petitioned the National Labor Relations Board (NLRB) to convene an election to determine whether the Amalgamated Meat Cutters or the Fur Workers should represent the workers at A.C. Lawrence. The AFL did not petition the NLRB because it felt the Fur Workers Union was inadequately representing the workers. It petitioned the NLRB because Fur Workers president, Benjamin Gold had been convicted under the anti-worker Taft-Hartley



Act which even President Harry Truman had vetoed. Under the guise of fighting communism, the Taft-Hartley Act was a law to destroy effective unionism in the United States. It was this anti-union law that the AFL was using against another union.

The CIA, at least indirectly, intervened in this labor dispute in the person of Walt W. Rostow, brother of Eugene Rostow. Walt Rostow is a former member of the OSS. In 1954, he was working for the CIA's Center for International Studies (CIS) at the Massachusetts Institute of Technology (MIT). Rostow had founded the center which was established with CIA money.<sup>54</sup> It was Rostow whom the Massachusetts Special Commission called in to testify about the alleged donations by the Fur Workers to "Communist" unions in Europe and to U.S. organizations listed as subversive by the U.S. Attorney General.<sup>55</sup> This "expert" testimony along with the commission's grilling interrogations of Fur Workers officials led to the destruction of the union and its replacement by the Amalgamated Meat Cutters, AFL. Shortly afterwards, a purge was undertaken by the AFL and more than 100 unionists were expelled.<sup>56</sup>

#### THE MAN

The nature of George Meany as a unionist left much to be desired. The same is true for his protege and successor Lane Kirkland. By all accounts, Meany ruled the AFL, and later the AFL-CIO, autocratically. He had never walked a picket line or conducted a strike. As early as 1944, Meany described what he said was the typical American union member: "He believes in free enterprise and capitalism and wants to earn a piece of it. He believes in private property and wants to have some of it."<sup>57</sup>

In 1972, Meany was asked why there had been a proportionate decline in the unionized percentage of the U.S. labor force. "I don't know, I don't care,"<sup>58</sup> he answered. Meany was then asked if he would prefer to have a larger percentage of the work force unionized. "Not necessarily," he replied. "Why should we worry about organizing groups of people who do not appear to want to be organized? If they prefer to have others speak for them and make the decisions which affect their lives, without effective participation on their part, that is their right."<sup>59</sup>

"George Meany is one of the finest men I know."

FBI Director J. Edgar Hoover  
Washington Post, November 1970

Meany's autocratic behavior was seen in his dealings with the World Federation of Trade Unions (WFTU) and the International Confederation of Free Trade Unions (ICFTU). On June 25, 1949, Meany, Lovestone, and James B. Carey, secretary treasurer of the CIO (which was then separate from the AFL) met in Geneva, Switzerland with the State Department's labor attaches in the Marshall Plan countries to plan the launching of the ICFTU as an anti-Communist counter to the WFTU. Meany and Lovestone undertook this action with no input from rank-and-file unionists. Carey had earlier withdrawn the CIO from the WFTU without even a prior meeting of the CIO Council to decide on the withdrawal. The ICFTU was established in 1949. According to former CIA officer, Philip Agee, the ICFTU was a "labour centre set up and controlled by the CIA to oppose the ...WFTU."<sup>60</sup> Shortly after the creation of the ICFTU, Carey addressed a conference of conservative organizations in New York and said: "In the last war we joined the Communists to fight the fascists; in another war we will join the fascists to fight the Communists."<sup>61</sup> (emphasis added)

In another instance of autocratic behavior, Meany, without consultation with the AFL-CIO Executive Council supervised the walk-out of U.S. delegates from the International Labor Organization (ILO) when it elected the Polish delegate, Leon Chajnski as its chairperson on June 1, 1966. At the time, AFL-CIO Executive Council member, Walter Reuther issued the following statement on behalf of the international board of the United Auto Workers (UAW) union:

"The board instructed me to protest... the denial of the democratic process in the making of the decision to withdraw from the conference (ILO)... The action of the delegates in walking out was unwise, undemocratic, contrary to established AFL-CIO policy, and unauthorized by any AFL-CIO body with authority to change that policy."<sup>62</sup>

Sidney Lens has aptly described the undemocratic character of the AFL-CIO hierarchy.

"In the last thirty years the 13 million members of the AFL-CIO have never had

the opportunity to vote on any issue of foreign policy, have never been consulted as to their wishes. Contrary to the popular image, the AFL-CIO is not a union as such, to which workers belong directly... The AFL-CIO is a federation of unions, it does not have members but 'affiliates' - 116 of them. The men with power at its biennial conventions are ... the self-designated top leaders of the national unions (the 'affiliates'). Neither local union leaders nor rank-and-filers have any say..." 63

#### THE AFL-CIO AND THE LABOR DEPARTMENT

As part of their international program and work with the CIA, Meany and Jay Lovestone also took over the international operations of the U.S. Labor Department. (As Joseph Goulden put it: "The Central Intelligence Agency also displayed a keen interest in the labor attache and other union programs." 64) In fact, in December, 1954 U.S. Secretary of Labor, James P. Mitchell created a working group on overseas labor matters which included representatives from the Labor Department, the Pentagon, the Foreign Operations Administration, and the CIA. 65 On December 28, 1954, Cord Meyer, Jr. was appointed the CIA's representative by then-CIA Director Allen Dulles. 66 Meyer at the same time was directing the CIA's worldwide labor operations and became Lovestone's CIA supervisor. 67

Under Mitchell's working group training programs were conducted in the U.S. for foreign unionists. The purpose of these programs was described by a task force of the Commission on Organization of the Executive Branch of the Government, chaired by former U.S. President, Herbert Hoover. "It is primarily a technical cooperation program under which overseas free trade union officials and workers are brought here for indoctrination, and United States labor teams are sent overseas. One of the program's principal objectives is to eliminate the Communist influence from foreign unions and to strengthen non-Communist as

"America has traditionally been an open society with no fixed class system ... Those who speak of the 'working class' or the 'middle class' are using terms borrowed from European models."

Lane Kirkland

AFL-CIO News, 8/9/80

against Communist-controlled organizations." 68 The task force report further noted that the program was run by the Foreign Operations Administration (FOA) - the predecessor agency to the Agency for International Development (AID) which now funds similar labor operations of the AFL-CIO and has fronted for the CIA - and that the FOA was administered in "cooperation" with the CIA, the A.F. of L., the CIO, and the Labor Advisory Committee.

For many years Jay Lovestone chose all U.S. labor attaches assigned to foreign embassies. 69 Richard L.-G. Deverall, a CIA labor operative who worked for Lovestone described the undemocratic effects of the AFL-CIO-dominated labor attache system, which continues to the present time. According to Deverall, the work of these attaches is marked by "(a) the use of a trade union card... in order to secure information which would normally be regarded as the fruit of espionage; (b) the use of trade union member attache's and/or government funds in supporting or even buying up trade union centers so that they follow policies formulated not by trade unions but by a government...and (c)... the selling of government policy... Classic examples of such activities can be found in... Japan, where corrupt elements within the right-wing labor movement are given trips to America purely because they express pro-American sentiments to the labor attaches; or in the Philippines, where the U.S. Embassy has from the beginning supported a strange collection of gangsters, gamblers and parasites" in the Philippine central labor federation because "they can be controlled and are subordinate to British-American policies..." 70

An intermeshing of the AFL-CIO, the U.S. Labor Department, the United Nations (Meany was, at one point, a U.N. delegate), and the CIA was seen in 1958 when the AFL-CIO brought about a U.N. investigation of forced labor. At the time, CIA Director Allen Dulles agreed with Labor Secretary James P. Mitchell that "it would be most advantageous to our mutual interests to coordinate our efforts" with the U.N. To this end, Dulles assigned CIA officer, James E. White as liaison with the Labor Department and promised that White "will have available to him the results of regular and systematic analysis of all pertinent materials known to this agency." 71 Under the CIA hand, the U.N. did not investigate the forced labor in countries

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The CIA also used students in relation to their operations with unions. In fact, both labor and student operations were under the CIA's International Organizations Division first headed by Thomas Braden, then Cord Meyer. One point of contact was the World Assembly of Youth (WAY), a CIA-involved organization which had consultative status with U.N. agencies including the International Labor Organization (ILO).

Within its International Organizations Division, the CIA also funded and controlled overseas operations of the U.S. National Student Association (NSA) which was at the same time receiving money from the AFL-CIO. In 1967, NSA representative, Roger Pulvers, was suddenly "pulled out" of Krakow University in Poland just before the exposure of the CIA's involvement with the NSA. Possible CIA involvement on the part of Pulvers was suggested by the fact that his withdrawal was initiated by Phil Stearns, a witting collaborator within the NSA.

like Guatemala (referred to by Romualdi) where the CIA had created governments which instituted forced labor.

The graduates of the AFL-CIO/Labor Department/CIA training programs have gone on to establish anti-worker governments and company unions run by corrupt bureaucracies from Honduras to Indonesia. In effect, many of these graduates have served as Trojan horses, often dispersing CIA money, with a secret agenda for installing an AFL-CIO bureaucratic leadership in their own unions. A number of Eastern Europeans, including Polish unionists, have attended U.S. Labor Department training courses in Washington, D.C. They include the following persons:

Eastern Europe: Huba Bruckner (in the U.S. from 6/74-12/74); Jan Cermak (10/73-11/73); Pavol Dujnic (11/72-2/73); Sandor Farago (8/72-9/72); Milan Fundarek (8/72-12/72); Margarit Georgiev (11/73-12/73); Laszlo Ivanyi (10/72-12/72); Otakar Jelinek (3/73-5/73); Imre Nagy (1/73-7/73); Maria Onofrei (12/73-12/74); Janusz Pienkowski (8/73-11/73); Pal Quittner (8/72-9/72); Miklos Rabar (9/72-12/72); Alfonz Rabenseifer (10/73-11/73); Jerzy Rafalowicz (11/73-6/74); Josef Schorcht (3/73-4/73); Witold Staniszkis (8/73-5/74); Ota Sulc (3/73-4/73); Zoltan Szekely (10/73-4/74); Geza Szomolanyi

(8/73-5/74); Jan Zavrel (3/73-5/73); Poland: Janusz Haliszka (4/73-10/74); Miroslaw Klimer (9/74-12/74); Ryszard Lukaszewicz (8/74-2/75); Henryk J. Polcik (4/74-7/74); Josef Sroka (8/73-7/74); Czeslaw Szpacznski (11/71-6/73); A.M. Tomkalski (7/73-10/73).<sup>72</sup>

CounterSpy does not know the present whereabouts or functions of these Labor Department graduates. Whether they are working for their countries' governments or unions, it is vital for them and their fellow workers to know that they have been exposed to programs secretly exploited by the CIA for many years. This is not to say that these persons have any conscious connection to or are working for the CIA. It is to say, however, that they must be open - which they may have already been - and explain to their fellow workers their training in the U.S.

#### RANK-AND-FILE RESPONSE

At times, workers in the U.S. have protested against the international operations of the AFL-CIO. Six weeks after the CIA coup in Chile, the Santa Clara County Central Labor Council passed a resolution condemning the AFL-CIO for its activities in Latin America, and an Emergency Committee to Defend Democracy in Chile was formed.<sup>73</sup> The committee put out a call for the "complete disengagement of the AFL-CIO International Relations Department with government and business abroad" and the dissolution of the AIFLD. These resolutions were endorsed by Pat Gorman, secretary-treasurer of the 550,000-member meatcutters union and others.<sup>74</sup>

A few years later, the Inter-American Workers' Organization (ORIT), which includes among its affiliates the AFL-CIO, voted to boycott all cargoes to and from Chile because of the junta's repression of unions. Initially, Meany endorsed the boycott. Behind the scenes, however, he quickly conspired to sabotage the boycott. Reportedly, most of the negotiations (to prevent the boycott) with the Chilean junta were carried out by Peter Grace, a friend of Meany's who was once a major investor in South America and the president of the W. R. Grace and Co. Following these meetings with the junta, as opposed to the Chilean unionists, Meany, in effect, unilaterally cancelled the rank-and-file-endorsed boycott.

Lane Kirkland is now faced with a new,

growing opposition to AFL-CIO programs. This time the issue is Kirkland's aid to Polish unionists. U.S. unionists do not begrudge aid to Polish unions. They have, however, called upon Kirkland and the AFL-CIO to initiate job actions and financial support for the South African unions as has been done for Polish trade unionists. Resolutions to this effect have been passed by the Northern California Chapter of the Coalition of Black Trade Unionists; the 17,000-member Local 2, Hotel and Restaurant Union AFL-CIO in San Francisco; Local 10 of the International Longshoremen's and Warehousemen's Union (ILWU) in San Francisco; the 150,000 member California State Council of the Service Employees International Union; and several unions in Alameda County. One of the resolutions points out that "Polish workers have had and continue to have trade union recognition and do engage in collective bargaining while black workers in South Africa and Namibia are prohibited from forming or joining trade unions of their own choice."

One doesn't have to be a prophet to predict that Kirkland will not organize a fund to aid workers in South Africa.<sup>75</sup> AFL-CIO aid has always been selective. It has served U.S. corporate interests and has often been given in collaboration with the CIA. AFL-CIO aid has always been interventionist, and its support for the new Polish unions has to be seen against this background. It is in the interest of all Polish workers to realize these facts as well as American workers who might want to replace the AFL-CIO hierarchy with rank and file control.

#### FOOTNOTES

- 1) AFL-CIO Press Release, 9/4/80, p.2.
- 2) *ibid.*
- 3) Detroit Labor News, 9/18/80, p.1.
- 4) AFL-CIO News, 9/6/80, p.3.
- 5) Washington Star, 12/3/80, p.A-8.
- 6) *ibid.*
- 7) *ibid.*
- 8) Joseph Goulden, Meany, Atheneum, New York, 1972, p.223.
- 9) *ibid.*
- 10) *ibid.*
- 11) *ibid.*
- 12) *ibid.*, p.224; Philip Agee, Inside the Company: CIA Diary, Penguin Books, Harmondsworth, Middlesex, England, 1975, p.620.
- 13) cf supra, #8, p.224.
- 14) *ibid.*
- 15) Serafino Romualdi, Presidents and Peons, Funk and Wagnalls, New York, 1967, p.244.
- 16) cf supra, #8, pp.224-225.
- 17) cf supra, #15, p.245.
- 18) Mike Klare and Nancy Stein, "Secret U.S. Bomb School

- Trains Third World Police Agents", American Report, 11/26/73, p.1; Labor News, Amnesty International USA, August 1980, pp.1,3,4.
- 19) cf supra, #8, p.220; The David Frost Show, Westinghouse Broadcasting Co., 10/7/71.
- 20) as quoted in cf supra, #15, p.418.
- 21) cf supra, #8, p.5.
- 22) Victor G. Reuther, The Brothers Reuther and the Story of the UAW, Houghton Mifflin Company, Boston, 1976, p.425.
- 23) *ibid.*, p.421.
- 24) cf supra, #8, p.152.
- 25) cf supra, #22, p.421.
- 26) cf supra, #8, p.377.
- 27) as quoted in cf supra, #22, p.419.
- 28) cf supra, #22, p.419.
- 29) *ibid.*
- 30) *ibid.*
- 31) Sidney Lens, "Limestone Diplomacy", The Nation, 7/5/65, p.27.
- 32) as quoted in cf supra, #22, p.420.
- 33) *ibid.*
- 34) Sidney Lens, "Partners, Labor and the CIA", The Progressive, February 1975, p.39.
- 35) Fred Hirsch and Richard Fletcher, The CIA and the Labor Movement, Spokesman Books, Nottingham, England, 1977, p.29.
- 36) cf supra, #22, p.418.
- 37) as quoted in cf supra, #15, p.419.
- 38) cf supra, #8, p.276.
- 39) Philip Agee, Inside the Company: CIA Diary, Harmondsworth, Middlesex, England, 1975, p.611.
- 40) *ibid.*, p.603.
- 41) cf supra, #8, p.276.
- 42) Fred Cook, "The CIA", The Nation, 6/24/61, p.553.
- 43) *ibid.*, p.552.
- 44) *ibid.*, p.552.
- 45) cf supra, #31, p.14; New York Times, 10/26/68.
- 46) as quoted in cf supra, #8, p.129.
- 47) Paul Jacobs, "How the CIA Makes Liars out of Union Leaders", Ramparts, April 1967, p.27.
- 48) cf supra, #22, p.412; Thomas Braden, "I'm Glad the CIA is 'Immoral'", Saturday Evening Post, 5/20/67.
- 49) cf supra, #22, p.412.
- 50) Henry W. Berger, "American Labor Overseas", The Nation, 1/16/67, p.81.
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- 53) David Cate, The Great Fear, Simon and Schuster, New York, 1978, p.357.
- 54) David Wise and Thomas B. Ross, The Invisible Government, Bantam Books, New York, 1967, p.260.
- 55) cf supra, #53.
- 56) *ibid.*
- 57) cf supra, #8, p.465.
- 58) *ibid.*, p.466.
- 59) *ibid.*
- 60) cf supra, #39.
- 61) New York Herald Tribune, 1/20/50.
- 62) as quoted in cf supra, #8, p.381.
- 63) cf supra, #34, p.37.
- 64) cf supra, #8, p.223.
- 65) *ibid.*
- 66) *ibid.*
- 67) Washington Post, 2/25/67.
- 68) Report on Overseas Operations, Taskforce on Overseas Economic Operations, June 1955, p.8.
- 69) Dan Kurzman, "Limestone's Cold War", The New Republic, 6/25/66, p.18.
- 70) cf supra, #8, pp.136-137.
- 71) *ibid.*, p.223.
- 72) Report C190 - Accumulative FY Departures - Program Completed; Report Date June 1978 (Copies available from CounterSpy)
- 73) cf supra, #34.
- 74) *ibid.*
- 75) Indeed, Lane Kirkland recently hosted at his own home CIA agent Jonas Savimbi who collaborated with South African troops against his own people in Angola. (See John Stockwell, In Search of Enemies, W.W. Norton & Co, New York).

# U.S. Hypocrisy at Madrid Conference

by John Kelly

While the U.S. media is as usual keeping quiet about workers' struggles in the U.S., it has inundated the public with reports about "labor unrest" in Poland. In fact, it is fairly obvious that the Polish strikes have been used to stir up Cold War type anti-Communism in the U.S.

Another event, that is being used for this aim is the Conference on Security and Cooperation in Europe being held in Madrid, Spain. Members of the U.S. delegation, many of whom have CIA ties, attempt to make Poland's compliance with the Helsinki accords a major agenda item at the conference.

The AFL-CIO Executive Council, for one, issued the following statement on August 20, 1980:

"The Polish government must be reminded that certain rights demanded by the striking workers in Gdansk - freedom of expression in word and print, abolition of censorship, and access by all religious groups to the mass media - are guaranteed by the Helsinki accords signed by Poland whose compliance with the accords is a proper subject for review at the Madrid conference." <sup>1</sup>

The chief delegate representing the AFL-CIO at the Madrid conference is Executive Council member, Albert Shanker, President of the American Federation of Teachers (AFT). According to a Chicago based "dissident group" within the AFT, Substitutes United For Better Schools (SUBS), Shanker's rise to the AFT presidency was facilitated by secret police agent, Sheli Lulkin.<sup>2</sup> SUBS has also published charges that Shanker works with the CIA.<sup>3</sup> Indeed, Shanker is an ardent supporter of the American Institute for Free Labor Development (AIFLD) and a member of the Asian-American Free Labor Institute (AAFLI) both of which are involved with the CIA.<sup>4</sup> (For its part, SUBS has been subjected to secret police-type harassment, with no assistance or concern from the AFL-CIO Executive Council.)

The co-chairperson of the U.S. delegation in Madrid is Max Kampelman. His "concern" for freedom and democracy can, at best, be termed hypocritical.

20 - CounterSpy

In the 1960's, Kampelman was vice-president of the Operations and Policy Research Inc. (OPR) when it was receiving hundreds of thousands of dollars in CIA money,<sup>5</sup> and treasurer of the American Political Science Association (APSA), when the CIA-created Asia Foundation was providing it with funds.

The president of OPR at the time was Evron M. Kirkpatrick, a former intelligence officer of the Office of Strategic Services (OSS) and the State Department.<sup>6</sup> Kirkpatrick's wife, Jeane had edited the book The Strategy of Deception, which had been secretly subsidized by the U.S. Information Agency (USIA, now the International Communication Agency). This, of course, was in violation of a U.S. law prohibiting propagandizing by the USIA in the U.S.

Kampelman's anti-Communist diatribe, "Communists in the CIO" was published in The Strategy of Deception. Jeane Kirkpatrick has now been nominated as U.S. Ambassador to the United Nations by Ronald Reagan. Kampelman, who was an aide to the late Hubert Humphrey and was appointed to his conference position under former President Carter, has been in touch with the Reagan camp and reportedly sees no problem in continuing as a U.S. delegate in Madrid.<sup>7</sup>

According to The Nation, Evron Kirkpatrick admitted that "in 1963, 1964, and 1965 OPR, Inc., received CIA money 'principally' for studies of Latin American elections."<sup>8</sup> Former government information officer Allen Boyce stated that: "OPR, to put it bluntly, supplied the agencies with potted scholarship bought from campuses around the country and has had written and got published books which, directly or indirectly, were financed by the agencies whose ends they served."<sup>9</sup> (None of these books acknowledged any governmental sponsorship.)

The OPR also reviewed and critiqued books; the reviews were then used by the USIA - which frequently fronted for the CIA - in selecting books for purchasing and distributing both in the U.S. and abroad. In 1965, OPR even received a \$25,000 grant from the State Department to

research foreign students studying in the U.S. who undoubtedly were unaware of OPR's CIA connection.<sup>10</sup> OPR submitted a report of its findings to the U.S. Advisory Committee on International Educational and Cultural Affairs.<sup>11</sup>

Even after OPR was exposed in 1967, Kampelman went on to become its director. He also became director of the CIA-involved Helen Dwight Reid Educational Foundation which replaced OPR as the publisher of Perspective magazine. The Foundation, through its Heldref Publications, produces

As if the unique qualifications of Kampelman and Shanker as delegates to the Madrid conference were not enough, there is also an "Ad Hoc Citizens Committee for the Madrid-Helsinki Review Meeting." Lane Kirkland; AFL-CIO Vice President, Martin Ward; and AFL-CIO Secretary-Treasurer Thomas R. Donahue are its leading members.

Donahue followed Kirkland as an executive assistant to George Meany and then as AFL-CIO secretary-treasurer. He is a former assistant secretary in the U.S. Labor Department. In 1957, he became European Labor Program Coordinator in Paris for the CIA's Free Europe Committee, Inc. the parent organization of Radio Free Europe. (Public Service News, Jan. 1967) Appropriately enough, Donahue served in this capacity as liaison officer to anti-Communist exile unionists from the Soviet Union and Eastern Europe. Donahue was also a member of the pro-corporate Industrial Relations Research Association and the CIA-financed Institute for International Education.

The ad hoc committee, according to the AFL-CIO News, "seeks to insure public scrutiny of the Helsinki review process, especially as it affects human rights violations and other breaches of the agreement." (AFL-CIO News, 11/15/80) Not unexpectedly, the committee has directed most, if not all of its criticisms against Eastern European countries while saying nothing about the plight of minorities and workers in the U.S. which is bound by the Helsinki accords. The committee held a meeting in November 1980 at the AFL-CIO headquarters which was to coincide with the opening of the Madrid conference. Appropriately enough, during the meeting, Thomas Donahue called Max Kampelman to get the "true picture" of the conference proceedings.

specialized magazines for students and teachers including Perspective, History and Current.<sup>12</sup>

Max Kampelman has never denied or renounced his CIA connections. On the contrary, when the OPR-CIA connections were uncovered, he issued the following statement:

"Operation and Policy Research, Inc. is a distinguished social science research organization and I am proud to be associated with it. The American Political Science Association is one of the most distinguished professional organizations in the country and I am proud to be an officer of it. To the extent that they or I cooperate or are associated with any agency of the United States in carrying out our legitimate purposes, I am proud of that association. Ours is a free and democratic government and people who have an opportunity to serve it are indeed privileged." <sup>13</sup>

The Conference on Security and Cooperation in Europe is to affirm fundamental freedoms and promote and expand cooperation across a range of cultural, professional, and scientific exchanges. Kampelman's activities in the past show that he has been instrumental in the CIA's subversion of these exchanges. Through the OPR, he allowed the CIA to infiltrate the APSA; electoral processes in the U.S. and abroad; and U.S. exchange programs. Even Kampelman's colleagues said his actions - which he continued after their criticisms - undermined the integrity and independence of their professions. The same is true for Albert Shanker. Their advocacy of "more freedom" in Eastern Europe rings hollow.

#### FOOTNOTES

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- 3) ibid.
- 4) ibid.
- 5) Washington Star, 2/19/67.
- 6) ibid.
- 7) New York Times, 11/10/80, p.A-11.
- 8) Robert Sherrill, "The Professor and the CIA", The Nation, 2/27/67.
- 9) Allen Boyce, "The Market for Potted Expertise", The Nation, 11/11/78, p.494.
- 10) Washington Post, 2/23/67, p.A-8.
- 11) ibid.
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# Buying Oman

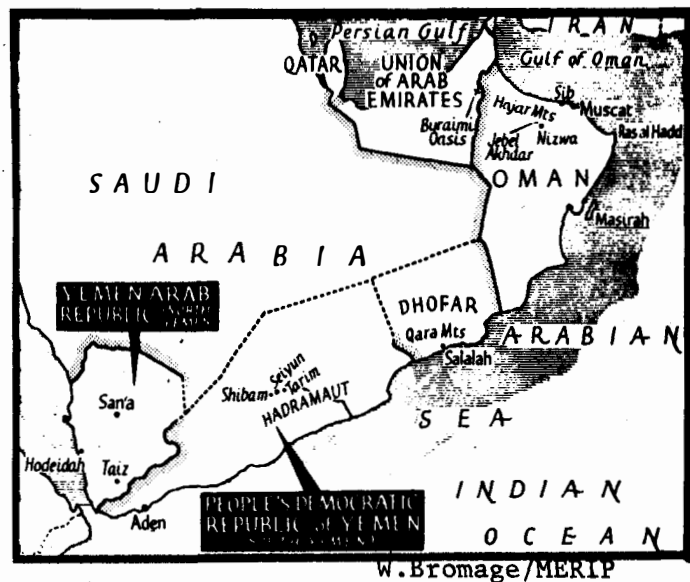
by Konrad Ege

"The Sultan Flirts with Uncle Sam,"<sup>1</sup> "A Friend in Need in Oman,"<sup>2</sup> and similar headlines have been used in the last few months to describe the friendship between the U.S. government and Sultan Quaboos bin Said, the ruler of Oman. Quaboos is praised as "the most avidly pro-American ... leader"<sup>3</sup> in the Middle East; he is the only Arab ruler (beside Anwar Sadat) who supports the Camp David accords.

Sultan Quaboos reigns over some 800,000 people who live in a country of about the size of Minnesota. Oman is strategically located on the Straits of Hormuz, through which most of the huge Middle Eastern oil tankers pass.

Quaboos has signed a number of agreements with the U.S. in 1980, including one on June 4 regarding U.S. use and expansion of military facilities in Oman. Officially, the U.S. and the Sultan describe the agreement in a very careful way and say only that it will give U.S. military planes and ships "access to airfields and ports."<sup>4</sup> The agreement was worked out largely by Quaboos and Philip Habib, a special advisor to former Secretary of State, Cyrus Vance. Its exact provisions have not been disclosed; and U.S. officials decline to comment on the possibility that there are secret attachments to the agreement. Information that has come to light, however, shows that Oman indeed has become a "steppingstone to the Gulf." Its bases complete "a chain of regional facilities that could be used under similar agreements with Kenya, Somalia and possibly Egypt."<sup>5</sup>

In fact, the U.S. military has been using facilities in Oman long before the June 4, 1980 agreement was signed. The U.S. Indian Ocean fleet has been using a base on Masirah Island to take in provisions; the airstrip on Masirah has been used for over four years for the refueling of U.S. anti-submarine patrol planes, and, since November 1979, by C-141 cargo planes to ferry supplies to the two aircraft carrier taskforces in the area.<sup>6</sup> U.S. Navy surveillance planes and other military aircraft have been using Seeb International Airport near Muscat, the capital of Oman; and an Omani



base was used in the April, 1980 military mission into Iran.

The Carter administration has gone out of its way to emphasize that the U.S. does not "intend to station any American military units in Oman" under the June 4, 1980 agreement. Former State Department spokesperson Hodding Carter suggested, however, that "a limited number of U.S. military personnel" might go to Oman in connection with U.S. arms sales to the Sultan.<sup>7</sup> Carter should have read a statement Undersecretary of Defense, Robert Komer made to a House Foreign Affairs Subcommittee on April 3, 1980. He said that the U.S. profile in Oman (as well as in Kenya and Somalia) "would be kept low" but that "there would be between 15 and 100 Americans in each place whose job it would be ... to keep ports and airfields in Oman, Kenya and Somalia ready for use by the U.S. military including the Rapid Deployment Force."<sup>8</sup>

(U.S. military personnel were in Oman even before that. In early 1975, two U.S. military advisors went to Oman,<sup>9</sup> and in September, 1979, a "ten-man U.S. military team slipped into Muscat... to spend three months assessing the nation's immediate security needs."<sup>10</sup> On January 25, 1980, the Italian *La Stampa* reported that a number of U.S. "technicians" had arrived in Oman to examine the facilities on Masirah Island.<sup>11</sup>)

Robert Komer, infamous for his brutal



counterinsurgency campaign (Operation Phoenix) in Vietnam said he was not "terribly sanguine" about present U.S. capabilities in the Middle East. He expects, though, that "by 1985 or 1986 we will have a very respectable capability in the area," and further stated that "the administration soon would ask for an undisclosed amount of money to improve these military facilities for use by U.S. forces." The "facilities" Komer was talking about include Tamarith, Masirah and Seeb airfields and ports near Muscat and Salalah in Oman; Mombasa, Embakasi (near Nairobi), and Nanyuki airfields and port in Kenya; and Berbera and Mogadishu airfields and ports in Somalia.<sup>12</sup>

Exact figures on how much it will cost the Pentagon to get these bases in Oman "ready" are hard to come by. In April, Defense Department officials said that the U.S. would have to spend some \$100 million to improve military facilities in Oman and Kenya,<sup>13</sup> while then-Secretary of Defense, Harold Brown estimated in October that the cost for bringing the facilities on Masirah Island "up to the standards required by heavy U.S. jets and cargo planes would be \$250 million."<sup>14</sup> In addition, Oman will receive \$100 million in "military and economic assistance over the next two years."<sup>15</sup> Other reports say that Oman has asked for nearly \$800 million worth of military equipment from the U.S.<sup>16</sup>

Sultan Quaboos will benefit in other ways from the U.S. interest in his country. In August, 1980 Oman's Undersecretary of the Ministry of Foreign Affairs, Yusuf al-Alawi and the U.S. Charge d'Affairs signed an agreement to set up a joint committee for economic relations which will "supervise economic and trade relations between the two countries [and] set up a permanent working group from both countries."<sup>17</sup> A joint U.S.-Omani statement was issued which said that the agreement was designed to "enhance the ability of Oman to develop its economy, and to safeguard its territorial integrity and foster peace and security in the region."<sup>18</sup>

An Agency for International Development (AID) delegation was also sent to Muscat in summer 1980, says Strategy Week. AID is expected to ask Congress to give \$20 million for fiscal years 1982 and 1983 for its Oman program.<sup>19</sup> After receiving a \$22 million World Bank loan in 1980, Oman is

expected to get another \$15 million from the bank this year.<sup>20</sup>

The U.S. Department of Commerce is also enthusiastic about business opportunities in Oman. Its official publication, Business America states that Oman is "firmly committed to private enterprise" and that the economic outlook for foreign investors in Oman is "excellent."<sup>21</sup> While it remains to be seen how much increased U.S.-Oman trade and U.S. investment in Oman will benefit the general population, one thing is certain: Sultan Quaboos and his family are going to become even richer. Business America outlines it neatly:

"Under Omani commercial law, all firms exporting goods for sale in Oman must use a local agent who is an Omani national, and agency agreements are subject to approval by the Ministry of Commerce and Industry. U.S. firms seeking local agents will find that many of the most prominent Omani firms are wholly or partially owned by members of the royal family or by high governmental officials ... [In addition] a joint venture with an Omani partner is required for firms doing business in the private sector."<sup>22</sup>

For Quaboos, the economic prospect and even more, the U.S. military commitment, is a major triumph. It ties the U.S. firmly to his regime. A spokesperson in the Omani Embassy in Washington stated in a recent interview that by obtaining military facilities in Oman, the U.S. had committed itself to Oman's defense against "external and internal aggression." The implication of the spokesperson was that the Sultan might become involved in a war in the near future. The truth is, however, that he is presently involved in a war. It is the war of the Peoples' Front for the Liberation of Oman (PFLO) against the Sultan and his army.

This war began in 1965, at a time when Quaboos' father, Sultan Said bin Taimur, was still in power. He had been termed "one of the nastiest rulers the world has seen for a long time."<sup>23</sup> Under his rule, slavery was an institution; he discouraged health services and education (in fact, closing down the three (!) schools in Oman in 1970 because they had become "centers of communism") and kept the people of Oman, especially in the southern region of Dhofar, in utmost poverty.

Said bin Taimur came to power in 1932, aided by the British colonialists who vir-

tually reigned in Oman during his rule until 1970. In the 1960's, for example, all but one of his advisors were British; the Army was commanded and supplied by the British, and all of Oman's foreign relations were handled by the London trading firm, Kendall & Co.<sup>24</sup> From 1957 to 1959, the British army was instrumental in suppressing an uprising in the Omani interior which rebelled against the presence of the Sultan's and British troops and demanded independence.

Even though this rebellion was crushed, it has been a great inspiration for subsequent struggles in Oman. Eventually, the conditions for a new confrontation matured, particularly in the southern province of Dhofar, where the repression was especially violent. Dhofar, with its 200,000 inhabitants, was heavily taxed and kept as a private colony of the Sultan.<sup>25</sup> In 1964, the Dhofar Liberation Front (DLF) was formed out of three organizations, the Dhofar Benevolence Society (a humanitarian organizations), the local branch of the Arab Nationalist Movement (ANM) and a group called Dhofari Soldiers. On June 9, 1965 the DLF launched the armed struggle with the aim of establishing a free Dhofar independent from Oman and British colonialism. The Sultan and the British tried to crush the revolt with Vietnam-style punitive measures against the whole population, which included an economic blockade, banning of all travel for Dhofaris, and encircling the coastal towns of Dhofar with barbed wire. At the time, all officers in the Sultan's army, including the Secretary of Defense, were British, while most of the soldiers were mercenaries from Pakistan, Jordan, and other Middle Eastern countries.

In 1968, the DLF held its second congress, and changed its name to the People's Front for the Liberation of the Occupied Arabian Gulf (PFLOAG). PFLOAG's aim was no longer to liberate Dhofar alone but rather all of Oman and the other Gulf countries by uniting all the different opposition movements. PFLOAG adopted the ideology of scientific socialism. Its military success was stunning, and it established huge liberated areas in Dhofar. A popular program, centering on health work, education, improvement of the economic conditions, the improvement of the situation of women, and political organization of the population resulted in strong popular support for PFLOAG. The success of the

National Liberation Front in what was to become the People's Democratic Republic of Yemen added to its progress; and in 1970, fighting spread to the northern part of Oman where the National Democratic Front for the Liberation of Oman and the Arabian Gulf (NDFLOAG) started the armed struggle.

For the British colonialists this was a serious development. So, in July 1970, British intelligence staged a coup: Sultan Said bin Taimur was ousted, flown to Britain, and replaced by his son, Quaboos, who now rules Oman. Quaboos was first able to diffuse some of the opposition by his "liberal" image. However, his "reforms" - if there were any at all - were very limited, and even U.S. News and World Report described Oman as a country "lacking even rudimentary democratic institutions."<sup>26</sup> Indeed, Quaboos told the London Financial Times that even token tribal assemblies like those in Saudi Arabia and the United Arab Emirates were a "time-wasting way of running a modern state."<sup>27</sup>

Quaboos tried to bribe the Dhofaris and other tribes with his newly-acclaimed oil wealth, but this strategy didn't work. The PFLOAG united with NDFLOAG in 1971, and the British were forced to carry out two massive military operations in October 1971 and spring 1972 in an unsuccessful attempt to cut the Front's supply line from Democratic Yemen. However, "the increased use of British pilots and special forces (SAS) did prevent the wholesale deterioration of the Sultan's position."<sup>28</sup>

While the U.S. stayed in the background (a Pentagon team sent to Dhofar in 1972 recommended against direct U.S. involvement<sup>29</sup>), the ex-Shah of Iran with his U.S.-supplied and trained troops sent 3,000 special units into Oman in December 1973 after another U.S. client, Jordan's King Hussein, had already sent several thousand troops. The Shah's Air Force, and the British Air Force staged repeated bombing raids into the liberated areas of Dhofar. Jordanian intelligence experts were actively recruiting Omani's for the Sultan's army, which at that time consisted in large part of mercenaries.

Combined attacks by these forces on the Front continued through 1974 and 1975. Estimates of the number of Iranian troops in Oman ran up to 11,000. The large scale bombing attacks by the British Air Force were mainly directed against the civilian population in order to force them out of the mountainous region of Dhofar, thus

depriving the Front of their grassroots support.

In its 1974 congress, the Front, having analyzed the new military situation, changed its tactics. PFLOAG was divided into autonomous units, and in Oman, the People's Front for the Liberation of Oman (PFLO) was formed.

Given the overwhelming military superiority of the Sultan's forces led by the British, and aided by thousands of Iranian and Jordanian troops, the PFLO was forced to evacuate the liberated areas in 1975 and moved into Democratic Yemen. On December 11, 1975 Sultan Quaboos announced complete military victory.

The U.S. role in Oman had become more and more substantial towards the end of the war. Iran and Jordan, of course, were supplied mainly with U.S. weapons. King Hussein and other Jordanian officials frequently traveled to Oman. Hussein's U.S.-trained intelligence service played an important role in supplying and supporting the Sultan's mercenary army. MERIP Reports wrote in April, 1975 that "a force of recently 'retired' U.S. veterans of helicopter warfare in the Vietnamese highlands have been training Iranian units... in 'combat assault in coordination with ground troops...' 30

It should also be noted that former CIA Director William Colby visited Oman in late September or early October 1974,<sup>31</sup> and his predecessor and then-ambassador to Iran, Richard Helms, went to Oman in early December 1974.<sup>32</sup> The Economist Foreign Report wrote on February 3, 1972 that Quaboos has been receiving secret subsidies from the CIA since 1971.<sup>33</sup> The CIA money was used by the Sultan to organize his police, which is a powerful paramilitary force. It numbers over 5,000 members. The main issues the police deals with are "not ordinary crime but political terrorism and subversion, and the public security branch has developed a high capability of dealing with these threats. In the mid-1970's, a few Omani police officers received training in the United States in such fields as airport security and defusing terrorist bombs." 34

Since Quaboos announced his "complete victory" in December 1975, he has continued to receive massive outside support to stabilize his regime. In July, 1976, Britain withdrew its forces from Oman, and Drew Middleton of the New York Times lamented that without British troops in

place, "the West's only answer to a critical situation is armed intervention." 35 At the same time, it was announced that the withdrawal would not "affect pilots and other British servicemen attached to the Omani airforce." 36 In spite of this "withdrawal", it is estimated that there are still some 600 British military personnel in Oman.<sup>37</sup> The PFLO charged that by 1979, the number of British troops and military advisors had gone up to 1,350.<sup>38</sup> In October, 1979, New Africa magazine (London) revealed that a group of Rhodesian pilots were trained by British officers in Oman in the use of U.S. Huey helicopter gunships. (The helicopters reached Rhodesia via Israel.) The magazine indicated that the training course as well as the helicopter transfer to Rhodesia was arranged by former British officer Tim Landon. He is said to have organized the 1970 coup which brought Quaboos into power, and has been his chief intelligence officer since then.<sup>39</sup>

To this date, the British have remained the chief arms suppliers of Oman. In March 1976, for example, the Sultan purchased an estimated "\$48 million worth of radar and communications equipment from BAC's Guided Weapons Division to be used in conjunction with earlier purchases of tactical weapons systems." Marconi Communications System will provide a communications network which will be used to "pass processed data from radar sites... to the main Air Force operations center." 40

In the future, the U.S. Department of Commerce predicts, U.S. corporations will be able to pick up a larger share of the security market.<sup>41</sup> Already, some corporations have received lucrative contracts. E-Systems, Inc., announced in June 1977 that its Montek Division in Salt Lake City (Utah) had received a \$1.4 million contract to provide radio aids for air navigation. Hercules, Inc. of Wilmington (Delaware) won two ammunition contracts worth \$8.8 million from Oman and several other countries. In January 1975, shortly after Quaboos visited Washington, it was announced that he was being supplied with 180 Hughes TOW surface-to-surface missiles worth \$1.3 million as well as a "modest" number of helicopters.<sup>42</sup> Other U.S. suppliers to Oman during the 1974-79 period have been Cadillac Gage Co. of Detroit (Michigan) (V-100 armored personnel carriers) and Bell Helicopter of Fort Worth (Texas). Pan American Airways still runs

Seeb and Salalah airports, which are both used for civilian and military purposes. The U.S. Federal Aviation Administration "provides personnel, licensing, communications, and facilities planning assistance." 43

Meanwhile, the Omani economy is in shambles. At times the Sultan spends up to 50 percent of the total national expenditure for the military. Army, Navy and Air Force combined include some 20,000 personnel - a sizable number for a country with less than one million inhabitants. However, it is expected that the Sultan will continue his military policy; a wealthy donor has come to his aid: Saudi Arabia. The New York Times wrote that it "is taken for granted" in Oman that "Saudi Arabia will pay for much of the projected American and other Western military assistance." 44 (In October 1980, General David Jones, Chairman of the Joint Chiefs of Staff, travelled to Saudi Arabia and subsequently went to Oman.)

Saudi Arabia is already paying for a 600 mile highway that will connect Muscat with the Dhofar region for the first time. Undoubtedly, the project has great strategic significance. Egypt has also become one of Oman's benefactors. Egyptian government

officials have frequently travelled to Oman since the Shah's regime collapsed in Iran. The PFLO stated that in the spring of 1979 several thousand Egyptian soldiers were sent to Oman (this was also reported in several Middle Eastern papers) and that on February 1, 1980, 6,400 Omani troops conducted military maneuvers in Dhofar together with approximately 2,000 Egyptian and U.S. troops.<sup>45</sup> Both the U.S. and Egyptian governments denied this charge.

Furthermore, the Reagan administration is likely to increase the U.S. presence in Oman. Reagan's National Security Advisor Richard Allen, for one, has repeatedly emphasized that facilities and bases are "not the same thing" and spoken out for the need for U.S. military bases in the Middle East.<sup>46</sup> Likewise, Admiral Thomas Moorer and Alvin Cottrell of the Georgetown University Center for Strategic and International Studies (CSIS, which has very close ties to the Reagan administration) have pointed out the need for U.S. bases in the Middle East. They particularly emphasize the role of Oman. Oman "offers one of the most important strategic footholds on the Arabian peninsula..." The island of Masirah "could be used as a

## Women and the Revolution in Oman

Special Issue of 'News from Oman and Southern Arabia' (former 'News from Oman'), No 36, November 1980. 57 pages with many photos.



This special issue is a contribution to the understanding of the role of the Omani women in the revolution. The participation of women in the revolution has been shifting in strength and changing in character concurrently with the changing conditions during the various phases of the Omani Revolution. Therefore this special issue starts with a comprehensive analysis of the background and development of the liberation struggle under the leadership of the Peoples Front for the Liberation of Oman (PFLO) and its present situation. Then follows a detailed analysis of the traditional role of the Omani women, her role in the various phases of the liberation struggle, and of the impressive results which have been achieved. Special emphasis is put on the work of the Omani Womens Organization. To illustrate the general analysis this special issue brings 2 interviews with revolutionary Omani Women.

Send \$ 2 / £ 1 or equivalent, and we will send you (postpaid) 'Women and the Revolution in Oman' + 2 other current issues. Add \$ 1 / £ 0.50 if you pay by check. Enclose payment with order to  
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staging base for U.S. Marine forces... More generally, Oman... is well situated for the positioning of supplies and spare parts for U.S. forces in the region.... A clear quid pro quo for the use of facilities in Oman would be the commitment of U.S. military support for the Sultan in the event of a new flaring of the rebellion in the Dhofar region... Merely a U.S. military presence in or near Oman might do much to deter a revival of the Dhofar insurgency." 47

The U.S. is about to replace England as the dominating neo-colonial power in Oman. Therefore, there is a good chance that the U.S. will be involved directly in a war in Oman. Contrary to what the Sultan would like to believe, the PFLO is still alive. The main forces have moved into Democratic Yemen. In a speech on the 15th anniversary of the Omani revolution in June, 1980, Abdel Samad, a member of the Executive Committee of the PFLO stated that, in spite of military and political setbacks, the PFLO has not been defeated: "Let us struggle to rebuild ourselves, ideologically, politically and militarily and to continue the revolutionary war."

#### FOOTNOTES

- 1) MacLeans, 5/26/80, p.29.
- 2) Newsweek, 12/1/80, p.46.
- 3) ibid.
- 4) New York Times (NYT), 6/6/80, p.A-9.
- 5) Washington Post (WP) 10/11/80, p.A-21.
- 6) MERIP Reports, #90, p.11.
- 7) Gulf Mirror (northern edition), 6/7-13/80, p.1.

- 8) International Herald Tribune, 4/4/80, p.1.
- 9) cf supra, #6.
- 10) Newsweek, 9/24/79, p.61.
- 11) as quoted in World Press Review, May 1980, p.42.
- 12) cf supra, #8.
- 13) Facts on File, 4/28/80, p.303.
- 14) cf supra, #5.
- 15) cf supra, #13.
- 16) DMS Market Intelligence Report, Foreign Military Sales, summary Oman, 1980, p.8.
- 17) Times of Oman, 8/21/80, p.1.
- 18) as quoted in Times of Oman, 8/21/80, p.1.
- 19) as quoted in Middle East Economic Digest (MEED), 8/1/80, p.29.
- 20) MEED, 8/15/80, p.27.
- 21) Business America, 7/14/80, p.28.
- 22) ibid., p.29.
- 23) MERIP Reports, #36, p.11.
- 24) ibid.
- 25) News from Oman & Southern Arabia, November 1980, Special Issue: Women and Revolution in Oman. Unless noted otherwise, the description of the 15 year struggle of the PFLO is adapted from this publication.
- 26) U.S. News and World Report, 4/2/79, p.28.
- 27) as quoted in The Nation, 2/23/80, p.211.
- 28) cf supra, #23.
- 29) ibid., p.20.
- 30) ibid., p.22.
- 31) CBS Evening News, as quoted in MERIP Reports, #36, p.23.
- 32) WP, 12/3/74.
- 33) as quoted in The Nation, 2/23/80; see also WP, 9/17/75, pp.A-8, A-9.
- 34) Richard F. Nyrop, et.al., Area Handbook for the Persian Gulf States, first edition, GPO, Washington, D.C., 1977, p.406.
- 35) NYT, 7/21/76, p.2.
- 36) NYT, 7/20/76.
- 37) NYT, 1/28/80, p.A-6.
- 38) News from Oman, December 1979, #35, p.5.
- 39) ibid., pp.25,26.
- 40) cf supra, #16, pp.5-8.
- 41) cf supra, #21, p.29.
- 42) cf supra, #16, pp.5-8.
- 43) cf supra, #21, p.29.
- 44) cf supra, #37.
- 45) cf supra, #25, p.18.
- 46) Wall Street Journal, 11/25/80, p.23.
- 47) Strategic Review, spring 1980, p.36.

## Banking in and on Bahrain

by Konrad Ege

One of the best allies the U.S. government has in the Middle East is Bahrain, a 231 square-mile island in the Persian-Arabian Gulf. It lays 13 miles off the coast of Saudi Arabia and has some 250,000 inhabitants. Bahrain has served as a base for the U.S. Navy since 1949. Until the U.S. acquired "facilities" (great emphasis is placed on avoiding the word "bases") in Oman, Somalia, and Kenya in 1980, al-Jufair Naval Base in Bahrain -- headquarters of the U.S. Middle East Force (MIDEASTFOR) -- was "the only naval onshore

command between the Philippines and the Mediterranean." U.S. officials called the small naval taskforce operating out of Bahrain "a key to stability in the Gulf and the area's 40 percent of the world's proved oil reserves."

Bahrain was a British colony until 1971. It is ruled by Sheik Isa Ibn Sulman al-Khalifa. For his survival, the Sheik depends on British and U.S. aid. He leads a repressive regime, or, as a confidential CIA memorandum of March 22, 1976 words it: "He reigns industriously, providing the

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velvet glove for the family's iron grip on Bahrain." At the same time, the memo continued, "The Amir faces a significant amount of political dissidence and difficult economic and social problems."

So far, Sheik Sulman has been able to suppress "political dissidence", thanks to his British advisors. Indeed, a number of British citizens have been hired by the Sheik to run the Public Security Force, which has about 1,500 employees. It is divided into three units: the Security Force; the Special Branch; and the police. All three units are under the control of the Interior Ministry.<sup>2</sup> A U.S. government publication stated in 1977 that "The Special Branch performs both criminal investigation and political intelligence gathering. Many of the senior officers of the Special Branch and the Security Force are non-Bahraini. In 1976 British, Jordanians, and Pakistanis were responsible for many operations, particularly technical equipment and the surveillance of resident aliens. Foreign observers described the two units as particularly effective in intelligence gathering."<sup>3</sup>

The small Bahrain Defense Force is likewise virtually controlled by foreigners, mainly from England from which Bahrain gets most of its arms. Fred Halliday confirms this foreign influence: "Security in Bahrain is under the command of two long-standing British counterinsurgency experts, Ian Henderson, a veteran of the Mau Mau campaign in Kenya in the 1950's, and Maj. Gen. Jim Bell."<sup>4</sup> In short, the 1976 CIA memorandum was hardly exaggerating when it described Sulman al-Khalifa as "highly responsive to his British advisors."

While the British are still the dominant force in Bahrain, over the last ten years the U.S. government and U.S. corporations have managed to increase their influence. In 1977, a \$500,000 "U.S.-Bahrain Security Assistance Program" was launched, and ten U.S. advisors went to Bahrain.<sup>5</sup> In 1979, the State Department's Office of Munitions Control licensed the shipment of military goods worth \$694,756 to Bahrain; \$88,300 worth of the material was classified under the category "Riot Control Agent/Herbicide."<sup>6</sup> The \$694,756 amount in 1979 was a considerable increase from \$126,440 in 1978.<sup>7</sup> In addition, according to the U.S. Defense Security Assistance Agency, Bahrain received \$83,000 worth of U.S. military training in 1978.<sup>8</sup>

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U.S. influence also reaches into the economy. One of Bahrain's largest employers, the Bahrain Petroleum Company (BAPCO) is owned by Caltex and run by U.S. citizens. A number of U.S. corporations have moved their Middle East headquarters to Bahrain, drawn there by incentives extended to them by the Bahraini rulers. Bahrain is becoming a major banking center in the Middle East with tax laws extremely favorable to foreign investment; and while Bahrain's own oil production is small, the country's business establishment profits greatly from the Saudi oil wealth.

During the early 1970's, the U.S. Navy was very visible in Bahrain with the presence of as many as 1,150 U.S. sailors and dependents.<sup>9</sup> The Bahraini rulers allowed U.S. warships and planes almost unlimited access to the country. Sheik Sulman was the only Arab ruler to allow oil to be loaded for use by the U.S. forces in Vietnam during the 1967 Arab-Israeli War. During the late 1960's and early 1970's, BAPCO also supplied large quantities of aviation gas to U.S. planes raiding and bombing North Vietnam.<sup>10</sup>

During the October 1973 Arab-Israeli War, Sulman al-Khalifa told the U.S. government that the Navy had to leave. One year later, the Sheik reversed himself "reportedly after two high U.S. officials visited Iran and Saudi Arabia. The Saudis exercise considerable influence over Bahrain's foreign policy."<sup>11</sup>

However, in August 1975, Sheik Sulman informed the U.S. government that the Navy's \$4 million-a-year lease would be terminated by June 30, 1977. It appears that he was motivated by internal opposition to the U.S. presence and by criticism of other Arab countries. June 1977 came, but not much changed. On paper, the U.S. naval base was dissolved, and its operations were shifted onto the flagship of MIDEASTFOR, the U.S.S. La Salle. In spite of the official base closure, U.S. military personnel are still stationed on the ground in Bahrain. The gate to their "non-existent" facility -- which has no identification sign -- is guarded by Bahraini government security personnel, and U.S. military personnel must change into civilian clothes when they leave the facility. And, despite its "non-existence", in 1979, the U.S. government paid Bahrain \$2 million for the use of the al-Jufair base.<sup>12</sup>

After the official closing of the base in June 1977, Newsweek commented: "What's

the most remarkable about the termination of the U.S.-Bahrain agreement is how little will actually change."<sup>13</sup> The DMS Market Intelligence Report wrote about the base closing and a new U.S.-Bahrain agreement restricting U.S. access to the island: "The new agreement negotiated between the U.S. and Bahrain... is actually only a cosmetic alteration of the military situation."<sup>14</sup> In fact, the number of U.S. military personnel was only reduced and their families were sent home. Transport planes from the U.S. Military Airlift Command continue to use Bahrain airport to deliver supplies and exchange personnel. In addition, the commander of MIDEASTFOR still lives in Bahrain's capital, Manama.

*A CIA officer stationed in the U.S. Embassy in Manama, Bahrain is John F. Purinton. He was born on June 29, 1938, and has served in New Delhi, India, and in Karachi, Pakistan. In Manama, Purinton uses the cover of a "Second Secretary for Economic/Commercial Affairs". He was assigned to Manama on November 9, 1979.*

In September, 1980, the Peoples' Front in Bahrain (PFB) issued a report which further strengthened the contention that the U.S. Navy had never left Bahrain. The Front wrote the following: "In spite of the Bahraini government's refusal to acknowledge the presence of permanent U.S. military establishments, personnel of naval units in Bahrain, [the attached] documents prove [that] ... the U.S. has a permanent military presence in Bahrain (the al-Jufair Naval Base)."

To prove that point, the PFB provided a copy of a disembarkation card of a U.S. citizen, Stephen E. Baker, who gave his occupation as "U.S. Military", and his address as "U.S. Navy, Bahrain". Baker, according to the document, entered Bahrain on June 18, 1980. Another disembarkation card obtained by the PFB had been issued to Ellen Herbert. She gave her address as "U.S. Navy, Bahrain", and her occupation as "wife".

While Sheik Sulman has been sustained by the British and U.S. governments, it has not been without its cost. Over the years, there have been repeated demonstrations against the U.S. military presence in Bahrain. After the failed military mission into Iran in April, 1980, anti-U.S. demonstrations took place in Bahrain for several days when reports appeared in the press

that U.S. planes used an airfield in Bahrain in the mission.

In the 1950's and 1960's, numerous work strikes were directed at BABCO. At times the strikes expanded into country-wide strikes with the workers demanding the right to form trade unions, improved working conditions, and institution of a minimum wage. In response, the ruling family resorted to brutal repression, but to this day has not been able to crush the militant workers' movement.

In 1973, the Sheik tried his luck with "limited democracy". After the women were deprived of their right to vote, a national assembly was elected, which was highly restricted and had very little power. Still, when some members began to criticize the ruling family, Sheik Sulman shut the assembly down and hasn't tried another "experiment in democracy" since.

In dealing with the opposition movement, the al-Khalifa family has never hesitated to resort to torture and murder. A March 5, 1980 underground paper listed 76 persons who were arrested in late 1979 and put in prison.<sup>15</sup>

The Bahraini rulers are also worried about the 3,000 students enrolled abroad. In May, 1980, Education Minister Sheik Abdulaziz Mohammed al-Khalifa issued new guidelines for Bahraini students abroad. They included the Ministry's right to supervise all students and gather information "to ensure they are studying satisfactorily" and, as far as students on scholarships are concerned, "the right of the Scholarship Board to withdraw a student from his studies if he has committed a crime or moral offense, or taken part in a political activity not approved by the Government."<sup>16</sup> The Education Minister said that there "has been detectable political indoctrination, and some [students] have gone too far, particularly those studying at Kuwait and Texas, and a few in Canada." He added: "The leftists are the worst, followed by the religious extremists."<sup>17</sup>

Bahrain is a prime example of an authoritarian, foreign-dominated regime which can hold on to power only through severe repression. In turn, the repression can only be carried out with foreign assistance.

The rulers of Bahrain have managed to pacify a certain part of the population by letting them "share" the wealth from Bahrain's oil and banking enterprises, but the regime -- with all its foreign advi-

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sors who run the country -- is on shaky ground. Inevitably, the Sheiks will be forced to realize that their autocratic rule is doomed; the British will learn that they cannot have colonies forever even if they give them "independence"; and the U.S. government and corporations will be given another lesson in revolution.

#### FOOTNOTES

- 1) U.S. News and World Report, 6/6/77, p.43.
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- 3) *ibid.*

- 4) The Nation, 2/23/80, p.211
- 5) DMS Market Intelligence Report, Foreign Military Sales, 1979.
- 6) Annual Report, as required by Section 657, Foreign Assistance Act, Fiscal Year 1979, Office of Munitions Control, Department of State, Part 1, p.70.
- 7) Annual Report, as required by Section 657, Foreign Assistance Act, Fiscal Year 1978, Office of Munitions Control, Department of State, part 1, p.67.
- 8) *ibid.*, part 2, p.29.
- 9) Newsweek, 7/11/77, p.33
- 10) John D. Anthony, Arab States of the Lower Gulf: People, Politics, Petroleum, The Middle East Institute, Washington, D.C., 1975, p.60.
- 11) *cf supra*, #1, p.44.
- 12) U.S. News and World Report, 11/5/79, p.30.
- 13) *cf supra*, #9.
- 14) *cf supra*, #5, p.5.
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- 16) Gulf Mirror, northern edition, 7/5-11/80, p.1.
- 17) *ibid.*, p.2.

## Secret World Bank Document on Marcos: An Alliance Coming Apart? by Walden Bello

*(Ed. note: Dr. Walden Bello is with the Congress Task Force of the Anti-Martial Law Coalition and the Philippine Solidarity Network. The address of the Task Force is P.O. Box 2386, Washington, D.C. 20013. Copies of the World Bank documents referenced in this article are available from CounterSpy and the Asia Record, 560 College Ave., #6, Palo Alto, CA 94306.)*

*"Attached is a draft paper on 'Political and Administrative Bases for Economic Policy in the Philippines.' A luncheon seminar has been scheduled for 1230-1500 on Friday, Dec.5 to discuss it. Since the contents of the paper could be controversial, I would appreciate your treating it accordingly." (From cover letter by L.E. Hinkle, acting chief, World Bank Philippine Division)*

*"The paper's assertions are intended to... sensitize Bank staff to potential problems that could affect the viability of the Bank's approach and operations in the Philippines." (From cover note by William Ascher, Central Projects Division, World Bank)*

"Here it is," our "deep throat" in the World Bank whispered as he passed me the document in the crowded Bank cafeteria where the subsidized food for some of the world's highest paid "civil servants" makes it one of the cheapest places for lunch in Washington.

"They've prepared it for the Consulting Group meeting in January," he added as he pulled away, referring to the informal grouping of governments, development agencies, and multilateral banks that will decide the fate of future lending to the Marcos regime in Paris on January 29 and 30, 1981.

The uproar that ensued after the Congressional Task Force and CounterSpy released the document to the press confirmed what our nervous contact had told us about the explosiveness of the document. A call to the World Bank drew the angry denial that the secret paper was an "official World Bank document" together with the admission that it was, nevertheless, a World Bank study. The press officer inadvertently slipped and revealed that four governments had immediately demanded the report, but he was quick to add, "We had to refuse, on grounds of confidentiality." The

Agence France Presse correspondent informed us that Bank officials were "very angry and determined to find the leaker." Somehow, the Congress Task Force telephone number got to a number of corporations and banks, and we were soon hearing from alarmed executives eager to get their hands on the document. "We've poured quite a sum in those islands, you know," volunteered an economic analyst from a Los Angeles based bank.

#### THE ASCHER MEMORANDUM

The document that sent a shudder through international financial circles was a 14-page memo the likes of which had never before been flushed out of the World Bank. It was prepared under the direction of William Ascher, of the Bank's Central Projects Division and a "political risk" specialist at John Hopkins University. Members of the Bank's East Asia Division as well as commercial bankers contributed to its conclusions. Ignoring the usual bland technocratic jargon of Bank reports, the document bluntly confirmed the worst fears that the banks and corporations had about one of their favorite clients. It asserted that:

1) Marcos is doomed. The memo projects "increasing precariousness of the current administration, which could result in the lifting of martial law under a parliamentary system in which President Marcos, even if initially situated as Prime Minister, would have serious difficulty remaining in power, or a military government." It traces the loosening of Marcos' grip on power to "an almost universal perception in the Philippines that income distribution is deteriorating. This perception is reinforced by declining real wage rates and by the government's concurrence in the Five-Year Development Plan 1978-82 that regional disparities in income-distribution have been increasing.

"The political implication of this perception of a worsening distribution of income," continues the analysis, "has been, as one might expect, to detract from the popularity of the Marcos administration and to bring into question the sincerity and competence of the 'New Society' program... Marcos' justification of martial law, which had included the argument that the economic elite had a stranglehold over the economy through its political power, is weakened by any evidence that

the martial law arrangement cannot reverse the trend of income concentration." The Ascher memorandum points to the emergence and consolidation of a "'new ruling coalition' consisting of the Marcos family and personal associates, high-level technocrats, key bureaucrats and military officers, and some wealthy businessmen. The alliance is cemented by personal loyalty to the President and by the fact that many of these figures, even in the military, are from Marcos' home region of Ilocos."

2) World Bank programs in the Philippines have either failed or backfired. 40 percent of the Bank's loan program of \$1.8 billion between 1976 and 1980 went to "rural development". But the report states that there has been "little improvement in the administrative capacity of the bureaucracy, and hence in undertaking or even attempting rural development projects."

More central to the Bank's concerns, however, is its backing of the "industrial reform" program -- a wide-ranging effort to transform Philippine industry by dismantling protective tariffs, eliminating subsidies for local entrepreneurs, giving even more favored treatment to foreign investors, and creating more export-processing zones. This program has been designed in line with the World Bank-International Monetary Fund (IMF) prescription of "export-led industrialization" as the strategy for Third World development. The program, asserts the study, has created considerable resentment among Filipino businessmen. "In this regard," it warns, "the World Bank's imprimatur on the industrial program runs the risk of drawing criticism of the Bank as a servant of multinational corporations and particularly of U.S. economic imperialism."

3) Foreign Domination of the Philippine economy has increased sharply, partly as a result of World Bank policies. "Multinational corporations," notes the Ascher memorandum, "have become more important, and the investment-promotion efforts of the administration are attracting more investment from such companies as Ford, Shell, and American Can Company; foreign investment in 1980 will be more than five times the annual average for the previous decade."

The elimination of protective tariffs and subsidies -- the linchpin of the Bank's industrial reform program -- will result in even greater foreign control. As

the memo candidly admits, "Protectionism, one of the few bulwarks of the precarious local private entrepreneurial sector, is the major target of the liberalization program. The government has indicated that it plans to reduce the number of 'overcrowded' industries from 33 to less than ten." Only ten sectors, in other words, will enjoy some degree of protection from foreign multinational competition.

4) Political alternatives to Marcos would probably carry out nationalistic economic programs inimical to the Bank's economic prescriptions. In response to being squeezed, the local industrial sector, warns the memo, is "now using the nationalist argument to criticize the government's policy, thereby finding common ground with the more ideologically-oriented opposition centered at the universities. If nationalism is the general appeal of the opposition's attack on Marcos' economic policy, anti-American sentiment is its most immediate and growing manifestation. Even though much of recent foreign investment is in fact from Japan and Western Europe, the inflow of foreign investment has been portrayed by critics as American recolonialization."

The paper then proceeds to sketch out likely "political scenarios": "For the Philippines' political future beyond the next 3-5 years, it would be difficult to rank the likelihood of three plausible scenarios: continued control by Marcos, a restoration of democratic practices dominated by the current opposition, and military intervention. Each would imply a different atmosphere for the choice and implementation of economic policy."

The Ascher study thus comes to the Bank's excruciating dilemma: Marcos is on his way out, yet all likely alternatives would be detrimental to the Bank's interests. Military intervention against Marcos would probably result in the installation of "younger officers whose political attitudes were molded by the more radical period of the 1960's..." Thus, a successor military regime, "given its expectable preoccupation with national security and self-reliance, is likely to be at least somewhat more nationalistic in its orientation than Marcos has been."

A scenario of "restored democratic practice, under either a presidential-congressional or parliamentary system" is equally distasteful since "the nationalist position of Marcos' opposition commits them to

support nationalist legislation, even if at rather high economic costs. If not, the precarious inter-class coalition cemented by the nationalism issue would be jeopardized."

The nationalistic government would sweep away the "technocrats" who act as the most effective spokespersons of the Bank within the current administration. "The technocrats have no power base except through their connection with Marcos and his close allies, making it unlikely that they could battle back to power unless and until the new administration wants them." The memorandum predicts bleakly: "An industrial program based on foreign investment would in all likelihood come under strong attack."

The Bank, nevertheless, appears to regard either alternative as unstable and suggests that a third, more worrisome outcome is waiting in the wings: While downplaying the current strength of the New People's Army, it nevertheless warns that "it could appear as the main armed opponent of the Government if things fall apart dramatically after Marcos."

#### ANALYTICAL SHORTCOMINGS

The Ascher study is not without its shortcomings. For one, it overemphasizes the nationalist movement of the current opposition to Marcos of the local business community. At this point, the mainspring of entrepreneurial opposition is anti-Marcos rather than anti-imperialist. It is nevertheless accurate in projecting that if the current trend of foreign domination continues and the industrial reform program is implemented brutally, as planned, the business class will have no choice but to adopt a nationalist stance and close ranks with the left.

It is in its analysis of the left that the Ascher memorandum falters. But perhaps we come here against the limits of bourgeois class consciousness, which tends to downgrade the role of the masses as the key actors in history. It does not seem to be aware of the existence of the National Democratic Front, the most organized sector of the resistance, which integrates the most active mass oppositionists in the urban, rural, church, and student sectors on an anti-feudal and anti-imperialist program. It mistakenly belittles the weight of the Christian left in the Church political spectrum, though it entertains

the afterthought that "the impact of radical priests on the populace they influence may have long-term effects." Similarly, the upsurge of student activism since 1977 is attributed to economic grievances, whereas, in fact, protests over tuition rates have been mainly used as a smoke-screen for political demands such as the lifting of martial law. The biggest outpouring of student unrest in recent months has, in fact, been over a political issue and motivated by anti-imperialist politics: the National Education Act of 1980 has been targetted by student leaders as a World Bank-financed effort "to regiment Philippine education in accordance with the demands of foreign vested interests."<sup>1</sup>

The remarkable expansion of the New People's Army (NPA), even under conditions of extreme repression, to more than half of the Philippines' 71 provinces since the declaration of martial law is ignored, and one fails to see even one reference to its more obvious successes in building consolidated base areas, such as those on the island of Samar. Instead, the study falls back on such obsolete axioms of the counter-guerrilla establishment as the left "has no leader of the stature of Ho Chi Minh" or "Apparently, most Filipinos remain staunch anti-communists."

#### THE MAKING AND UN-MAKING OF AN ALLIANCE

To appreciate the significance of the document, one must see it in the context of the overwhelming political influence that the World Bank has exercised in the Philippines since the declaration of martial law on September 21, 1972

In the mid-seventies, the Philippines was designated by the Bank as a "country of concentration" to which the flow of aid in the next few years would be "higher than average for countries of similar size and income."<sup>2</sup> The designation followed an assessment that martial law was beneficial for the growth of the Philippine economy. The abolition of Congress was viewed by Bank staffers as providing the executive "with almost absolute power in the field of economic development," resulting in "a significant improvement in economic and financial management."<sup>3</sup>

At a time that Amnesty International had already come out with its famous 1976 report on torture in the Philippines, the Bank emerged as a conscious apologist for the dictatorship. A confidential memoran-

dum issued by the Philippine Division chief Michael Gould asserted: "While the country is formally under martial law, the basic strategy of the Government is to resort as little as possible to outright coercion and to broaden support through the development of effective economic programs."<sup>4</sup>

Projected in its public propaganda as a neutral, apolitical institution, the World Bank was candidly portrayed by Gould as continuing "to have a close working relationship with the Government and to play an important role in supporting the country's development effort."<sup>5</sup> He boasted that the Bank's basic economic report "proposes a broad framework for future development which the Government has accepted as a basis for future economic plans."<sup>6</sup>

Key in implementing the World Bank's plans for export-led growth and rural development were set of Ivy League-educated Filipino technocrats like Gerardo Sicat, chief of the National Economic Development Authority, and Finance Minister Cesar Virata, whose training had provided them with the same mindset as the Bank's operatives. "The Bank can play a major role," Gould asserted, "because the Government is receptive to Bank staff advice. An active Bank presence also has the effect of strengthening the position of the highly trained technical leadership in the Government and helping them to achieve policy objectives, which we endorse."<sup>7</sup>

By 1977, the Philippines had leaped to the list of the top seven recipients of World Bank loans.<sup>8</sup> Whereas between 1946 and 1973, the country had received only \$301 million in Bank loans, between 1973 and 1980, more than \$2 billion was funneled heatedly into some 47 projects.<sup>9</sup> By early 1980, another \$3 billion was on the drawing boards for the period 1982-86.<sup>10</sup>

The sharply increased World Bank funding for the Philippines was accompanied by decreased financing from the U.S. Agency for International Development (AID). The move was engineered by the Bank's dominant member, the United States, whose bilateral aid programs were coming under congressional and popular criticism for their role in propping up repressive right-wing regimes. The Gould memo explicitly tied the bigger role of the World Bank to these political developments: "We do not expect [loan] commitments from the major bilateral donors to increase in real terms during

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the coming years due to presently unfavorable political climate for foreign aid and other competing claims on their aid resources... Continued IBRD [World Bank] and ADB [Asian Development Bank] assistance on a large scale would not only help to ensure that the overall maturity structure of external debt would remain within manageable limits, but also would help the Government to increase its borrowings from Ex-Im Banks and other commercial sources." 11

Having tied itself to the political fortunes of the Marcos regime, the Bank moved into the center of Philippine political controversy. A World Bank-Marcos plan to erect the Chico River Dam complex in Northern Luzon evoked widespread resistance when it was revealed that it would displace some 100,000 Kailinga and Bontoc tribespeople and flood out 3,419 square kilometers of rice terraces that made up one of the world's most energy-efficient systems of agriculture. 12

The Bank also ventured into a minefield in its urban-development efforts. It emerged in the early seventies as the most influential backer of the Marcos plan to create a "Metro-Manila Government" that would centralize the administrative and political authority of 13 separate cities and municipalities. "The Bank strongly supports the establishment of a Metropolitan Manila Government," World Bank officer George Votaw stated in 1975, "and we stand ready to assist the Government with technical assistance and financing to tackle questions of organization and management, fiscal policy, programming and budgeting." 13

It thus assisted directly in scrapping what remnants of local control remained after the declaration of martial law, and concentrating power in the hands of the Marcos family -- something that became very clear when the dictator appointed his wife, Imelda, to the governorship of the area, which is the Philippines' richest region.

When the Bank and Marcos moved to relocate 2,000 urban-poor families in the Tondo Foreshore area of Manila to provide port facilities servicing multinational firms, mass resistance, as in Chico, broke out, touching off a well-publicized spiral of resistance and repression that saw the leaders of the urban poor hunted down and tortured by the authorities.

These events triggered the first strains

in the Marcos-World Bank relationship; and they could only be exacerbated by the critical stance that such U.S. allies as West Germany and Japan began to take toward the Bank's heavy involvement with Marcos. In late 1979, an official West German Government aid mission issued a scathing criticism of the Bank-funded Tondo relocation project, calling attention to "the lack or almost total absence of genuine cooperation and communication between the implementing authorities and the squatters." 14 Also sharply disputed by the Germans was the Bank's claim that the relocation lots provided by its different projects could be afforded by the urban poor. "It seems that the income data on Metro-Manila for 1979 used by... the World Bank," asserted the mission, "are extremely inaccurate for the lower 50 per cent of the population." 15

In a rare admission that things were, in fact, different from its public claims of success, the Bank's Urban Division was forced to acknowledge that "the government's provision of shelter to the urban poor in Manila with which the Bank has been associated benefited fewer people than ultimately need assistance and cannot necessarily reach the very poorest segments of society." 16

The Japanese, for their part, worried about the World Bank's easy lending to Marcos and its lackadaisical attitude toward the Philippines' escalating debt. When Bruce Jones, then acting chief of the Philippine desk, estimated at the December 1979 Consultative Group meeting that the Philippines' debt-service ratio (the ratio of debt repayments to export receipts) would rise from 19 per cent in 1980 to 22 per cent in the mid-eighties, the Japanese delegation protested. Noting that the 20 per cent figure for debt service is what is commonly regarded as the danger threshold, they warned, "The established figure of debt service now seems to us sufficiently high and may even tend to rise... if export receipts grow less than was expected in the 1980's. We therefore consider that a cautious and reserved attitude toward this point should remain warranted." 17

Scattered criticism began to filter in from field missions of the Bank. With the institution's heavy involvement in rural projects, Bank operatives were greatly concerned with the Government's two showcase programs: land reform and the Masa-

gana 99 rural credit program. The results were discouraging.

On land reform, a 1978 Bank review noted extremely slow movement, with only five per cent of the landlords and ten per cent of the target area subjected so far to the reform. "The basic reasons for these delays," asserted the report, "are as follows: (a) incomplete records of land titles and land rights; (b) lack of dynamic leadership within the principal agencies; (c) inefficient management and shortage of trained manpower; and (d) opposition to the land reform program by landlords, coupled with lack of power on the part of the DAR [Department of Agrarian Reform] to enforce the reform legislation." 18

The same review asserted that in the Masagana 99 rural credit program, "Generally, performance has been disappointing ... farmer participation rates and credit repayments have been decreasing." 19 Noting a stunningly high rate of default among peasant debtors, a 1980 Bank study reached a more drastic conclusion: "...the program has had a high cost in terms of unrecovered capital, the serious effect on the financial condition of lenders, and the credit attitudes of lenders and borrowers alike... The impairment of the financial capacity of rural banks -- and many borrowers -- and the detrimental impact of these programs on the credit attitudes of both, have jeopardized the ability of agricultural credit to serve longer term production objectives in the Philippines." 20

Project reviews began to accumulate multiple instances of cost overruns, time overruns and other technical obstacles, leading to a 1979 evaluation that 63 per cent of all Bank projects were saddled with implementation problems, up from 30 per cent in 1977. 21

More disturbing, however, were the conclusions of a major Bank mission sent to the Philippines in 1979 to study the extent and dimensions of poverty. The mission found a "startling" 50 per cent decline in real wages between 1960 and 1975, and noted that much of the increase in absolute poverty occurred in the first half of the seventies -- the first years of martial law. 22 It was not, however, only the intentions and effectiveness of the regime that was called into question by the poverty mission report. In the preliminary draft of the document, the mission cautiously suggested that a great

part of the blame lay in the large devaluation of the peso in 1969, which was imposed by the World Bank and the IMF in the effort to "open up" or "liberalize" the Philippine economy. In arcane economeses, the mission argued that the move made the production of agricultural export crops more attractive than producing manufactures for the local market. The consequent outflow of capital from industry then drastically reduced workers' real incomes. 23 Resistance to the suggestion immediately came from Bank higher-ups, since, carried far enough, the analysis would erode the very rationale of export-led growth.

#### THE CRISIS OF EXPORT PROMOTION

The crisis of export-led development which was nothing but a euphemism for a policy of deepening and consolidation of the Philippines' agricultural exporting role in the neocolonial division of labor could not, however, be ignored. The most palpable index of the failure of the strategy was the current account deficit, which had widened sharply from \$827 million in 1977 to \$1.6 billion in 1979. Under the most optimistic assumptions, the excess of imports of goods and services over exports was calculated to hit \$3. billion in 1983. 24

Worried delegates to the Consultative Group meeting in December 1979 were told to expect large loan requirements for the Philippines in the coming years because the country had to borrow not only for development but also in order to cover the trade gap. 25 External debt was projected to rise from \$11.7 billion in 1981 to \$19.3 billion in 1984; and debt service payments from \$1.7 billion to \$3.1 billion. The IMF had to concede that "the nature and extent of the disequilibrium facing the Philippine economy... cannot be corrected in a short period of time." 26

The disequilibrium was to be corrected, however, with the application of more of the same medicine that the doctrinaire minds of the Bank and the IMF had consistently prescribed for troubled Third World economies. The main elements of the "stabilization" plan that came out of the Consultative Group meeting were the following:

(1) Dismantling of price controls or upward adjustment of controls on essential

commodities and services, including petroleum, rice, sugar, flour and electricity. This method of dampening import demand was certain to erode even further the real income of workers, which had already declined by over 40 per cent since 1972.

(2) More intense taxation to generate revenue to supplement external loans. Special taxes on oil, power, and transportation were mandated, as well as more stringent efforts to tighten up on the collection of income taxes from the rural population.

(3) Maintenance of a "flexible rate of exchange" responsive to "market forces". Strong suggestions for a major devaluation of the peso were increasingly being floated by the Bank and IMF in the hope that this would improve the competitiveness of Philippine exports.

#### INDUSTRIAL REFORM

The most controversial item pressed by the World Bank and the IMF, however, was the "industrial reform program." The key element of this program designed to benefit multinationals and spur export-led growth was the dismantling of the tariff barriers and subsidies that constituted the last, precarious protection of the national bourgeoisie against the onslaught of foreign corporations. Loath to lose the support of such a key social sector, the regime had hemmed and hawed on the issue since the mid-seventies. This time it had to concede. "Further steps will be taken to reduce the level of protection in order to open import-substitution industries to the test of external competition," declared IMF's Andreas Abajis triumphantly at the Consultative Group meeting.<sup>27</sup> The terms of capitulation were laid out in a letter from the Philippine Government to IMF Managing Director J.D. Larosiére: 100 and 70 percent tariffs would be immediately reduced to 50 per cent, with more reductions phased in over time.<sup>28</sup>

Other elements of the reform included more attractive incentives for foreign investors, more incentives for the production of "non-traditional" light-manufactured exports, and the creation of more "export-processing zones" where multinationals enjoying tax exemptions on imports and exports could locate their operations to take advantage of low-cost Filipino labor.

Intent on drawing all resources toward export promotion, the IMF and the World

Bank also vetoed Marcos' grand plan to initiate eleven major capital intensive projects ranging from a petrochemical complex to a copper smelter. Designed by some Marcos technocrats worried about the virtual non-existence of a heavy industrial base for the economy, and floated by a dictator desperate for some scrap of legitimacy as an "economic nationalist", the project was shot down by the Bank: "Our view is that while some of these capital-intensive projects are economically well justified (such as the ... export-oriented copper smelter), others may not be, and do not harmonize well with the policy reforms..."<sup>29</sup> It warned: "We expect the government to continue to display prudence and flexibility with regard to these projects."<sup>30</sup> Capitulating once more, the regime subsequently "declared that the projects would be implemented only if found viable by rigorous economic analysis."<sup>31</sup>

Awarding the carrot after brandishing the stick, the IMF gave Marcos a loan of \$654 million for "balance-of-payments support" in February 1980. The World Bank followed shortly thereafter with a \$200 million commitment to finance all aspects of the industrial reform program.

In spite of their outward demeanor of rationality, however, both the Fund and the Bank were groping wildly. Export promotion was, in fact, a blind alley, for fears of recession and inflation had triggered a wave of protectionism in the advanced capitalist countries that were the principal market for Philippine exports. Indicative of the growing protectionism in the Philippines' prime export markets were the 32 major restrictions placed on Philippine products in ten advanced countries in the last few years. Textile exports, for instance, which World Bank and government economists regarded as the "locomotive" of export-led growth, had triggered restrictions in Australia, Canada, the Common Market, Norway, and Sweden.<sup>32</sup>

The IMF itself acknowledged that "export promotion has become more difficult in the present climate of uncertainty of the international economy as well as the trade restrictions faced by Philippine exporters."<sup>33</sup> The success of the industrial reform program, the Bank likewise admitted, was greatly dependent on a non-protectionist West: "... the benefits resulting from export expansion would depend on the economic growth and trade restrictions in industrialized countries. If the environment



turned out to be more adverse than projected, then the ultimate benefits under the adjustment program would be reduced." <sup>34</sup>

### THE SOMOZA SCENARIO

It was within this larger context of a neo-colonial economy slipping into irreversible crisis that bombings began to rock key establishments in Manila in the summer of 1980. Planned and put into motion by elements of the local business elite, the traditional opposition, and the small "Social Democratic" groupings, the bombing campaign was motivated not so much by nationalism as by anti-Marcos feeling. Indeed, the aim of the "urban terrorists" was to create an atmosphere of instability, so as to provoke the United States to intervene and oust Marcos.

Divorced from a mass base -- in contrast to the left -- and amateurish in organization, the urban bombers were easily smashed by Marcos' security forces and neutralized for the time being. But the significance of their actions was not lost to the World Bank: The withdrawal of local business support meant that, for all intents and purposes, Marcos' social base has been whittled down to the heavily Ilocano armed forces. The parallel with the developments in Nicaragua in 1978-79 is increasingly evident: business going into active opposition and a dictator totally devoid of social support, except for the privileged National Guard.

So behind the back of their favorite clients, the Bank high command commissioned the Ascher study to make a hard-headed assessment of what options were available to the Bank in the increasingly volatile situation. As the study demonstrates, the options are very limited. In the face of two or three nationalist alternatives, Marcos is still the least unattractive from the point of view of the World Bank and its masters, the multinational corporations. Thus the great dilemma.

It is likely that no sudden move will emanate from the Bank. Aid currently committed will probably go through. Rather, we might see a gradual phaseout of Bank financial support, in the hope that when the inevitable happens, the Bank will be able to cut its losses and be in a better bargaining position with a successor regime. Though principally political in inspiration, what cutbacks may occur will

be justified on economic and technical grounds. This "out" was articulated in the Gould memorandum in 1976: "...the proposed lending program is predicated on the assumption that the good general management of the economy will continue... Should any of these re-conditions no longer apply, the lending program will be reviewed with a view to making the necessary reductions." <sup>35</sup>

Like the proverbial Dr. Frankenstein, the World Bank now finds itself in the unenviable position of having to distance itself from -- and, possibly eventually, to help bring down -- a creature of its own making.

### FOOTNOTES

- 1) University of the Philippines' Collegian editor Bobby Coloma, quoted in "Student Demonstrations: Legitimate Grievances or Subversion?", Asia Record, Sept. 1980, p.7.
- 2) World Bank, AEADB Division, "Philippines: Country Program Paper" (Confidential draft prepared by Michael Gould), 3/26/76, p.2; hereafter to be referred to as the Gould Memorandum.
- 3) World Bank, The Philippines: Priorities and Prospects for Development (classified version), Washington, D.C., 3/19/76, p.1
- 4) cf supra, #2, p.7.
- 5) *ibid.*, p.17.
- 6) *ibid.*
- 7) *ibid.*, p.2.
- 8) World Bank confidential statistical tables, 1976.
- 9) World Bank statistics appended to "Philippines--Working Level Draft, Country Program Paper," Washington, D.C., 8/29/80.
- 10) *ibid.*
- 11) cf supra, #2, p.16.
- 12) Anti-Martial Law Coalition - Friends of the Filipino People Investigating Team, Conditions of the Filipino People under Martial Law, San Francisco, 1979, p.13.
- 13) Letter from George Votaw to Robert McNamara, Washington, D.C., 11/18/75.
- 14) Dieter Oberndorfer, KFW, "Some Observations on the Low-Cost Housing Projects in Tondo Foreshore/Manila Financed by the World Bank," Freiburg, West Germany, Nov.79.
- 15) *Ibid.*, p.5.
- 16) Anthony Churchill, World Bank, Urban Division Chief, "Response to West German Government Observations," Washington, D.C., 1/24/80.
- 17) Minutes of the Consultative Group meeting, Washington, D.C., 12/13-14/79.
- 18) World Bank, "Desk Review of Support Services for Food Production, Land Reform and Settlement," Washington, D.C., undated, pp.4-5.
- 19) World Bank, "Desk Review of Support Services for Food Production: Masagana 99 and Masagana Maison," p.3.
- 20) World Bank, "Philippines: Sector Survey: Agricultural Support Services," Washington, D.C., 1/23/80, pp.5-6.
- 21) World Bank, "Country Constraints on Project Implementation: Philippines," Washington, D.C., undated, pp.5-6.
- 22) World Bank, "Poverty, Basic Needs and Employment: A Review and Assessment," (preliminary draft), Jan.80, pp.37-39.
- 23) *ibid.*, pp.316-317.
- 24) World Bank statistics attached to Country Program Paper, 8/29/80.
- 25) Minutes of Consultative Group meeting, Washington, D.C., 12/13-14/79.
- 26) International Monetary Fund, "Philippines: Request

for Stand-by Arrangement with Supplementary Financing," 2/6/80, p.22.  
 27) Minutes of Consultative Group meeting, Washington, D.C., 12/13-14/79.  
 28) Letter to J. de Larosiere, Managing Director, IMF, from Cesar Virata, Minister of Finance, and G.S. Licaros, Governor of Central Bank, 12/14/79.  
 29) Country Program Paper, 8/29/80, p.7.

30) *ibid.*  
 31) *ibid.*  
 32) *cf supra*, #26, pp.45-47.  
 33) *ibid.*, p.22.  
 34) World Bank, Minutes of Executive Board Meeting, 11/10/80.  
 35) *cf supra*, #2, p.3.

## AIFLD's Corporate Intervention in Colombia

*(Ed. note: We have agreed to publish this article anonymously since the author travels regularly to Latin America.)*

Only recently has Colombia come into the international spotlight as a human rights violator. Although allegations of political repression and torture of prisoners have been increasing throughout the past two years, this nation of 26 million inhabitants in the northwestern part of South America maintained its image as one of the few remaining "civilian democracies", until the February 27, 1980 takeover of the Dominican Republic embassy by the M-19, a revolutionary group, and the April, 1980 Amnesty International report on massive violations of human rights in Colombia.

Of course, Colombians themselves are all too painfully aware of the fact that they have been living under a state of siege for many years and that police powers were further heightened by the Security Statute which went into effect in September of 1978. During the past two years, repression has increased and become much more visible to all, including international observers. Amnesty International catalogues a long litany of well-documented charges of torture of prisoners, massive roundups of political and labor activists, and political assassinations at the hands of the government of Julio Cesar Turbay Ayala. Although the Colombian president is a civilian, he was elected through a process which was clearly manipulated by the two upper-class parties (Liberal and Conservative), and he has given the military and police all the latitude they want to crack down on those working for social

change.

### U.S. CORPORATE ROLE

What has the presence of U.S. governmental agencies and multinational corporations meant to Colombia? Like other Latin American countries, Colombia has always kept at least one eye on the "colossus to the north."

One of the most painful memories for Colombians is that of the 1928 "massacre of the banana workers," an atrocity which was carried out by Colombian troops serving the interests of the United Fruit Company (now United Brands). The workers had gone on strike against the conglomerate; estimates as to how many banana workers were slaughtered by the troops in order to break the strike go as high as several thousand.

United Brands remains an important economic power on the Colombian scene, although now its involvement takes the form primarily of buying and exporting the bananas, the key part of the business. A 1975 study published by the Colombian Association of Agricultural Engineers noted that the "Northamerican monopolies which control the market apparatus, like the United Fruit Company, along with the large cattle ranchers and a handful of intermediaries, own everything and get fabulous profits at the expense of the workers who live in the midst of hunger, misery, and sickness."

In 1975 Priests for Latin America, an organization of Colombian Catholic priests who are in the forefront of the struggle for a new society, published an article on multinationals in Colombia. Referring to

Colombia's mineral wealth, the author notes that "since the beginning of this century Northamerican monopolies came to control almost 100% of the production of gold, silver, and platinum. The production of gold, since foreign capital entered the picture, has been equal to that of three previous centuries."

Colombia is also rich in petroleum, but the state-owned Ecopetrol controls only a miniscule part of the industry. The royalties paid to the government by the oil companies do not even amount to 15%, and the government participates in only 18% of oil exploitation. In other countries, such as Venezuela, the government's share is over 50%. Colombia is a foreign investor's paradise.

Describing the effects of the "de-nationalization" of Colombian industry, one economist highlighted "the loss of control of certain decisions which affect the country. The multinationals have a global strategy for their worldwide operations, and as a result they show little sensitivity to the economic policy of the host government." Basic economic activities like petro-chemicals, rubber, pharmaceuticals, electronics, paper, glass, and even the refining of petroleum are controlled by multinationals. Another source of conflict lies in the repatriation of profits and royalties. The economist noted that in those countries "where the process of import substitution has been accompanied by foreign penetration of industry, balance of payment problems have increased. This is precisely the opposite of what was supposed to happen through import substitution" -- the policy which was said to be able to curtail imports by bringing foreign firms onto native soil. It turns out that the multinationals themselves are major importers of the goods they use.

In 1977, the Colombian Association of Agricultural Engineers offered a widely accepted critique of its "anti-national" and "pro-imperialist" government: "Yankee imperialism expropriates our national resources by using the tyranny of our Liberal and Conservative governing parties," but the working class "is rising up to denounce this shameful sell-out of our country... The hatred against the foreign exploiters... grows when one compares the disastrous conditions of the region with the immense riches beneath its soil, riches which are exploited for the profit of the monopolies at the expense of the

local inhabitants.... And this is done against a hard-working people who sooner rather than later will gain their demand: 'Yankees out of Colombia!'"

The Yankee corporate and governmental "guests", however, have no intention of leaving. Commerce America, an official publication of the U.S. Commerce Department keeps potential U.S. investors posted on promising business opportunities in fields such as "U.S. motor vehicle maintenance and service equipment" which "dominates the Colombian market. Local industry produces simple hand tools. No significant production of precision tools is anticipated in the near future; there is no production of auto diagnostic equipment."

The American Chamber of Commerce has its offices in the Bogota Hilton, where a typical factory worker could enjoy a poolside "American breakfast" for one day's wage. The former chief of the U.S. Air Force Mission in Colombia, Colonel Bradford, is now in command of the Chamber, having previously run the U.S. Air Force school in Panama. In an early 1978 interview, he admitted that the U.S. Air Force had given some helicopter assistance to a Colombian government counter-insurgency campaign in 1963. The colonel also commented on the value of bringing Latin American military students to the U.S. for training: they become U.S.-oriented, and when they return home they are likely to be customers for U.S. military sales, which in turn entails U.S. parts supplies and other methods of influence.

Colonel Bradford mentioned that the Colombian Constitution prohibits expropriation and that in general there are good guarantees for investments. His tone changed, however, when he noted that foreign investors are beginning to be worried about the labor situation. One labor federation in particular (the CSTC) always asks for more, he said, and seeks to create turmoil.

#### AIFLD MOVES IN

In order to calm the incipient fear of U.S. investors and to prevent labor "turmoil", the U.S. has gotten heavily involved in the union movement in Colombia. In 1975, Robert A. Hurwitch, then the U.S. Ambassador in the Dominican Republic (where he made special efforts to defend Gulf and Western, owner of one third of

the sugar industry), wrote a letter in reply to a query about the nature of his former role as Labor Attache at the U.S. embassy in Bogota: "As Labor Attache, I worked to strengthen the non-Marxist Colombian trade union movement. I worked particularly closely with the UTC, which as you know is a Catholic-oriented trade union, and was especially associated with, not the AIFLD but rather Jesuit Father Victor Andrade, the UTC spiritual advisor. I was also quite active in cooperating with the CTC."

The UTC -- Union de Trabajadores de Colombia, or Union of Workers of Colombia -- was founded in 1946 with heavy Church support in order to provide a "free" and "democratic" alternative to the CTC -- Confederacion de Trabajadores de Colombia, or Confederation of Workers of Colombia -- which was thought to be too worker-oriented. Father Vicente Andrade was instrumental in the founding of the organization. In a January 25, 1964 article in America, he bemoaned: "Most of the early attempts to organize Latin America's workers into national, and, later, continental federations were, alas, due to revolutionary leaders."

He mentions the Confederation of Latin American Workers (CTAL) but notes that its guiding spirit was a Mexican communist. "Under the growing threat of this Communist domination of labor, the idea arose of grouping all the democratic forces of labor in a confederation that would embrace not only Latin America but the whole hemisphere. The AFL and the CIO, together with the UTC (Confederacion Interamericana de Trabajadores, Interamerican Confederation of Labor) and other anti-Communist national groups, founded the CIT in Lima in 1948. Three years later this was renamed the Inter-American Regional Organization (ORIT)."

The role of Latin American labor federations is a matter "of great moment for the future of democracy in America because, as experience has shown over and over, one of the instruments that communism uses to impose its sinister dictatorship is organized labor." Andrade speaks approvingly of ORIT's project to form trade union leaders and notes that "this effort culminated in the creation of the American Institute for Free Labor Development, with headquarters in Washington, D.C."

Although the confederations include only a small percentage of workers in Latin

America, "in these countries, where political stability is so uncertain, the power of the democratic unions has been used tellingly, on more than one occasion, to tip the scales in favor of order and peace." As an example he cites "the common stand of the Colombian UTC and CTC this year against Communism."

The UTC has been one of the main beneficiaries of the American Institute for Free Labor Development (AIFLD), founded in 1962 under the leadership of George Meany and the AFL-CIO, the U.S. government, and almost 100 of the top U.S. multinational corporations. The Institute naturally reflects the fierce anti-communism of its supporters. "Anti-communism", however, is a convenient banner which in reality signals a well-financed and well-coordinated crusade to insure "stability" for the capitalist economic system, and to maintain "labor peace".

Specifically, the AIFLD provides training and social assistance programs for the benefit of the more conservative, pro-capitalist labor federations. It exports "bread and butter unionism" -- the kind of labor organizing which concerns itself only with wages and working conditions and which considers itself non-political in that it does not fundamentally challenge the premises of multinational capitalism. Like other institutions which call themselves non-political, however, it plays an important political role by accepting the present system and by violently opposing radical change.

By preserving "stability", AIFLD insures a favorable climate for investment, which is clearly desired by the U.S. government and corporations; by defending "free enterprise", it gives full liberty to the companies for the exploitation of cheap labor, natural resources, and markets; and by extolling "democracy", which is hardly visible in Latin American pro-capitalist dictatorships, it seeks to discredit socialist alternatives on the false premise that socialism must be totalitarian. Since AIFLD receives about 90% of its funds from the Agency for International Development (AID), the foreign aid arm of the U.S. government, and since its directors include the executives of the principal multinationals, the AIFLD shows more loyalty to U.S. corporate interests than to Third World struggles.

In 1971 Justiniano Espinosa, former Secretary of the UTC, wrote that his federa-

tion took up "the immense task of putting into practice the papal encyclicals" concerning labor relations. (In this context it is important to note that Catholic social doctrine, while it criticizes exploitation and injustice, considers these to be "extremes" and "aberrations" of capitalism and essentially defends the capitalist system.) Espinosa continued: "The UTC rejected class struggle and accepted the principle of understanding, cooperation, and dialogue in the search for practical solutions to the grave social and economic problems." (The AIFLD also exists to combat the notion of class struggle and to promote mere dialogue.)

El Spectador, a leading Colombian newspaper, citing official statistics, pointed out on January 3, 1978 that "the real salary of the Colombian working class fell 22% from 1970 to 1977. But food prices went up 49% just in the last year of that period." As for the workers who receive only the minimum wage, their "buying power decreased 45% between 1963 and 1977, in spite of wage increases."

The UTC official makes a telling statement when he says that his organization "defends private property but with the understanding that this has a social function." What counts in the eyes of the Colombian oligarchy and the U.S. benefactors of the UTC is the clear defense of private property; homilies as to how it should serve the common good need not be taken seriously.

The official seems to take pride in stating that the UTC has been involved in takeovers of large uncultivated land holdings "in order to install thousands of peasant families who owned nothing. Neither have the leaders of UTC permitted the capricious closing of companies, and in striving to impede unemployment they have ordered the workers to take over factories." In one such instance, in 1966, workers took over a sugar mill after they had been on strike for six months and the company had decided to close it for good. The UTC explained that the workers "did not intend to usurp private property but to use it to benefit the community."

Clearly, the temporary occupation was not intended to pave the way for the institutionalization of expropriation of capital.

Espinosa claims that the UTC activities show how Christian social principles can be applied "without recourse to destructive violence or sterile demagogery." He

notes that in 1948 the UTC "reaffirmed its opposition to Marxist programs and activities." (In line with this, the UTC demanded that the government break relations with Cuba.) Espinosa concluded: "The true apostles of the workers are not the preachers of hatred nor the instigators of violence but rather the honest leaders who through hard work create lasting projects and transform the existing social order." More contemporary "apostles of the workers" -- e.g. groups like Priests for Latin America -- make it clear that neither are they preaching hatred nor "instigating" violence. The institutionalized violence (never mentioned by Espinosa) of the status quo, which means the exploitation of workers and government repression of social movements, already exists, just as the class struggle of the rich minority against the poor majority already exists.

It should be noted that the CTC -- Confederation of Workers of Colombia -- also has a conservative approach to labor issues and thus is considered part of the labor establishment with which the previously quoted U.S. Labor Attache was able to "cooperate". In a textbook prepared by the CTC for labor leaders, we find that "negotiation or collective bargaining can be compared to the cordial dialogue between two interested parties who come together to solve their differences." With this approach the CTC is no threat to U.S. corporate or governmental interests or to the Colombian oligarchy.

In early 1978 a visitor to the U.S. embassy in Bogota interviewed Donald Knight, the Labor Attache. He explained that his job consists largely in supplying Washington with a wide variety of reports on the Colombian political, economic, and social situation, not only on labor matters. He noted that AIFLD funds training programs for both the UTC and the CTC, but he expressed concern over the fact that some Latin American unionists who are brought to the U.S. for education in economics return to their countries but then go to work for business or for communist-oriented unions.

The visitor left the embassy and went over to the AIFLD headquarters. The director, Michael A. Donovan, Jr., acknowledged that his Institute is funded mainly by AID. On the question of labor relations he is a believer in the importance of each side understanding the other side. He

mentioned AIFLD's plans to begin working with the peasant sector of the Colombian population. Donovan was in Chile during the Allende years and felt sympathy for the people who had to wait in line for scarce goods. (He did not talk about the plight of the poor majority who, before Allende's socialist experiment, had no access at all to some of the basic necessities of life.) Donovan acknowledged that AIFLD was originally clearly anti-communist and that it still retains some of that emphasis. In early 1978 there were rumors of a possible military coup in Colombia; the AIFLD director, like the chief of the U.S. military mission in Bogota, said that maybe that would happen.

Neither of these officials expressed enthusiasm for a coup, but Donovan mentioned that perhaps it would solve some of Colombia's problems for a couple of years. Robbery, kidnapping, and other kinds of crime are serious problems in Bogota, as in other poverty-stricken cities; Donovan ex-

pressed fear of getting out of his car while driving downtown. The interview provided some interesting glimpses into the political assumptions and personal attitudes of a man who represents the combined interests of the U.S. government, corporations and (supposedly) labor.

Soon this situation may change as certain progressive sectors of the U.S. labor movement are beginning to take a close and critical look at how they are represented in the Third World. They are not surprised that the U.S. government and corporations seek to maintain "stability" and "labor peace" and work to suppress revolutionary change, but they are indignant that the U.S. labor establishment is involved with reactionary forces which serve the interests of the multinationals rather than the interests of the international working class. More and more U.S. workers are convinced that they must become allies of their Third World brothers and sisters in the struggle against a common foe.

## Australia: A Nice U.S. Colony

In late 1980, two highly explosive books were published in Australia. One of them, A Suitable Piece of Real Estate by Desmond Ball (Hale and Iremonger, Sydney) details the real functions of U.S. installations in Australia and provides a tremendous wealth of information on U.S. intelligence in Australia. The other book, Documents of Australia's Defense and Foreign Policy, 1968-1975, written by Richard Walsh and George Munster (the book was printed in Hong Kong) consists for the most part of reprints of Australian governmental documents, most of them classified.

While Ball's book found a wide readership, Walsh's and Munster's work didn't. Before it reached the bookstores, the Australian government blocked its distribution. Two papers, the Sydney Morning Herald and the Melbourne Age, which had printed excerpts of the book, were also confiscated before they hit the news-

stands. Later, both papers appeared with blank spaces where the excerpts had been.

Australian Foreign Minister, Anthony A. Street said the court injunctions against the book were necessary "to preserve national interests." The censorship of the book and the newspapers is the first such case in Australia since World War II. Many observers suspect that the real reason the book was stopped was to avoid embarrassment for the Australian government.

CounterSpy magazine was able to obtain a copy of the censored book. The range of topics in the documents reprinted in it is wide. They include U.S.-Australian military and intelligence relations, Australian-British intelligence links, Australia's nuclear policies, an evaluation of the Australian and U.S. role in the Vietnam war, Australian-Indonesian and Australian-Malaysian collaboration, Australian and U.S. policies on East Timor, Australia-

lian-Philippine relations, the decolonization of Papua New Guinea and an Australian analysis of the situation in the Middle East. In this article we will review excerpts especially significant to the U.S.

Chapter 1 focuses on the ANZUS (Australia, New Zealand, U.S.) Treaty, which was finalized in 1951. Originally "designed to protect Australia against a possible resurgence of Japanese aggression," it has become a justification for a number of U.S. bases in Australia. While some Australian officials argue that the U.S. bases can be used to commit the U.S. to the defense of Australia against a perceived enemy, the documents make clear that, in itself, "the ANZUS Treaty gives no binding assurance of U.S. support of Australia in the event of an armed conflict."

The treaty is intentionally vague, and the Australian government, like a client state, leaves the interpretation of basic clauses to the U.S., such as Articles IV and V, which state that each signatory of ANZUS has to "act to meet the common danger" in case of an armed attack on the armed forces, vessels, or aircraft of a signatory in the Pacific area. A brief for the Australian Minister of Foreign Affairs prepared by the Department of Foreign Affairs in June 1975, reports the following incident:

*"In 1959 Mr. Whitlam (Gough Whitlam, Member of Parliament) asked in Parliament 'which of the islands off the coast of China and Australia are included in the term Pacific Area in the Security Treaty between Australia, New Zealand and the USA?'"*

The Australian foreign minister didn't know and decided to ask the U.S. State Department. The document goes on.

*"The United States State Department suggested a reply as follows: 'The phrase Pacific Area as used in several places in the ANZUS Treaty, is not precisely defined, but doubtless has a wide application. In view of the intimate relationship between the three Governments any areas of doubt might well be left for decision from time to time, in the light of changing circumstances.' Mr. Casey, the Minister for External Affairs, replied to Mr. Whitlam as follows: 'The broad phrase Pacific Area as used in several places in the ANZUS Treaty, is not precisely defined. In view of the intimate relation-*

*ship between the three Governments this is something that is well left for decision from time to time in the light of changing circumstances.'"*

A similar incident, documented in the book, took place in March, 1973, shortly after the Labor government had taken power. It took a more cautious approach towards the presence of U.S. bases in Australia and began to inquire about the actual purpose of the North West Cape base. This information could not be located in Australian governmental documents, and a cable was sent to then Australian Ambassador in Washington, Sir James Plimsoll. At first, he also was not able to get an answer. The following is an excerpt from his reply in a Confidential cable of March 20, 1973.

*"Because of the absence from Washington of a number of senior Defense Group officers we have been hampered in providing answers to the questions raised in your telegram above..... The following however is sent as a first report.*

*You may be interested to look at 'The Military Balance 1972-73' published by the International Institute of Strategic Studies (IISS) in London which lists United States radar and tracking facilities including:*

*(A) Distant Early Warning (DEW) Line: 33 stations, roughly along 70 degree north parallel (on which the Canadians might be able to throw some light),*

*(B) Ballistic Missile Early Warning System (BMEWS): stations in Alaska, Greenland (Thule) and England (Fylingdales) - on which the British might be able to throw some light,*

*(C) Pinetree Line: 23 stations in Central Canada. ....*

*We have given a cursory examination to the 11-part report of the hearings of the Symington Committee on 'United States Security Agreements and Commitments Abroad' which was published over the period November 1969 to January 1971 which contains considerable detail of United States defence facilities abroad.*

*However, references to the functions of individual facilities were deleted in the public version of the report.*

*There are, nevertheless, references to naval communications stations at Rota in Spain and Kinetra in Morocco.*

*As you will know, senior United States officials have always denied there are any*



United States missile submarines (SSBN's) operating in the Indian Ocean.....

As you will also know, United States SSBN's operate from forward bases at Holy Loch, Rota and Guam.

(According to accounts which we have seen 32 of the 41 SSBN's are normally deployed - approximately 25 in the Atlantic and approximately seven in the Pacific.)

The United States has, however, a growing class of nuclear attack submarines (SSN's) of which you will see from a separate cable... that there are 60 in operation ...

SSN's might well operate in the Indian Ocean from time to time."

North West Cape, in fact, is one of the most important U.S. bases. On paper, it is run jointly by the U.S. and Australia, but in fact, as U.S. Admiral Iselin stated in 1978: "There are a very, very small number of Australians who man that base." The North West Cape facility includes a very low frequency transmitter whose primary function it is to communicate to U.S. submarines, including nuclear submarines. The base also contains a communication center which, according to Desmond Ball, is used by the U.S. Army, Navy, and Air Force as well as the Naval Security Group, the largest component of the U.S. National Security Agency. North West Cape played an important role in the mining of North Vietnamese harbors in 1972. Ball sums up: North West Cape is "not required by Australia's own security interests, and would not have been established except to satisfy U.S. strategic communications and intelligence interests." In Documents of Australia's Defense and Foreign Policy we also find a brief prepared for the Australian Minister of Defense in 1975 which details Australian-U.S. intelligence collaboration.

#### ABBREVIATIONS

JIO: Australian Joint Intelligence Organization  
DDI: CIA Deputy Directorate for Intelligence  
DDS and T: CIA Deputy Directorate for Science and Technology  
OCI: Office of Current Intelligence (Australian and U.S.)  
BAKIN: Indonesian state intelligence agency  
NIC: Australian National Intelligence Committee

"Australian intelligence agencies are in active liaison and exchange with the Central Intelligence Agency (CIA), the Defense Intelligence Agency (DIA), the National Security Agency (NSA), and the intelligence organisations of the single Services.

At the JIO level there is a civilian JIO attache in Washington accredited to CIA, and also to DIA for liaison on scientific intelligence matters. A Lt. Col. from JIO, titled 'Australian Defence Intelligence Liaison Officer' (ADILO), is accredited to DIA for liaison on purely joint Services intelligence matters. Liaison with single Service intelligence organisations is effected by part-time JIO representatives, one for each Service, from the Australian Defence Staff. At NIC level we are represented by a Foreign Affairs officer of Counsellor rank at the Embassy.

There are two CIA liaison officer resident in Canberra accredited to JIO, one from the DDI-OCI area and the other from DDS and T. In addition, JIO has in residence a DIA liaison officer of Lt. Col. rank.

#### Defense Intelligence Agency (DIA)

There is a formal agreement on intelligence liaison and exchange between JIO and DIA from whom we receive a wide range of reporting, including current intelligence, published reporting on military and allied subjects, and 'raw' intelligence from DIA field agencies.

In addition, JIO receives annually a limited number of DIA Estimates. We also exchange estimates at the annual Tripartite (DIA, NZ and JIO) Defence Intelligence Estimates Conference inaugurated in 1973.

#### Central Intelligence Agency (CIA)

JIO enjoys close liaison and a wide-ranging exchange of intelligence with CIA, although we have no formal, written agreement with the Agency. We have found CIA more liberal in its interpretation of the U.S. Government's information disclosure policy than DIA.

The daily CIA-OCI National Intelligence Bulletin in a sanitised form is received by JIO. In crisis situations the CIA also produces a thrice daily special Sitrep which is transmitted electrically to Australia. In the reverse direction the JIO-OCI daily and weekly bulletins, excluding AUSTEO items, are transmitted to Washington. In addition, the DDI-OCI liaison of-

*ficer sits in on JIO-OCI current intelligence planning (but not drafting) meetings as an observer.*

*The National Intelligence Committee liaison officer... in Washington maintains contact with the United States Intelligence Board, which is the release authority for U.S. national assessments, and also with the machinery established to produce these assessments. He also attends the weekly intelligence briefing of Commonwealth liaison officers by CIA-OCI and consults as necessary on an ad hoc basis.*

Attached to this document is a curious biography of then CIA Director William Colby. For reasons known only to the Australian Defense Department, the brief lists his CIA assignments in Stockholm, Rome, and Saigon in the 1950's as "Embassy service", and in the years from 1968-71, when Colby was running the CIA's Operation Phoenix in Vietnam, he is listed as "Agency for International Development posted to Saigon".

Other documents shed some light on how different Australian government agencies and officials viewed the Indonesian invasion of East Timor in 1975/76. For one, it is disclosed that Indonesian and Australian intelligence agencies had been collaborating since 1971. At the same time, an Australian Department of Defense brief of March 1972 made clear that this cooperation was to be kept secret.

*"We and the Indonesians are both anxious to avoid any particular publicity about the intelligence talks. If questions were asked, it would be desirable to give some response in broad terms, e.g. 'there are naturally general discussions, as occasion permits, on mutual security interests.'"*

Another secret Australian Department of Foreign Affairs cable after the UDT (Union Democratica Timorese, a rightwing group) attempted a coup in East Timor on August 11, 1975 stated that "there seems to be a genuine surprise in the Indonesian Foreign Ministry" about the events in East Timor. But the cable goes on: "Other very delicate sources... suggest that UDT acted with at least some foreknowledge of the (Indonesian) State Intelligence Agency (BAKIN)."

R.A. Woolcott, who was appointed Australian Ambassador to Indonesia in March 1975, urged the Australian foreign ministry repeatedly not to make statements op-

posing an Indonesian invasion of East Timor: "What Indonesia now looks to from Australia in the present situation is some understanding of their attitude and possible action to assist public understanding in Australia..." Woolcott's secret cable of August 17, 1975, some four months before the Indonesian invasion, goes on:

*"The United States might have some influence on Indonesia at present as Indonesia really wants and needs United States assistance in its military re-equipment programme, but (U.S. Ambassador Douglas) Newsom told me last night that he is under instructions from Kissinger personally not to involve himself in discussions on Timor with the Indonesians on the grounds that the United States is involved in enough problems of greater importance overseas at present. The State Department has, we understand, instructed the Embassy to cut down its reporting on Timor.*

*I will be seeing Newsom on Monday but his present attitude is that the United States should keep out of the Portuguese Timor situation and allow events to take their course. His somewhat cynical comment to me was that if Indonesia were to intervene the United States would hope they would do so 'effectively, quickly and not use our equipment.'"*

While the U.S. government was quiet about the impending Indonesian invasion of East Timor, U.S. Ambassador to Indonesia, Douglas Newsom had been told by Indonesian General Yoga Sugama of BAKIN on August 20, 1975 that most of the people in East Timor wanted independence. The conversation was relayed in a secret cable from the Australian Embassy in Indonesia.

*"Newsom asked if Indonesia perceived that the option of merger with Indonesia had become more popular in Portuguese Timor. Yoga replied that it had not gained more support and that only APODETI favored integration with Indonesia."*

(For more information about the Australian-U.S. intelligence role in East Timor see the article by Denis Freney in CounterSpy, spring 1980.)

Another chapter of the book contains excerpts from an August 17, 1974 draft paper by the Australian National Intelligence Committee (NIC) entitled "Iran: Some Strategic Prospects". The NIC is comprised of high ranking officials including the

head of the JIO. In the preface George Munster and Richard Walsh write that in "evaluating" Iran, "Australia was partly relying on the assessment of the CIA." The paper, which doesn't mention the Iranian secret police SAVAK once, is astounding because of its complete failure to capture the situation in Iran.

*"Iran is a constitutional monarchy, ruled by the Shah (Mohammed Riza Shah Pahlavi)... The Shah has been the main driving force in establishing the modernisation and reform of his country. He is still relatively young (in his early 50s) and, barring the unforeseeable possibility of assassination, this paper assumes that the Shah will continue to rule Iran for at least the next five years...."*

*The Shah has also spent considerable efforts on improving internal security. In Iran guerilla bands remain active representing both Marxist and fundamentalist Muslim opposition to his rule. Any dissident movement in Iran to be successful would appear to need external support...."*

Documents of Australia's Defense and Foreign Policy, 1968-1975 is an important book, not only for Australians, but also for people in the U.S. The same is true for Desmond Ball's A Suitable Piece of Real Estate which is dedicated to "a sovereign Australia." Exactly that, a sovereign Australia is the issue. Up to this day, U.S. bases operate with hardly any

supervision in Australia; some even have the potential to intercept phone calls made inside Australia. Others make Australia a likely target in a nuclear war and have been used in the U.S. war in Vietnam and in the Arab-Israeli war. The CIA is operating with virtual impunity in Australia and has gotten involved intimately in domestic Australian affairs.

After some years of relative silence, the U.S. role in Australia has, once more, become an important issue in that country. Prime Minister Malcolm Fraser, who nearly lost the October 18, 1980 elections (partly due to what even the Washington Post calls his "authoritarian" leadership and his rightwing, pro-U.S. policies) is continuously attacked for his almost unconditional approval of U.S. bases in Australia. It is no surprise then that he saw no other choice than banning the distribution of Documents of Australia's Defense and Foreign Policy. While it is hard to find any material in the book that could be interpreted as endangering Australia's national security, the book is embarrassing and makes clear that the various Australian governments have entered into agreements with the U.S. that could easily be interpreted as being against Australian national interests. By reprinting a small part of these documents, CounterSpy hopes to contribute to the struggle for true Australian self-determination.

## Soldiers of White Capitalism

by Konrad Ege

Mercenaries: some call them hired killers, others romanticize them as "soldiers of fortune", but Major Mike Williams defines mercenaries as "journeymen". "They work at a trade that they have learned in the military... Some mercenaries do this for money, others do it for ideals." Williams should know. He served as a mercenary for two years in what was then called "Rhodesia".

"Major Mike" as he is called by his

friends and admirers made his statement at a Soldier of Fortune Convention which was held from September 26-29, 1980 in Columbia, Missouri. The convention was organized by Soldier of Fortune magazine and labeled "a gesture of good will from the magazine towards its readers." Soldier of Fortune, or SoF, presents itself as "The Journal of Professional Adventurers". It is published monthly and claims a circulation of over 170,000.

The convention featured events like a shooting match, knife throwing demonstrations, airborne operations plus the usual cocktail hour and banquet (the official schedule of events recommended that participants wear "camouflage fatigues, military or police uniform or appropriate civilian dress").

It was the first convention SoF had organized. Usually the magazine limits itself to reporting about mercenary activities around the world, fighting techniques, U.S. exploits during the war in Vietnam and new weapons on the market. Other features over the last year included interviews with CIA agent Brian Crozier; Ulrich Wegener, the commander of West Germany's "anti-terror" squad GSG 9; and Lt. Col. Alfonso Villa, the CIA-trained head of the late Anastasio Somoza's Office of National Security.

SoF particularly glorifies the achievements of U.S. mercenaries in what was once Rhodesia. The articles are lively, in a military jargon (in SoF you don't read "it was half past six" but "it was 0630 hours") and written in a deliberately macho style. Take the example of the feature "Vigilante!", an article about an "anti-stock theft force on a Rhodesian ranch" in the April 1979 issue. Roger L. Barnes writes about "hunting down" some "cattle thieves": "... the thieves took off closely followed by a hail of automatic fire. One was dropped with a full load of buckshot in the back of his head, another went down with a 7.62 round in his hip... he collected two more in his chest and had five minutes to live. Another took a round in his gut... he wouldn't make it either..."

The keynote speaker at the SoF convention in Columbia was Robin Moore, another mercenary who fought with the deposed racist regime in "Rhodesia". He was introduced by Major Mike: "Robin's exploits in Rhodesia were well received by everybody except goats, cows, pigs, chickens" -- someone in the audience yelled: "Andrew Young" -- Williams retorted: "exactly... Robin could best be termed as the champion of waring and whoring throughout the world..."

Robin Moore did his best to live up to that introduction. For most of his speech, he praised himself and promoted his latest book, The Crippled Eagles which he has written as a "story of all the men that came from all over the Western world to

join the battle against communism over there in Rhodesia." Moore told the story of how he started the "Crippled Eagles Club" in Salisbury for the white mercenaries that were fighting in the Rhodesian Army, which was "the last great foreign legion until the next one which will undoubtedly be in South Africa."

Moore didn't spare the sexist and racist remarks ("What's such a big deal about shooting a gook..." and offered his political opinions: "I pray that we bring in Ronald Reagan who takes what I consider to be a totally healthy approach towards government, towards war..." The next day, Moore was expelled from the conference by SoF publisher Robert Brown: "Unfortunately, convention and customs does not permit one to punch out a speaker in the middle of his address. I was thoroughly embarrassed by Moore's remarks. For the record, we at Soldier of Fortune disassociate ourselves from the racial opinions of Robin Moore. I don't think anyone should be surprised that we should do so." Brown emphasized that the most important struggle is the fight against communism, which, he says, is carried out by "men of all races."

When one reads SoF, it is hard to imagine that publisher Brown would expell someone for racist statements. The magazine is full of them. Its June 1980 issue, for example, features an article "Silent Invasion" which is subtitled "U.S. Has Hands Tied in Confronting the Brown Peril, Mexican Illegals." Moreover, the articles on "Rhodesia" and Indochina are soaked with at times open but more often subtle racism.

But then, Robert Brown seems to be trying to get away from that image. At the SoF convention, Brown gave a grandiose speech on the "state of the national defense." He complained about lack of adequate training in the U.S. Army ("Untrained soldiers, ladies and gentlemen, die.") and the low intelligence of present recruits: "Combat demands intelligence. The men who do not have it [lowering his voice dramatically] die." Brown went on to complain about lack of governmental spending for the military and about "weakness" towards the Soviet Union. "There are two areas of the world that are opposing the communists with guns in their hands... One is Angola, where Dr. Savimbi's UNITA is fighting the MPLA and the Russian surrogates, the Cubans; the second is Afghani-

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stan. In neither case are we supplying them with a dollar or with a bullet." But SoF is trying to make up for the gap: "We at Soldier of Fortune recently started an Afghan Freedom Fighters Fund... We're not messing around. We are collecting money to buy them bullets and medical supplies ... All this money will be delivered directly to the Afghan rebel leaders."

This fund, at best, borders on the illegal, and could easily be termed a violation of the Neutrality Act. Browns says that the FBI has investigated SoF in the past to find out whether it was engaged in recruiting mercenaries. That has made Brown careful, and now he is cautious to say that he is only "providing information" about mercenary job opportunities. For example, an ad in one of the back issues: "BE A MAN AMONG MEN. THE RHODESIAN ARMY OFFERS YOU AN INTERESTING AND VARIED CAREER WITH NEW ALLOWANCES FOR FIGHTING TROOPS", which gave a Salisbury address, is not considered recruiting in legal terms.

There are a variety of items you can buy from SoF advertisers: Books (How to Kill, Vol.1-4, Techniques of Harassment, and on issues ranging from knife fighting and combat shooting to "histories" of the Vietnam war), weapons (including guns, poison, knives, garrotes), T-shirts (with text: "Nuke Iran", "Airborne: Death from Above", "Mercenaries do it for Money") and other clothing items and toys for would-be mercenaries. Many Nazi items are advertised: Records with fascist German songs and anti-semitic speeches by German Nazi leaders, Nazi insignia, SS caps, SS belt buckles and similar items. Other ads urge readers to join white supremacist groups.

Robert Brown says he makes no apologies for the fact that he supports the "image of the warrior." "We are pro-military, pro-law enforcement, pro-cop, pro-gun ownership, anti-dope" and, one should add, flaming anti-communist. Said Major Mike: "We are proud of zapping a lot of communists all over the world... it is a marvelous activity."

At the SoF Convention, Brown wanted to underscore SoF's anti-communist nature by giving an award to "a man who saw literally thousands of his men die because of communist invasion, communist tyranny... to a man who fought for freedom in Southeast Asia for many years..." The man is Major General Vang Pao, who was listed in the official program as a former Laotian

general who fought against Laotian communists "as well as the Viet Cong and North Vietnamese."

In praising Vang Pao, Brown forgot one essential point. The general was very much involved in heroin trafficking from the Golden Triangle and a principal CIA agent in Laos. In his book Air America (which is reviewed favorably in SoF), Christopher Robbins writes about Vang Pao:

"From the very beginning of the secret war in Laos, Vang Pao was the sort of man the CIA needed.... VP, as the Americans called him... quickly rose to the rank of major in the Laotian army and was made commander of Meo self-defense forces in the Plain of Jars. These volunteer irregulars went unpaid for months at a time because VP pocketed their salaries... But he was to prove an able leader of the Meo, and the CIA chose to turn a blind eye on his drug smuggling activities despite a report from the U.S. Bureau of Narcotics in 1971 that he had financed an attempt... to smuggle sixty kilos of high-grade Laotian heroin worth \$13.5 million on the street into France... The heroin had been refined in a laboratory in Long Tieng, VP's base for the secret army and CIA HQ in northern Laos."

Robbins goes on to say that the CIA had helped Vang Pao buy the airline which flew the dope from Long Tieng to Vientiane. Vang Pao's and the CIA's role in heroin smuggling is also documented in Alfred McCoy's book The Politics of Heroin in Southeast Asia. Vang Pao became rich in the course of the war. Today, he lives on a 400-acre ranch in the Bitter Route Valley in Montana.

The Columbia convention was termed a success by the participants, even though most people who attended (in spite of their camouflage fatigues) were not the type of people — mercenaries — SoF usually features. When Robert Brown was asked how many out of the 700 conventioners were "real" mercenaries, he replied: "Damn few." But nevertheless, the participants at the convention were told repeatedly of their importance. Said Robin Moore: "We are what's left of a nucleus of Americans who are dedicated, who will fight, who are not afraid to die... We could, if necessary, if it came to that, be the hard core nucleus of what it takes to save this country if we get down to such tough a situation."

That was the main message of the convention speeches: Save America, fight communism; and that strengthening of this "hard core nucleus" might be the most important function SoF magazine performs today. Judging from the number of ads in SoF, the hiring of mercenaries is not taking place on a large scale through SoF today. Still, Robin Moore sums up: "SoF is the only rallying point we have today... Brown is giving us a forum to stay in touch with each other... He has indeed created a forum perhaps even he doesn't know the value of. The forum that we represent is indeed unique."

According to its own survey, SoF readership isn't all that unique. 27.9 percent of its subscribers are in the military, 16.3 percent are in law enforcement, and 8 percent work for other government agencies. 21.3 percent say they are professionals, and 17.3 percent craftsmen. 99.7 percent of SoF subscribers are male. Income distribution is as follows: 33.2 percent earn \$15,000 to 24,999 a year; 23.9 percent make \$10,000 to \$14,999, and 13.6 percent make between \$25,000 and \$34,999. More than half of the subscribers are veterans, and 36.5 percent are Vietnam veterans. Many of the Columbia convention participants were Vietnam vets, and said that SoF was "almost their only forum."

A distinguished characteristic of SoF readers is that they are heavily armed: 86.7 percent own handguns, over 80 percent own knives and rifles, and 71.1 percent own shotguns. That might be where the real significance of SoF lies: The magazine is a rallying point for the armed extreme rightwing and the promoters of an all-white, imperial America. At SoF, they can learn about new weapons and where to buy them; new fighting techniques and where to get training. Soldier of Fortune promotes and organizes racism, imperialism, and sexism. It is an instrument to get people ready for war, whether it is World War III or a mercenary war in a Third World country. In the U.S., SoF is directed against anything that doesn't fit into

their America, and in spite of the at times ridiculously dramatic macho-military style, SoF is not something to joke about. It is an integral part of the extreme rightwing movement in the U.S.

The unhampered activities of SoF is another example of the way justice is promoted by the U.S. Justice Department. Section 960 of Title 18 of the U.S. Code says "whoever, within the United States knowingly ... provides or prepares a means for, or takes part in, any military or naval expedition or enterprise... against the territory... of any foreign... state, ... or people with whom the United States is at peace shall be fined not more than \$3,000 or imprisoned not more than 3 years or both." In the past, courts have viewed that law as prohibiting virtually any association with individuals using armed force against a country with whom the U.S. is at peace.

There are numerous cases where mercenaries have violated this law. And by all definitions, through its Afghan Freedom Fighters Fund, SoF is in direct violation of the law. As Robert Brown himself has stated, money from the fund is used "to buy bullets and medical supplies" and is "delivered directly to the Afghan rebel leaders."

A Justice Department investigation into that fund appears unlikely, especially given the fact that another U.S. government agency, the CIA (contrary to what Robert Brown is saying; see CounterSpy, vol.4 no.2 and vol.4 no.3) is likewise supplying the rebels. When the interests of a right wing group like SoF and the U.S. government converge to such a degree that the actions of one enhance the actions of the other, the likelihood of government playing a restraining role is nil. The people of the U.S. can look only to themselves and their organizations to struggle against racism, sexism and imperialism inherent in the work of SoF.

# CIA in Africa

## Zambia

BEHRENS, John Frederick  
Plot 2218, 14 Nsumbu Road, Lusaka  
Phone 50857  
Telecommunications Support Officer

born: 10/8/31.  
John Behrens is a CIA officer. He has served in the Philippines, Syria, India, and Nigeria.

LUPTON, Robert H.  
20A Mutende Road, Woodlands, Lusaka  
Phone 62664  
First Secretary (Political)

born: 3/10/28.  
Lupton is a high ranking CIA officer. He has been assigned to Singapore, Sierra Leone, Ethiopia, and Tanzania.

WASKIEWICZ, John H.  
10 Ingwe Road, Woodlands, Lusaka  
Phone 62417  
Telecommunications Support Officer

Waskiewicz is a CIA officer. He has served in Nigeria, Greece, and Egypt.

## Egypt

ENGLEHART, Charles T.  
First Secretary (Political Affairs)

born: 11/11/42  
Englehart is a CIA officer. He has served in Pakistan (Karachi).

LOHUARU, Mati  
Second Secretary (Political Affairs)

born: 5/11/45  
Lohuaru is a CIA officer who has worked in Lebanon and Kuwait.

NATIRBOFF, Murat  
Special Attache to the Ambassador

born: 2/4/21  
Natirboff, who is a CIA officer, has worked in India, Indonesia, Sudan and Kenya.

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KREUTZER, Walter E.  
Attache (Administrative Affairs)

born: 10/6/32  
Kreutzer worked with AID's Office of Public Safety (OPS) from 1964 to 1974. He was an advisor to the police forces in the Philippines from 10/65-7/68 and 2/69-7/73, and in Vietnam from 8/68-1/69. Thousands of police officers in both countries were trained through the OPS, which worked closely with the CIA. From 8/73-7/74 Kreutzer was Assistant Chief of OPS's Technical Services Division.

DOYLE, Ronald J.

Doyle is assigned to the U.S. Consulate in Alexandria. He is a CIA officer who has worked in Zaire and Syria.

MANZ, Hans  
19, Rue Djabarti, Alexandria  
Phone 33088

born: 12/7/22  
Manz served as public safety advisor in Vietnam for the exceptionally long period from 1966 until the end of the war.

## Guinea

CIAZZA, Adrian B.  
First Secretary

born: 12/10/32  
Ciazza is a CIA officer who has served in Afghanistan, Sri Lanka, Iran, and Belgium.

DECHANT, Lawrence

Dechant is a CIA officer. He has served in Indonesia and the Philippines.

KELLEY, Patrick J.

Kelley is a CIA officer. He has served in Sudan, Japan and Zaire.

Norman L. GARNER and Durwood H. HICKSON (AID officer and Second Secretary in the U.S. Embassy in Conakry, respectively) served during the U.S. war in Vietnam. Garner was stationed there for the exceptionally long period from 1963 to 1974, as "area development advisor" with AID. Durwood worked for AID in Vietnam from 1966 to 1969. At the time, AID was an integral part of U.S. counterinsurgency operations in Vietnam.



## Uganda

At a press conference early in his term former President Jimmy Carter stated righteously that: "In Uganda the actions there have disgusted the entire civilized world and as you know we have no diplomatic relationship with Uganda." Carter did not mention that a CIA Chief of Station and his contingent were active in Uganda during Idi Amin's reign, even though he had preceded his Uganda remark by saying that if "I discover an impropriety or illegality [by the CIA] I will not only take immediate action to correct it but also will let the American people know about it." (Washington Post, 2/24/77, p.A-8) Neither did Carter mention that ten Ugandan police officers were trained in the CIA-controlled Office of Public Safety Programs in the U.S. even after Amin had taken power in January 1971. Some of them entered the OPS courses as late as January and August 1972, when the brutal nature of Idi Amin's regime was obvious. (The CIA's training of Ugandan police was first revealed by investigative journalist Murray Waas.)

(One final note: a recent Washington Post editorial called for the re-creation of police training programs for Ugandans and stated that Americans should overcome the "tiger cage syndrome". Tiger cages, were instruments of torture used by South Vietnamese police during the U.S. war in Indochina.)

The following Ugandans were trained in CIA-controlled OPS programs after Amin had come to power: David W. Barlow (in the U.S. from 2-6/71); Bernard William Bato (7-11/71); J. Bigirwa (1-5/72); Matthew Dbado (2-6/71); Stephen M. Itangata (1-5/72); Gerard O. Malinga (8-11/71); A. Okware (1-5/72); Joseph Wambua Peter. (1-5/72); Frederick Charles Sseruwo (2-6/72); John Walusansa (8-11/72).

## Liberia

Liberia's revolution is "not a radical revolution... To radicalize the circumstances... would alienate those who have been our traditional [foreign aid donors]" such as the U.S., stated Liberian foreign minister Gabriel Matthews in a recent

Washington Post interview. Former U.S. Assistant Secretary of State for African Affairs, Richard Moose, is convinced that even after the April 12, 1980 military coup, "Liberia retains its place in the... free commercial-financial life of the West."

Moose spent much time during his last months in office dealing with Liberia, a country with some 1.8 million people in Western Africa. He visited Liberia four times between April and December, 1980 and pressured the Liberian head of state, Samuel Doe, and his People's Redemption Council (PRC) to stay "in line". Moose had considerable economic and military leverage with which to "convince" Doe. When Doe led the coup against former President William Tolbert, Liberia was in an extremely bad economic situation. In fact, the economy was in such a miserable state that U.S. State Department officials commented in late 1980 that they didn't know whether Tolbert would have managed to survive until then even if he hadn't been ousted.

Soon after Doe and the PRC took power, they found out that the treasury was virtually bankrupt. Tolbert and a small ruling clique - descendants of African slaves in the U.S. who had colonized Liberia in the mid-1800s - made huge profits and heaped up wealth. Even Richard Moose said in his testimony to the House Appropriations Subcommittee on August 19, 1980 that "there was little [popular] support for the Tolbert government or resistance to the coup from any quarter."

U.S. stakes in Liberia are high. According to Moose, U.S. private investment in Liberia, which uses the U.S. dollar as its currency, amounts to \$350 million with a replacement value of over \$1 billion (other estimates are much higher). Liberia's economy is controlled by U.S. corporations and banks. Firestone, Uniroyal and Goodrich own huge rubber plantations. One of Firestone's plantations alone employs 15,000 workers and contains 1 million acres of land. U.S. steel corporations like Bethlehem Steel control iron ore exports which comprise almost two thirds of Liberia's annual earnings. Most of the imports to and exports from Liberia are handled by U.S. corporations.

In addition to economic interests, the U.S. is also concerned about the future of its many electronic installations in Liberia. (Many of them were shifted there from

Ethiopia after the 1974 revolution.) A Voice of America radio transmitter in Liberia - the largest in the world - broadcasts to all of Africa, the Middle East, and the southwestern part of the Soviet Union. A telecommunication station, used primarily by the CIA, transmits the diplomatic and intelligence traffic between the U.S. and almost all U.S. embassies in sub-Saharan Africa.

An installation of special importance for the U.S. is the Omega Navigation station in Paynesward. It is one in a network of eight stations in Australia, Argentina, Japan, Norway, La Reunion Island, North Dakota, and a master station in Hawaii. For Liberian purposes, Omega is virtually useless. Omega is a very low frequency navigation system used primarily by the U.S. Navy. While U.S. officials continue to play down the military significance of Omega, research done by organizations like the International Peace Research Institute in Oslo shows clearly that Omega is most useful to U.S. submarines. It is the only navigation system that can be used by submarines operating in a depth of 600m (with trailing-wire antennae). Omega signals are also able to penetrate the Arctic ice; this makes Omega a continuous worldwide all-weather navigation system.

The U.S. has even admitted that Omega is used by nuclear powered attack submarines which carry a variety of nuclear weapons, but continues to deny that it is providing signals for the navigation of Fleet Ballistic Missile (FBM) submarines (which are a key factor in U.S. nuclear strategy). This denial is not convincing since special Omega receivers are being installed on all U.S. Navy ships including aircraft carriers such as the nuclear powered Enterprise, most submarines and U.S. Air Force planes. In addition, a 1977 article in the Journal of Peace Research demonstrates that even without special Omega receivers FBM's are capable of receiving Omega signals.

Harboring an Omega station presents an immediate danger of attack for the host country in case of war. While there are a number of other systems that can be used for the navigation of U.S. ships and aircraft, Omega is the only one that can provide signals to submerged submarines including nuclear missile carrying FBM's. There is little chance that an "enemy country" would be able to destroy all U.S. FBM's, but by destroying the eight Omega

transmitters, the navigation of submarines and the accuracy of their missiles would be greatly diminished.

During the years of the Tolbert government, U.S. installations such as Omega have never been questioned; in fact, Liberians were not even informed about their real functions. Liberia was being treated as a U.S. colony. The U.S., through the U.S. Military Mission to Liberia (USMM/L) virtually controlled the Liberian Armed Forces. Former U.S. Undersecretary of State for Security Assistance, Science and Technology, Matthew Nimetz said in April, 1980 that "Liberia is entirely dependent upon the U.S. for military training. Approximately 300 members of the Liberian Armed Forces have received training in the U.S. In 1979 three U.S. MTTs [Mobile Training Teams] trained more than 600 military personnel in Liberia. We plan to train a similar number in country during 1980."

Even Samuel Doe is a graduate of the U.S. International Military Education and Training Program. After the April 1979 popular uprising against rice price increases (rice is the main staple in Liberia, and former President Tolbert was the largest rice farmer in the country), Doe and the 17 original members of the PRC were part of an elite troop being trained by U.S. Green Berets in counterinsurgency operations.

Today, Doe continues to rely on the U.S. military, and Liberian officers and troops will receive training in the U.S. and in Liberia as under the Tolbert regime. After the April 12 coup, the USMM/L was drawing up the plans for "restoring order" in Liberia. These facts raise questions as to whether the U.S. was in reality completely "taken by surprise" by the coup.

In October, 1980, a Liberian delegation headed by Defense Minister Major Samuel Pearson and Gen. Thomas Quiwonkpa arrived in the U.S. for "defense talks." Among the U.S. officials they met was Gen. E.R. Thompson of U.S. Army Intelligence. The delegation visited a number of Army installations including Fort Knox (Kentucky) and Fort Still (Oklahoma) and several installations in North Carolina.

Given its firm hold on the Liberian military, the U.S. might be able to preserve the country as a strong ally (or more appropriately "colony") in Africa. Even more "convincing", though, can be done by pulling the economic strings. Liberia has a

foreign debt of \$800 million. When Moose traveled to Liberia, one of his goals was to prevent Samuel Doe from strengthening Liberia's ties with Libya. While Moose denies that he exerted any pressure, he certainly pointed out Liberia's immediate need for cash to continue paying salaries. After it became obvious that Doe would go along with U.S. objectives, aid began to dribble in - slowly - to let Doe feel his total economic dependence.

Intervention by the U.S. and the International Monetary Fund (IMF) was blatant. In September, the IMF agreed to give Liberia \$85 million over the next two years. West Africa reported that on November 5, 1980 the Liberian National Bank had to close after spending all its money; it was then that the IMF informed Samuel Doe that \$8.7 million in IMF funds would be forthcoming only if he released some former Government officials who were still in prison. Doe complied. When Liberia agreed to a stringent IMF "stabilization plan", it also got aid from private banks, Western Europe and the U.S., which has given \$27 million since April. Likewise, the World Bank is expected to give a loan this year, and the repayment of Liberia's \$800 million foreign debt is being rescheduled.

After a brief period of hope for real change following the April overthrow of the Tolbert regime, the U.S., once more, is in control of Liberia as it has been for the last 100 years. U.S. domina-

tion and economic exploitation has been the key factor in the suffering of Liberians for decades. If Samuel Doe doesn't stand up to the U.S. by relying on the Liberian people, asking for the help of progressive countries and pursuing a course of independent development, he will be forced to work against the interests of his own people, and will not be able to stand by the promise he gave the Liberian people on April 14, 1980:

"We are beginning this new Government with much knowledge and experience about the great injustices suffered by the masses of our people. We are entering this new part of Liberian history with a strong sense of those acts of previous Governments which have held our people down for too long. It is because of the fact that we have actually felt the injustices and suffering of our people that we have become committed to building a new society. As we now face our people throughout our nation, we seek to build a new society in which there is justice, human dignity, equal opportunities, and fair treatment for all before the law. As we stand here dedicated to real change, our Government will actively encourage the wise participation of the people from all parts of the country in the making of decisions that affect them..... Our dear Liberian people, let us assure you that this new Government is in the interest of all of the people without discrimination."

## CIA Updates

### Canada

KNAUS, John K.  
631 Hemlock Road, Ottawa K1M 2E9  
Phone: 749-9729  
Attache (Political Affairs)

born: 5/30/23  
Knaus is the CIA Chief of Station in Canada.

LINDAHL, Emil G.  
151 Bay Street, 507, Ottawa K1R 7T2  
Phone: 235-3772  
Labor Attache

Lindahl served in the U.S. Embassy in

Saigon as "labor advisor" from 3/66-1/69 and 3/73-5/75. U.S. "labor" programs in Vietnam were an integral part of the U.S. counterinsurgency campaign.

AYLING, Robert S.  
Consul (Halifax)

born: 5/13/48  
Ayling served in the U.S. Sinai Support Mission.

MARQUIS, Bernie T.  
Consul (Vancouver)

born: 3/14/26  
Marquis conducted psychological warfare operations in Vietnam from 1966 to 1969.

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## Paraguay

VENUTE, Donald J.

Attache

born: 4/5/30

Venute is a CIA officer assigned to the U.S. Embassy in Asunción.

The following Paraguayan police officers were trained in CIA-controlled Office of Public Safety programs in the U.S.

Emilia Villa de Benéfetti (in the U.S. from 9-10/74); Washington dos Santos Aguinaga (8-10/73); Atilio A. Gonzalez Britez; Ruben Lovera Fleitas (3-7/70); Cabrer Montiel (9-11/74); Inocencio Montiel (4-8/72); Maria Cecilia Onieva de Nazer (9-10/74); Rufino Nunez Gomez (9/71-2/72); Idilio Recalde Aguero (9/71-2/72); Jacinto Recalde Gonzalez (10/69-5/70); Juan Heriberto Sanchez (3-7/70); Blas Schembori Gonzalez (9/71-2/72); Edison Demetrio Torres Nicolina (8-10/73); Rodolfo Javier Zuccolilio.

## United Nations

According to the December, 1980 issue of Missions Permanentes Apures Des Nations Unies A Geneve, the following persons are working in the U.S. delegation to the United Nations in Geneva, Switzerland.

BURGESS, Dwight S.

First Secretary

born: 9/5/35

Burgess is a CIA officer who has served in Ghana, Tunisia, Guinea, and as Chief of Base in Lubumbashi, Zaire.

ROBERTS, Rowland E., Jr.

First Secretary,

born: 5/8/28

Roberts is a CIA officer. He was worked in CIA headquarters during most of his career. He has also been assigned to Denmark and Belgium.

WHIPPLE, David D.

Attache

born: 12/26/23

Whipple is a CIA officer. He has served in Vietnam, Thailand (as police advisor), Congo, England, Finland and as CIA Chief of Station in Portugal.

## England

As of August, 1980, the following CIA officers were stationed in the U.S. Embassy in London, England:

CARROLL, Thomas E.

ENGLE, Gerald L.

HANNON, John C.

KIMBALL, John W.

SHEDD, Thomas C.

STOLZ, Richard F.

## Heritage Foundation

The Heritage Foundation is one of the right-wing "think tanks". Founded in 1974 with money from corporate donors like brewer Joseph Coors, the Foundation has established strong ties to the Reagan administration. Heritage has supplied the Reagan transition team with a 20-volume plan for a conservative government. Its proposals include revival of Congressional internal security committees (Sen. Strom Thurmond, the new chair of the Judiciary Committee has already announced plans to do exactly that), crackdown on "radicals" in the U.S. and a 15 percent cut in the food stamp program.

Other Heritage literature documents the foundation's extreme rightwing ideology. One of the Backgrounders (No.128) of the Heritage Foundation, published on October 15, 1980 was written by former CIA officer Cleto DiGiovanni. DiGiovanni, born in 1923, went to Dartmouth College and the University of Michigan and joined the Navy in 1963. In 1966 he started his CIA career. He served in Venezuela, Argentina, and Ecuador, and resigned from the CIA in the late 1970's when he became a private "business consultant". The Backgrounder DiGiovanni wrote is entitled "U.S. Policy and the Marxist Threat to Central America". The following are some excerpts.

*"Nicaragua: The Marxist government consisting of the Sandinista Directorate and its subordinate junta... is losing popular support because of its inability to cope with serious economic problems... While mismanaging the economy, the Sandinista government is building up its security, military, and police forces, although they are still weak... Local intelligence*

*sources in Guatemala and El Salvador believe the Sandinistas are also providing logistical and moral support to insurgent forces in those two countries... In a well orchestrated program targeted against the Marxist Sandinista government we should use our limited resources to support the free labor unions, the Church, the private sector, the independent political parties, the free press, and those who truly defend human rights. ... the government is still weak and could be dislodged through a determined, coordinated, and targeted effort."*

*"El Salvador: ... massive government loans and grants will be needed for El Salvador for at least the next three or four years. This aid could be reduced and greater efficiency injected into the management of the nation's economy if the role of the Salvadorean government were reduced and that nation's private sector allowed to ... expand its activities... The best signal that the U.S. Government could send to the Salvadorean military would be to supply it with the military equipment it needs for offensive warfare without human rights and other strings. The military needs helicopters, arms and munitions ... and an upgrading of its military medical facilities and intelligence capabilities."*

*"Guatemala: ... its protection is essential to regional security. Human rights criticisms have to be muted in order to give responsible leaders in that country a chance to work out their own problems according to their own ground rules and outside of the glare of a U.S.-focused spotlight... The Guatemalans... need arms and ammunition at reasonable prices, helicopters..., spare parts... and trucks."*

*As frightening as DiGiovanni's advice is - such a policy would lead to genocidal military operations in Central America - its severe shortcomings in recognizing the popular nature of the revolutionary movements is apparent. DiGiovanni (and the Reagan administration) fail to recognize the most essential factor: it is the people that make history. The rule of U.S. banks, corporations, intelligence agencies and the military is coming to an end. In Central America, the end is near.*

## Tom Braden

When the former head of the CIA's International Organizations Division (IOD), Thomas W. Braden - now a syndicated columnist and a trustee of the Carnegie Endowment for International Peace - published his famous article "I'm Glad the CIA is Immoral" on May 20, 1967, the CIA said it had no pre-publication involvement. Braden stated that "somehow" the CIA knew in advance about the article, but he didn't know how. As the following letter shows, they both lied. (The "Dick" and "Des" referred to in the letter are Richard Helms and Desmond Fitzgerald who were then CIA officials. The letter was written by Braden's successor at the IOD, Cord Meyer.)

May 1, 1967

The Honorable Allen W. Dulles  
2723 Q Street N.W.  
Washington, D.C.

Dear Allen:

Dick, Des, and I thought you should see an advance copy of this article that Tom Braden has written for the Saturday Evening Post and which will appear May 8th or 9th. Tom first warned us by phone after it had been set in type that it was coming out but refused our request that most of the references to specific individuals and operations be deleted. We were never given a copy of the actual text until it had gone to press.

I think Tom meant well but obviously it is going to be very damaging. I really can't understand why he did it.

As ever,

/signed/  
Cord

## Princeton

Recently, the Princeton Weekly Bulletin (11/17/80) reported that Rong Zhi and Zhao Huian of the People's Republic of China are spending nine months studying international affairs at Princeton's Center of International Studies under the supervision of Professor Cyril E. Black. The Bulletin, of course, failed to mention that

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Black was a long-time covert CIA consultant who has never claimed to have cut his CIA ties. The Bulletin wrote that Black had visited China in 1979 and 1980 to set up an exchange program between Princeton and the Chinese People's Association for Friendship with Foreign Countries.

## Barry's Intelligence

Referring to covert CIA activities, Barry Goldwater, the new chairperson of the Senate Intelligence Committee, said recently that "there are many bits of information that I would just as soon not know." (Washington Post, 11/16/80, p.A-2). Goldwater seems to have forgotten that, in 1964, he himself was a target of what even former CIA Director William Colby calls "improper" CIA operations.

Chester L. Cooper, a CIA officer detailed to the National Security Council (NSC) at the time, assisted President

Lyndon Johnson in his election campaign against Barry Goldwater. Cooper analyzed Goldwater's speeches and helped in writing the Democratic National Committee's Fact Book on "national security, space and foreign affairs." But Cooper went even further, as a memorandum supplied by Colby to the House Select Committee on Intelligence shows. The memo states that when press reports about CIA spying on Goldwater appeared in late 1973, Cooper told the CIA Inspector General staff that he had received advance copies of Goldwater's speeches through the CIA's Domestic Operations Division. The Colby memo concludes: "The advanced press copies of the Goldwater speeches were picked up by a female Domestic Operations employee for Cooper... There is no question that Mr. Cooper was serving the White House in the political campaign while on the CIA payroll and that he was assisted, in part, by a member of the Agency's Domestic Operations Division."

## COINTELPRO 1980: the Felt/Miller Trial

(Ed. note: The following article about the convictions of ex-FBI officials Edward Miller and Mark Felt was written by the Committee for the Suit Against Government Misconduct (CSAGM). Part of it appeared in the December 1980 issue of the Committee's newsletter, Tip of the Iceberg and has been edited and supplemented for publication in CounterSpy. The article draws on a speech given by Judith Clark, a member of the CSAGM and a plaintiff in Clark et al v. USA at a forum on COINTELPRO in New York City in November, 1980. While we do not agree with every aspect of the analysis presented in this article we see the work of the CSAGM as an important component of the struggle against COINTELPRO. The article is printed as a contribution to the discussion of the different ways people have to act to stop and reverse the growth of police state USA.

Tip of the Iceberg is a bi-monthly newsletter. It carries articles on many aspects of the struggle to defeat COINTELPRO and analyzes past and present attacks on

revolutionary organizations. Subscriptions at the rate of \$5 a year, can be obtained by writing to CSAGM, P.O. Box 254, Stuyvesant Station, New York, NY 10009.)

The CSAGM, working under the leadership of the National Taskforce for COINTELPRO Litigation and Research is an organization formed to fight the U.S. government's domestic war program, COINTELPRO (Counterintelligence Program). The central contribution of the CSAGM to the struggle to defeat COINTELPRO is our \$100,000,000 law suit, Clark et al v. USA, against the FBI, the Justice Department, Richard Nixon, John Mitchell and other government officials and agencies, for illegal COINTELPRO activities against the plaintiffs -- activities which include but are not limited to the acts for which Felt and Miller were convicted. Plaintiffs in Clark v. USA have been the targets of ten years of FBI break-ins, phone taps, surveillance, and attempts to disrupt our political activities in solidarity with the Vietnamese people, the Black liberation

movement, and as part of the anti-imperialist movement for women's liberation. Clark v. USA, in placing responsibility for these COINTELPRO activities on the highest U.S. officials, including Nixon as the commander-in-chief, exposes the FBI's counterintelligence program as a government-wide counterinsurgency program, geared not at "intelligence gathering" but at attacking, disrupting, and destroying the struggles for human rights and liberation that fundamentally challenge white supremacy, exploitation and oppression.

Clark v. USA is our response to the government's attempts to cover up COINTELPRO -- our means of confronting and exposing both their cover-up (like the withholding of FBI files, and the Felt/Miller trial, which argued for the expansion of COINTELPRO as well as for its justification) and the government's need for such a cover-up. Therefore, the fact that, since we filed our suit in May, 1978, we have forced the release of thousands of pages of FBI files documenting illegal COINTELPRO activities, and the fact that we have won the right to bring Nixon to court (in the face of his attempt to be ruled "immune" from prosecution) repre-

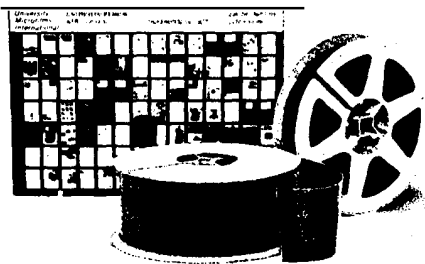
sents significant victories in the fight against COINTELPRO.

On November 7, 1980 the CSAGM sponsored a forum entitled "COINTELPRO 1980: Blueprint for Fascism". One of the high points of the forum was a taped message from Assata Shakur (a message sent to a Black Solidarity Day celebration sponsored by the National Black Human Rights Coalition) marking the one-year-anniversary of Assata's liberation from Clinton Correctional Facility in New Jersey. The forum celebrated Assata's continued freedom as the most telling blow to COINTELPRO. Over 300 people attended the forum, reflecting the need to respond and to build the resistance to the white supremacist, right-wing consolidation represented by the Reagan landslide, the attempt to expand and consolidate COINTELPRO, the murders of Black children in Atlanta and of Black men in Buffalo, and the acquittal of Klan and Nazi murderers in Greensboro.

The Felt/Miller trial was one more attempt by the U.S. government to consolidate the COINTELPRO program. In fact, it was the culmination of a several-year so-called investigation by the Justice Department into FBI crimes. It was a desperate attempt by the government to put a stop to the flood of post-Watergate revelations of illegal FBI counterintelligence operations. In counterattack against the forces in struggle against COINTELPRO, the government has put forward the view that COINTELPRO has ended, and that they would redress any legitimate legal grievances. Both sides in the case argued that the '60s and '70s were a time of crisis for the U.S., caused by foreign controlled internal subversion and violence during a time of war, that called for extraordinary and illegal actions by the FBI. But no matter how they orchestrated the courtroom proceedings, they were unable to convince the jury of 10 Black people and 2 white people that claims of "protecting national security" could justify any and all manner of government crimes. The lesson of the guilty verdict is very important in a time of rising fascism and repression: that everywhere, under all circumstances, even as the government moves to consolidate its hold and control, contradictions are heightening and the people are resisting.

On December 15, 1980, Felt and Miller were sentenced to pay fines of \$5,000 and \$3,500, respectively. These sentences are a blatant insult and attack in the face of

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the real crimes committed by these counterintelligence specialists -- not only break-ins and wire-tapping, but murder and assassination of Black and other Third World revolutionary freedom fighters. The dropping of the indictment against L. Patrick Grey shortly after the conviction of Felt and Miller is not only a particularly stark example of COINTELPRO cover-up but also stands in criminal contrast to the continued imprisonment of Geronimo Pratt and other prisoners of war. To protect COINTELPRO, the government continues to falsely imprison Geronimo Pratt, Richard Dhoruba Moore, Sundiata Acoli, Sha Sha Malik and other prisoners of war who have been shown to be innocent of the charges against them, and at the same time drops the indictment against L. Patrick Grey, who has been shown to be guilty of the charges against him.

The lessons of the trial are many. First, it was a unique turning point -- the only way the government could respond to the years of struggle against COINTELPRO. It was a staged production to further cover up COINTELPRO. They've had to recoup their losses, in the face of victorious and strengthened liberation movements internationally and internally, from Vietnam to Zimbabwe, from Azania/South Africa to New Afrika and Puerto Rico. COINTELPRO has been exposed and has been fought and defeated. Nothing highlights that more than the fact that on November 2nd we celebrated a year since the liberation of Assata Shakur. Even as the trial spun its web of lies, a suit filed by Richard Dhoruba Moore successfully exposed FBI documents proving widespread, murderous crimes against the Black liberation struggle. His files list countless FBI actions aimed at delegitimizing and destroying the leadership of the Black Panther Party. Imperialism is not as strong as it once was, and has had to tighten its power and control both abroad and domestically, giving the repressive apparatus carte blanche to carry out U.S. government policy. The trial was part of the government's offensive strategy, coinciding with the general line of the elections: fight to make Amerika strong again, and "all the way with the KKK." Counterinsurgency warfare and genocide against Third World people becomes the acceptable norm. While the forces in this trial railed against the threat of international terrorism, the terror against Black people is encouraged by the

government, implemented by the police and accepted by the vast majority of white Amerika. Nowhere is this clearer than in the recent acquittals of North Carolina Klansmen who murdered five anti-Klan activists in Greensboro, giving the green light to assassinations and all levels of terror against Black and Third World people and against white activists who fight white supremacy.

A second lesson is that COINTELPRO is indeed a war strategy. Having established that fact, the question in the trial became how power would be enforced. As Nixon himself said, "We were at war." And, in agreeing with defense contentions, Nixon maintained that constitutional rights "vary according to circumstances." COINTELPRO is about outright murder, imprisonment, counterinsurgency tactics to neutralize people's just struggles. This is critical to understand now, for COINTELPRO is escalating now -- meaning more murders, frame-ups and warfare. That is the content of the attacks on the Puerto Rican independence movement -- jailing 11 POWs in Chicago, murdering countless freedom fighters in Puerto Rico. And this is how we must understand the assassination of Yulanda Ward, Black political activist in Washington, D.C.

Thirdly, the Washington trial shifted from a focus on domestic subversion to fighting international terrorism, revealing the international character of their war strategy in defense of the empire. They attempted to paint all progressive movements as agents of foreign powers. There is no separation between counterinsurgency against African freedom fighters in Azania/South Africa and New Afrikan freedom fighters here. Fighting international terrorism becomes the modern day McCarthyite call for attacking Third World struggles for self-determination and national liberation. It is particularly used to attack armed struggle and People's War. The other side of this position is the denial of any material basis for the existence of domestic dissent. They could barely mention the Black movement in this trial because its very definition exposes the true nature of COINTELPRO. This emphasis on fighting international terrorism and communism is part of the basis for the rise and consolidation of white supremacy today.

Why is it important for them to go through all these lies and justifications to win people to supporting escalating

counterinsurgency today ? Because they need widespread public involvement to insure COINTELPRO's success. Reagan's victory reveals the potential for a base for fascism and white supremacy which could be mobilized in support of international war mongering and attack on national liberation and human rights struggles here.

At the same time, progressive white people have ceased to respond to disclosures of illegal FBI actions. Cynicism and fear have become the justification for inaction. The key lesson we must draw from this trial is that our only response to the heightening and consolidation of fascism and white supremacy must be the escalation

of anti-imperialist struggle. We must deny them the consolidated base of white supremacy -- from the outright attacks of the Klan to liberal quiescence and fear.

Why anti-imperialism ? Because it is the only strategy that can win, that correctly identifies the problem and the solution. It is through reform that they have laid the groundwork for fascism today. The post-Watergate demands for controls over the government's intelligence agencies have led to increasingly repressive FBI and CIA charters. You cannot fight the excesses of a system without supporting the forces leading the struggle against the system.

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