

## GOVERNMENT MOVES TO CENSOR COUNTERSPY

# COUNTERSpy

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**Libya:  
U.S. Propaganda  
and Covert  
Operations**

**World Bank  
Blueprint  
for China**



**AIFLD: Secret Plan for El Salvador  
U.S. Destabilization of Canada?**

# Editorial

Unlike his friend Richard Nixon, CIA Director William Casey cannot claim: "I am not a crook." On May 19, 1981 Judge Charles E. Stewart, Jr. in New York concluded that Casey had unlawfully misled investors of Multipionics, Inc. In a Casey-authorized offering circular, prospective investors were not told that Multipionics had assumed \$2.7 million in mortgage debts - \$701,000 of which was Casey's personal debt.

The retention of Casey as CIA Director after this ruling says a lot about the CIA and the Reagan administration. The fact that he ripped off fellow investors, however, is not the major concern regarding Casey. Rather, it is his initiation of worldwide criminal covert operations - in Afghanistan, Libya, Mozambique, El Salvador, Cuba, Mauritius and Iran (just to name a few) - while simultaneously trying to silence the U.S. media. Casey and the CIA are attempting to end press coverage of CIA operations by promoting passage of HR4 and S391, the so-called "Intelligence Identities Protection Act."

As we go to press, the House has passed HR4 by a 354 to 56 vote with two amendments. One outlaws the naming of overcover agents even after they retire. The other amendment, offered by Rep. John Ashbrook (R.-Ohio) outlaws the identification of undercover intelligence agents by anyone "with reason to believe" that the identification would impair U.S. intelligence activities. Ashbrook's amendment, which has the support of President Ronald Reagan and CIA Director William Casey, led Edward Boland (D.-Ma.), the chairperson of the House Intelligence Committee, to vote against the bill. Boland, who has pushed an "Intelligence Identities Protection Act" for years, feared that Ashbrook's amendment would make HR4 unconstitutional. In its present forms, HR4 and S391 (the Senate's "Intelligence Identities Protection Act") have very similar wordings. S391 is expected to pass in the Senate without major changes.

In an April 29, 1981 letter to Boland, Casey admitted that the "Intelligence

Identities Protection Act" is "designed to deal primarily with the damage to our intelligence capabilities...[emphasis added] which is caused by unauthorized disclosures of identities, whether or not a particular officer or source is physically jeopardized in each individual case." Intelligence capabilities, of course, cover everything from assassinations and destabilizations to intelligence gathering.

In the same letter, Casey revealed the draconian reach with which the CIA wanted to endow HR4. Even though the CIA is forbidden to engage in policy-making, Casey recommended the addition of a "technical amendment to HR4... with regard to which searches and seizures may be conducted..." Under this amendment the CIA could direct the FBI to undertake surprise searches of newspapers and broadcasting newsrooms possibly preparing CIA exposes. These FBI searches would be allowed even to uncover information derived from analysis of publicly available data. Included in that data could be such items as private memos from reporters to editors. In a few words, Casey admitted what CounterSpy has contended for years: the CIA intends to all but abolish the First Amendment - which, after all, is only an amendment, according to former CIA official Ray Cline.

The CIA's reason for wrapping itself in secrecy has nothing to do with real national security. The so-called "Intelligence Identities Protection Act" is an integral part of the Reagan administration's preparations for, and execution of, covert CIA and, quite possibly, military operations. CIA covert operations in the past, such as the 1953 coup in Iran, have not been in the interest of real national security, but rather for the benefit of U.S. multinational corporations. Moreover, they often undermined national security by bringing us closer to another war. Therefore, it is the task of all citizens to take strong actions against this legislation and CIA covert operations in other countries. A government which ravages other peoples inevitably turns on its own.

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## Casey Names Names

Read CIA Director William Casey's speech to CIA employees on July 27, 1981. He defends his business dealings, outlines future strategy for the CIA, reviews "progress" made, names names of high ranking CIA officers, and praises former CIA Director Richard Helms, a convicted perjurer. Available from CounterSpy (\$1.60, includes postage in U.S., add \$.90 for overseas airmail).

CounterSpy is available in microfilm from: UNIVERSITY MICROFILMS INTERNATIONAL, 300 North Zeeb Rd., Dept. P.R., Ann Arbor, MI 48106; and 30-32 Mortimer St., Dept. P.R., London W1N 7RA, England.

# News NOT in the News

## Forgery

*The CIA's Operation CHAOS and the FBI's COINTELPRO went through great pains in the late 1960s and early 1970s to destroy the credibility and in some cases the very existence of progressive publications. Indications are, that operations like these have not stopped.*

*Earlier this year a major attack was launched on CounterSpy's credibility when "someone" produced a "Special Issue" of CounterSpy. "Focusing on the CIA in Germany." This forged pamphlet, neatly typeset and using graphics from back issues of CounterSpy, was mailed to the Frankfurter Informationsdienst (FI), a progressive West German publication which is in the process of publishing a new magazine on intelligence - the first such magazine in German. The pamphlet featured an article "FRG: Made in U.S.A., part two," supposedly written by Konrad Ege, (Ege had written an article in the real CounterSpy in the April 1979 issue under the headline "Federal Republic of Germany: Made in U.S.A.") as well as the names of 19 "CIA officers" complete with dates of births, phone numbers and addresses in Bonn.*

*FI editors were immediately suspicious. Without citing any sources, the article contained numerous charges of CIA infiltration and use of West Germany's peace and environmentalist movement. FI informed CounterSpy of their questions regarding the "Special Issue." FI and CounterSpy see this forgery not only as an attempt to undermine CounterSpy's credibility but also as an attack on FI's project to develop a West German magazine on intelligence.*

## Sadat's Confession

*"Let me reveal this secret. The first moment the Afghani incident [Overthrow of Hafizullah Amin and Soviet troop movements into Afghanistan] took place [in December 1979], the U.S. contacted me here and the CounterSpy -- Nov. 81 - Jan. 82 -- 3*

transport of armaments to the Afghanis started from Cairo on U.S. planes." So said Egyptian President Anwar Sadat to NBC TV on September 22, 1981. For the first time one of the high government officials directing the major covert operation against Afghanistan admitted publicly the existence of a large scale joint aid program to the Afghan rebels. Sadat also confirmed that he would continue to aid the CIA in its arms shipments to the rebels "until the Afghanis get... the Soviets out of their country." Sadat's admission finally puts the lie to U.S. government assertions that most of the Soviet-made weapons the rebels have are captured from the Afghan or Soviet Army. In reality, they are Egyptian-made replicas of Soviet arms.

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rying out operations that were considered too sensitive for the CIA.

Reportedly, Inman decided to end Task Force 157 when former CIA employee Edwin Wilson offered to raise more congressional funding for 157. However, it is not known what Inman decided about Wilson's suggestion to set up a "counterpart to Task Force 157." The possibility that a Task Force 157-type operation is continuing was suggested by the arrests in 1980 of DuWayne Terrell and William Thomas as spies for the CIA and Israeli intelligence in the Yemen Arab Republic. Terrell and Thomas were working for Aeromaritime, which had served as a business front for Task Force 157 in the early 1970s. Obviously, Aeromaritime was not closed down by Inman.

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## Only Courage?

"Courage Is Our Weapon" is a newly released "documentary" about the Afghan refugees in Pakistan. It was shown first at the Second Annual Afghan Fair on September 25 in Washington, D.C. Prior to the showing, the "Afghan Relief Committee," a U.S. organization collecting funds for the refugees hosted a benefit dinner. The guest list is self-explanatory: CIA Director William Casey, former ambassador to Saudi Arabia and Relief Committee official, Robert Neumann, former assistant secretary of State Harold Saunders, American Federation of Teachers head Albert Shanker, Pakistani ambassador to the U.S., Ejaz Azim, and self-proclaimed CIA collaborator Arnaud de Borchgrave.

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## 157: Alive and Well?

When then-Director of Naval Intelligence Bobby Ray Inman (now CIA Deputy Director) decided to close down Task Force 157 in February 1976, he terminated one of Naval Intelligence's most secret operations. Task Force 157, headed by Capt. Darryl A. DeMaris at its closing, was engaged in intelligence gathering on Soviet nuclear weapons, infiltration of international maritime unions, and in general, was car-

## Doremus, Ontario Hydro and the CIA

With the Reagan administration threatening to take drastic steps to prevent Canada from taking more control over its own raw materials and resources (presently U.S. corporations own about 80 percent of Canada's resources; see "Is the U.S. Destabilizing Canada?" in this issue), U.S. investment in Canada's energy market has become a critical issue in U.S.-Canadian relations. It is somewhat contradictory then, that one major Canadian energy company, Ontario Hydro, is still trying to attract U.S. investment through its New York public relations firm, Doremus and Co. Doremus, which was taken over by another public relations firm, BBDO Co. last year, isn't just "any old company." Its former clients include some extremely repressive governments - the late Shah of Iran, the Marcos regime in the Philippines, King Hussein of Jordan, and the Saudi royal family - and it presently represents the Turkish military government.

A number of past and present Doremus officials came to the company from the CIA, the State Department, and the Pentagon. They include John W. O'Connell, the former CIA Chief of Station in Jordan; Doremus Vice President George L. Fischer who acknowledged in an interview with the Chicago Sun Times (3/14/78) that he had been

working for the CIA in the late 1950s; and former Vice President William Codus, Assistant Chief of Protocol in Henry Kissinger's State Department.

Doremus began to work for Ontario Hydro in 1971. In order to attract U.S. investors, Doremus places advertisements in U.S. publications and, in general, tries to create favorable publicity for Ontario Hydro in the U.S. Doremus has produced numerous press releases praising Ontario Hydro as "Canada's largest utility" which has made "arrangements with its United States interconnections" to reserve on a first call basis the purchase of its power by U.S. customers in times of "peak demands." In a December 2, 1974 press release, Doremus announced that a "total of 510,000 kilowatts" of Ontario Hydro's power is reserved for U.S. customers on a first call basis.

When Ontario Premier Davis visited the U.S., Doremus, according to a statement filed with the U.S. Department of Justice under the Foreign Agents Registration Act, assisted him "in certain functions... during the week of May 16, 1977. This assistance took the form of providing transportation and other general assistance to the press covering the Premier's visit, assistance with getting T.V. films en route from N.Y. to Canada for use within that country...."

For Doremus the Ontario Hydro deal has been financially rewarding. From August 1980 to February 1981, for example, Doremus got \$143,716 as "professional service fees and reimbursement of out-of-pocket expenses." That makes Ontario Hydro one of Doremus' most lucrative foreign accounts.

## More Disinformation

Donald Hunt, the general manager of the Toronto Sun feels that he "could find an audience" for a paper like the Sun in Washington, D.C.; and after the shut-down of the Washington Star, the Sun hired former Star associate editor Sidney Epstein to keep the Sun informed about the possibility of starting a new D.C. daily. The Toronto Sun, a rightwing tabloid-form daily, is published by none other than Peter Worthington who has close ties with Cana-

da's intelligence agency, the Royal Canadian Mounted Police (RCMP). Worthington has knowingly published RCMP disinformation about alleged Communist activities in Canada, and has served as an RCMP apologist against justified public criticism. (See CounterSpy, vol.5 no.3, p.52 and "RCMP Demystified" in this issue.)

## Ray Cline...

"Dear C.S. Staff: Forget what you've read about the C.I.A. up until now..... Prepare yourself for the uncompromising truth about the C.I.A...." wrote Laurie Dustman Tag of Acropolis Books Ltd. in a letter to CounterSpy on August 10, 1981. She was announcing a new book by former CIA Deputy Director Dr. Ray Cline entitled The CIA. It is supposed to be the final word on the CIA and is described as "fascinating." Dustman Tag wrote that she is sure CounterSpy will "find an excerpt from the book which will be perfect" to be reprinted in CounterSpy. She also wanted to "talk soon."

We didn't find an excerpt. The CIA is hardly informative (most of it is transplanted from Cline's previous book, Secrets, Spies and Scholars) and it is poorly written. We couldn't agree more with Cline's assessment in the preface that the book might come across as being "egocentric." It is. Cline knows everything and has all the correct strategies for the CIA. He gives high marks to CIA Director William Casey and the Reagan administration's "new approach" to intelligence. Casey, according to Cline, did a tremendous job in raising morale in the agency, and "intelligence officers began to slough off the feeling of being pariahs - or even criminals...."

A promotional flyer for The CIA announces: "Watch for Ray Cline on 'Good Morning, America' and other major media this fall." This seems to be the ulterior motive of The CIA: to serve as a vehicle to get mass media exposure for Cline's right-wing views.

## ... and James Billington

One incident Cline describes in The CIA involves James Billington, a former CIA officer who now heads the Woodrow Wilson International Center for Scholars of the Smithsonian Institute in Washington, D.C. In 1956, Cline and Billington were taken along by then-CIA Director Allen Dulles on a world-wide trip to CIA stations. "This was a big break for me," writes Cline, "because Jim, being very junior, did most of the briefcase carrying...."

Billington seems to have enjoyed the trip anyway, since he wrote a groveling "poem" entitled "The Voyager" honoring Dulles. The poem concludes:

*Mr. D. worked all day  
While the others would play  
Yet he seldom let loose his thunder  
He's a man that his troops  
All felt as a group*

*Mighty glad and proud to be under.*  
Billington's ties with the CIA did not end with his departure from the agency shortly after his trip with Dulles and

Cline as seen in this excerpt from an April 1958 letter from Dulles thanking Billington for a copy of a book he had just written.

*I was interested to hear of your plans for a trip and would appreciate your letting me know when details are firmed up. I would like to have our boys have a talk with you before you go, if agreeable with you. In the meantime I will be looking forward to seeing you in June if you do get down to Washington then. Just drop a note or call the office and Miss Tisthammer will arrange a mutually convenient time for us to get together.*

Billington, in fact, continued as one of the CIA's notorious "Princeton Consultants" while a professor at Princeton University. In June 1981, Billington also testified before the Senate Subcommittee on Security and Terrorism on "Historical Antecedents of Soviet Terrorism." In this hearing Billington presented his new definition for the word "terrorist": the terrorist is the "ultimately committed revolutionary...."

## U.S. Biological Warfare Against Cuba

Cuban President Fidel Castro recently made serious charges about a new biological warfare program against Cuba. On July 26, 1981, the 28th anniversary of the attack on the Moncada Garrison, the beginning of the Cuban revolution, Castro stated that the government shares "the people's conviction and [harbors] the profound suspicion that the epidemics which have hit our country, especially the hemorrhagic dengue, may have been introduced into Cuba by the CIA." He pointed out that over the last seven weeks, 113 people had died of dengue fever, and nearly 300,000 were infected. In addition, Castro raised questions about other plagues that had hit Cuba during the last two years: African swine fever, sugar cane rust, and blue mold on tobacco. Castro queried about a U.S. government role in introducing these pests which debilitated two key Cuban export commodities, tobacco and sugar as

well as one of Cuba's vital staples, pork.

The State Department and the U.S. media were quick to ridicule and discount Castro's charges. The Washington Post, for one, claimed that the charge of dengue fever being introduced into Cuba by the CIA "makes no medical sense." While it is true that there are natural causes for a dengue fever epidemic, the possibility of CIA dirty work cannot be dismissed out of hand.

The U.S. has a long history of using biological weapons. A top-secret 1956 U.S. Army document, for example, urges that "military operational policies, plans and directives dealing with the offensive deployment of BW [biological weapons] against specific targets" as well as "the fact that specific living agents or their toxic derivatives, identified by specific name and/or description, had been standardized for offensive military employ-

ment" has to be kept "top secret." In his book, Chemical and Biological Warfare - America's Hidden Arsenal, Seymour Hersh also quotes a report stating that an inventory at Fort Detrick, Maryland included "mosquitoes infected with yellow fever, malaria and dengue [emphasis added]; fleas infected with plague; ticks with tularemia, relapsing fever, and Colorado fever; houseflies with Cholera, anthrax, and dysentery." In addition, Fort Detrick facilities, which have been used by both the CIA and the Army, included "laboratories for mass breeding of pathogenic microorganisms and greenhouses for investigating crop pathogens and various chemicals that harm or destroy plants."

In 1977 it was further revealed that the CIA, during the early 1960s maintained a clandestine "anti-crop warfare" research program "targeted at a number of countries." (Washington Post, 9/16/77) In spite of the 1969 order by President Richard Nixon to halt research on and planning and stockpiling of offensive biological and chemical weapons, the CIA and the Army have continued research on and use of such weapons.

Newsday reported on January 9, 1977 that "with at least the tacit backing of U.S. Central Intelligence Agency officials, operatives linked to anti-Castro terrorists introduced African swine fever virus into Cuba in 1971." The operation was successful. Six weeks later an outbreak of swine fever forced the slaughter of 500,000 pigs to prevent a nationwide epidemic. Newsday described how the biological warfare operation was carried out: One intelligence operative was given a sealed container with the swine fever virus in Fort Gulick in the Panama Canal zone. At Fort Gulick, according to Newsday, the CIA also "operates a paramilitary training center for career personnel and mercenaries." At the time, Fort Gulick was also used as "a staging area for covert operations in the Caribbean and Latin America."

From Fort Gulick, the container with the virus was transferred to members of a counter-revolutionary Cuban group, who took it by trawler to Navassa Island, a deserted U.S.-owned island between Haiti and Jamaica. After a stopover in Navassa, the container was taken to Cuba and given to operatives near the U.S. military base, Guantanamo.

The United Nations Food and Agricultural

Organization stated that the swine fever outbreak in Cuba was the "most alarming event" of 1971 in the Western Hemisphere, and Fidel Castro said in his 1971 speech celebrating the anniversary of the attack on the Moncada barracks: "The origin of the epidemic has not yet been ascertained. It could be accidental or it could have been the result of enemy activity. On various occasions the counter-revolutionary wormpit [Cuban terrorist groups in the U.S.] has talked of plagues and epidemics...."

A proposal for a CIA food study (reprinted in CounterSpy, vol.4 no.1) serves as one more indication that the CIA is targeting Cuban food production in its continuing war against Cuba. The study requested by the CIA was to "evaluate national nutrition and health problems and strengths... as they affect food availability and consumption requirements of key less developed countries..." One of the "key countries" listed in this proposed 1978 one-year study was Cuba. The study was supposed to answer questions including: "What are the nutrition and disease factors related to food availability and utilization?; what is the impact of the biological/ecological/cultural environment on nutrition, health and disease?"; and finally, "what is the impact of national food needs and demands which result in parallel incidence of debilitation and crippling diseases in the labor force?"

Biological warfare research by the Army and the CIA is not a thing of the past. For example, last year U.S. "government laboratories" were studying the rift valley fever virus for use "as a biological warfare agent." Like dengue fever, rift valley fever is transmitted by mosquitoes; it causes blindness, severe bleeding and liver damage, and can cause inflammation of the brain and death. Col. Gerald A. Eddy, the chief virologist at the U.S. Army Medical Research Institute in Frederick, Maryland commented on the danger of rift valley fever. "We think the world is relatively unprepared for this potentially devastating virus." According to Col. Eddy, only the U.S. Army has certified vaccine, and it is only enough to immunize some 100,000 people. (Facts on File, 4/25/80)

That the CIA wants to "keep the option open" to use biological warfare was con-

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firmed in a "joke" by then-CIA Deputy Director Frank Carlucci. (He is now Deputy Secretary of Defense.) Carlucci stated in a speech given to the American Bar Association in June 1980 that he is opposed to any prohibition of biological warfare:

"We've gone through successive iterations of intelligence legislation; there are some concepts that have arisen that I personally consider a bit curious or difficult. One is that we can reduce every detail of the intelligence business to statute. The original intelligence charter... had an array of prohibitions... There was one that said CIA agents should be prohibited from overtly taking an action likely to lead to flood, pesti-

lence, plague or mass destruction of property. In the CIA there was a tongue-in-cheek comment that we ought to oppose this just to keep our options open."

In spite of the devastating effects of successive plagues, Cuba has proven in the past that the country is able to defeat attempts by counter-revolutionary Cubans and the CIA - including biological warfare - to defeat the revolution. Far from destroying it, attacks on Cuba have strengthened the determination of the Cuban people. Says Fidel Castro: "This country may be wiped off the face of the earth, but it will never be intimidated or forced to surrender."

## AIFLD: Secret Plan for El Salvador

by John Kelly

In a searing self-indictment, the American Institute for Free Labor Development (AIFLD) puts the lie to its land reform program in El Salvador. A draft of AIFLD's 1981 working paper on land reform - leaked to CounterSpy - claims the reform is directed toward "a drastic overhaul of the land tenure system" controlled by the "economic powers of the country."<sup>1</sup> In short, land is supposed to be redistributed from the landed oligarchy which, according to draft author Bruce Cohen, controlled El Salvador until 1979 through "the application of extreme economic, political and military power."

The AIFLD report ignores that support of the junta directly contradicts the goal of drastically overhauling the land tenure system because the present junta is again controlled by the oligarchy and the military. This is where the lie comes in - a "reform" that underpins the junta keeps the land in the hands of the oligarchy. Cohen glosses over this contradiction by writing as if there have been no changes since October 1979 when "the government of

General Romero was replaced by a civilian/military junta."

Cohen would have us believe that El Salvador is still ruled by the 1979 civilian/military junta which, he added, "recognized the need for land reform so as to change an archaic political system [and] to right extreme social and economic injustice (sic)...." Some civilians in the 1979 junta may have viewed land reform as such. However, they resigned on January 3, 1980 because "the military [has] failed to keep its political and economic promises."<sup>2</sup> Moreover, moderate officers in the 1979 junta have either resigned or are now dominated by conservative officers who are undoubtedly among those who, Cohen says, consider "land reform" a means to "counteract the appeal of the left in the countryside."

In effect, AIFLD's land reform is counterinsurgency in the service of a junta brutally opposed to true land reform. The primacy of the counterinsurgency role is highlighted by Roy Prosterman who, Cohen says, has "devoted extensive time and effort" to the land reform. Prosterman, who talks like a politico-military strategist has written that a first goal of the land reform is to "broaden the base of the jun-

*(John Kelly is co-editor of CounterSpy and the author of the forthcoming book, The CIA in America.)*

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ta;<sup>3</sup> and that a "desperate" junta turned to AIFLD because "most of the campesino [peasant] sector in El Salvador [was] unorganized or radicalized by extreme leftists."<sup>4</sup> In June 1980, he predicted that "if the reforms are successfully carried out here, the armed leftist onslaught will be effectively eliminated by the end of 1980."<sup>5</sup>

Prosterman's involvement leaves no doubt that the land reform is being subverted for counterinsurgency purposes. The extent of his involvement also questions the legitimacy of the reform. According to Cohen, "these three consultants, (Roy Prosterman, Jeff Riedinger, and Mary Temple), especially Dr. Prosterman, worked extensively on [land reform] Decree 207 and the general framework for its implementing regulations. Dr. Prosterman has advised AIFLD, UCS [Union Comunal Salvadorena, an AIFLD-created union], and FESINCONSTRANS [urban Salvadoran union] on other issues such as the type of surveys needed, the proposed General Law of Agrarian Reform of June 1980, and the educational programs needed to develop increased skills in the Agrarian Reform Process."<sup>6</sup> Cohen thus admits that the reform was U.S.-imposed with negligible campesino input. The fact that AIFLD publicly portrays the land reform as an indigenous Salvadoran program is hypocritical and underscores its illegitimacy.<sup>7</sup>

Bruce Cohen presents no criticism or even questioning of a U.S.-imposed land reform used as counterinsurgency in support of the junta. Flowing from this position is his incredulous attribution of all violence to "the left and the communists." Absolutely no violence is attributed to military, paramilitary, or rightwing forces. This operating principle alone totally discredits AIFLD's land reform in El Salvador because it leaves no doubt about AIFLD's unquestioning support of the military-dominated junta.

Further undermining the land reform's legitimacy is the fact that Cohen ignores violence directed toward its participants which comes from the military and rightwing forces. Many first hand reports continue to verify the existence of this military and rightwing violence. Perhaps the most telling testimony comes from Assistant Minister of Agriculture, Jorge Alberto Villacorta upon his resignation on March 26, 1980.

*Underscoring AIFLD's counterinsurgency role in El Salvador was the following statement before the Supreme Court by then-U.S. Solicitor General Wade McCree about AIFLD's Michael Hammer and Mark Pearlman: "... For example - I'm off the record in answering this - but just recently two Americans were killed in Salvador (sic). Apparently they were some kind of undercover persons working under the cover of a labor organization, and if this person [Philip Agee] identified them as not by what they appear to be but as undercover operatives...."* (Edward S. Muskie, Secretary of State, Petitioner, v. Philip Agee, Respondent, No.80-83, Washington, D.C., Oral Argument, Supreme Court of the United States, January 14, 1981, pp.21, 22.)

"During the first days of the reform - to cite one case - 5 directors and 2 presidents of new campesino organizations were assassinated and I am informed that this repressive practice continues to increase. Recently, in one of the haciendas [farms] of the agrarian reform, uniformed members of the security forces accompanied by someone with a mask over his face, brought the workers together; the masked man was giving orders to the person in charge of the troops and these campesinos were gunned down in front of their co-workers. These bloody acts have been carried out by uniformed members of the National Guard and the Hacienda Police, accompanied by civilian members of ORDEN [death squad], all heavily armed, including support from tanks and heavy equipment."<sup>8</sup>

The natural reaction to such associated violence is the rejection of the program by its own participants. In February 1981, land reform head and UCS officer, Leonel Gomez, fled El Salvador because of an assassination attempt by the military in conjunction with a civilian death squad.<sup>9</sup> Upon arriving in the U.S., Gomez said that the "problem... is the army"<sup>10</sup> in El Salvador. In another instance, the Executive Council of eight UCS departmental organizations participating in the land reform signed a protest statement withdrawing their support from the program.<sup>11</sup> This withdrawal followed the machine-gunning of twelve land reform participants by the National Guard.<sup>12</sup>

A final telling indictment of AIFLD's commitment, if not legitimacy, is Cohen's

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*AIFLD's consonance with the Reagan/Haig El Salvador policy was evident in a guest speech to the March 1981 AIFLD graduating class by Richard T. Booth, Inter-American Labor Advisor in the U.S. State Department. Booth said about AIFLD that "our government fully supports our labor movement in this effort." On El Salvador, Booth said that "Secretary Haig has reiterated our support for the government led by President Duarte, in its efforts to implement sweeping reforms." Booth's speech was met with applause.*

AIFLD Report, March-April 1981, p.2.

revelation that U.S. AIFLD officials now reside in Honduras and are accompanied by an armed bodyguard. Since Cohen's draft is a working paper and a justification for continued funding, it means that AIFLD operates as if there is no military or rightwing violence even against land reform participants. Therefore, AIFLD's public admissions of large scale military and rightwing violence are all but meaningless since AIFLD does not act accordingly.

While there is wide variance between AIFLD's private and public statements on the issue of rightwing violence, there is one area of agreement. Both say the land reform is a success. Cohen paints a rosy picture: "... the Basic Law of Agrarian Reform was promulgated in March 1980 and farms of more than 1,200 acres were expropriated.... The takeover of these large farms benefitted approxi. 62,000 families and redistributes 615,000 acres to campesino cooperatives. In April the Government approved Decree 207 or land to the tiller law. This law gives all renters and sharecroppers the rights to the land on which they work. By giving stability on the land to the 150,000 campesino families beneficiaried (sic) by the law...."

While admitting to bureaucratic impediments, Cohen gives the undeniable impression that 212,000 families have already benefitted from the reform. AIFLD Executive Director, William C. Doherty, Jr. also told Congress in February 1981 that "over 210,000 families have received control over the land they till."<sup>13</sup> That same month, Doherty, citing Prosterman, wrote the following:

"In March 1980, the 263 estates over 1,250 acres in size were transferred

from their former owners to the 60,000 peasant families who had been working on them.... A second reform program... transferred to El Salvador's sharecroppers and tenants all the land being worked by them, and it thus brought to an immediate end the country's traditional landlord-tenant system.... Farmland... passed into the de facto possession of about 150,000 families."<sup>14</sup> (Emphasis added.)

Among those who dispute Cohen's and AIFLD's claims are former U.S. Ambassador to El Salvador, Robert White who once invited Prosterman to promote the land reform before the Salvadoran oligarchy and the New York Times. The Times claimed on September 28, 1980 that the land reform had "benefitted nearly one million peasants." In a September 1981 interview, White said that the "second stage of the land reform had been explicitly canceled with U.S. approval. And the powers that be are refusing to accept the first phase of land reform as a fait accompli - they want to roll it back."<sup>15</sup>

In its August 3, 1981 edition, the Times reported that about 272 out of 282 land reform cooperatives were operating at a loss. As opposed to Cohen's 62,000 families, the Times quotes AID as reporting only 38,000 families participating in Phase I. Regarding Phase II, which Cohen said benefitted 120,000 families, the Times reported that "the United States Ambassador, Deane R. Hinton, said recently that the second phase of the program would not be carried out."<sup>16</sup> The third phase, or land-to-the-tiller, according to AID, has issued about 500 land titles "usually in ceremonies presided over by a member of El Salvador's governing junta."<sup>17</sup>

William Doherty recently denied before Congress that AIFLD's land reform in El Salvador was a "charade." He is correct. AIFLD's land reform is a brutal reality for the Salvadoran people.

#### FOOTNOTES

- 1) All references and quotations are from Bruce Cohen's draft report unless specified otherwise. The copy obtained by CounterSpy was missing the title page and a few other pages. Independent verifications were obtained confirming the validity of the draft and that its author is Cohen.
- 2) Washington Post, 1/4/80.
- 3) AFL-CIO Free Trade Union News, 6/80, p.4.
- 4) ibid., p.1.

5) El Salvador Gazette, 5/5/80. As quoted in Agrarian Reform in El Salvador: A Program of Rural Pacification, by Philip Wheaton, EPICA Task Force (1470 Irving St. NW, Washington, D.C. 20010), 11/1/80, p.17. Regarding counterinsurgency, it is interesting to note that Cohen claims to have sent all copies of his report to Jesse Snyder, an Agency for International Development (AID) officer stationed in El Salvador. Snyder previously served in the CIA/AID/Pentagon counterinsurgency in Vietnam.

6) According to an AID memorandum of August 8, 1980: "It is closely identified in El Salvador with the U.S. Government and the American Institute for Free Labor Development (AIFLD). Phase III presents the most confusing aspect of the reform program, and it could prove to be especially troublesome for the United States because it was decreed without advance discussion, except in very limited circles, and, as we are told, it is considered by key Salvadoran officials as a misguided and U.S.-imposed initiative." (As quoted in Wheaton, p.16, see note 5.)

7) AIFLD's William Doherty is among those who claim that the land reform is indigenous and directed toward the benefit of Salvadorans. At the same time, he has testified that there are "three parts" to the "Salvadoran problem." The first part, according to Doherty, is "the effect on U.S. national security of Communist aid to the guerrilla movements in El Salvador." (As quoted in AIFLD Report, March-April 1981, p.6.)

8) As quoted in: Wheaton, p.13 (see note 5).

9) Washington Star, 2/8/81, pp.A-1, A-11.

10) ibid., p.A-11. Cohen and AIFLD have also ignored Gomez' charge that government officials have taken \$40 million in kickbacks from the land reform program.

11) Wheaton, p.17.

12) ibid.; see AFL-CIO Free Trade Union News, 2/81, p.4.

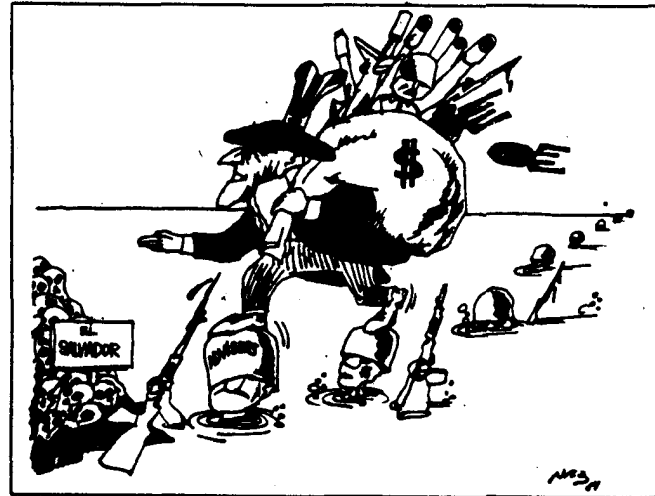
13) As quoted in AIFLD Report, March-April 1981, p.1.

14) AFL-CIO Free Trade Union News, 2/81, p.3.

15) The Progressive, 9/81, p.23.

16) New York Times, 8/3/81, p.A-6.

17) ibid., p.1.



# U.S. Marshall Plan for the Caribbean: Counterinsurgency

by Robert Holden

Money and guns: for more than eighty years, these have been the main instruments of U.S. foreign policy in Latin America. Shifts of emphasis, variations in approach and some amusing rhetorical flourishes have broken the monotony from time to time, but the main objectives are the old familiar ones: the exclusion of "alien interests" and the maintenance of an open door for U.S. trade and investment. U.S. capital's inexhaustible appetite for fresh foreign investment opportunities has been matched by Washington's willingness to apply raw military power on its behalf. The policy failed badly only once - in Cuba, an early victim of U.S. imperialism that finally excoriated the beast in 1959. Now, the policy is being threatened again in Nicaragua, in Grenada, and on a different level in Guatemala and

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El Salvador.

Not since the rule of Salvador Allende's Popular Unity government in Chile from 1970 to 1973 have U.S. interests been so gravely endangered in what Pentagon strategists like to call our "southern flank." Washington intervened materially to assist the overthrow of Allende, and is once again positioning itself for an intervention more dramatic than the mere transfer of arms and advisors. This time, the U.S. government's attention has been arrested by the popular upsurge in Central America against the oligarchies that have ruled on Washington's behalf.

The response of the Reagan administration has been to more than double the flow of weaponry into Caribbean basin countries whose leaders are threatened by popular revolt, and to propose what has become known as a "mini-Marshall Plan." (All references to the Caribbean basin, or the region, refer to the island nations, the countries of Central America not counting

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Mexico, and to Colombia, Venezuela, Guyana and Suriname on the South American coast.)

This fall, the administration will begin consulting the leaders of industry and Congress to formulate a specific program for the so-called economic development, or "Marshall Plan" component of the Reagan policy. By January 1982, according to the State Department's time table, a second meeting of the United States and its designated partners in this effort - Mexico, Venezuela and Canada - will have taken place to decide how the plan will be drawn up. As outlined by the administration, the United States will attempt to encourage development in the region by stressing the build-up of local private enterprise (through U.S. aid as well as local government initiative), and the provision by the recipient governments of further incentives for U.S. private investment and trade. Mexico, Canada and Venezuela are supposed to be developing separate plans subject to some kind of coordination with Washington's.

As described by Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs in testimony last July 28 before the House Inter-American Affairs Subcommittee, the plan will emphasize "the supply side... to create new competitive production capacity and take better advantage of [the basin's] existing resources and capital." So, Enders continued, "we will begin asking these countries as we meet them: What can you do to retain your skilled labor and capital? How can you create predictable, favorable conditions for enterprise? Such ideas as insurance against political risk for domestic as well as foreign investment, investment treaties ensuring fair treatment, regional investment codes, and in general more favorable tax and legal treatment for investments should be considered."

Stephen L. Lande, the Assistant U.S. Trade Representative for Bilateral Affairs, told the committee that "the first step is to identify the major impediments to private investment in the basin and in cooperation with the basin countries to try to devise approaches to remove these impediments." An official of the Agency for International Development (AID) called for major policy changes to stimulate production for export in the region, and pointed to the example of the Latin Amer-

ican Agribusiness Development Corporation, S.A.<sup>1</sup> "We at AID," added John R. Bolton, AID general counsel, "are vigorous advocates of supply side foreign assistance."

This openly neo-colonial strategy is being echoed at the World Bank which has proposed across-the-board currency devaluations, higher prices for basic goods and services, the elimination of trade restrictions, and private takeover of government-owned facilities as a way to establish a "social compact" in which "developing countries would agree to needed economic changes in exchange for the promise of increased aid from the industrial world, both in bilateral grants and credits from the World Bank."<sup>2</sup> The United States is already implementing this policy at the Inter American Development Bank, where the U.S. representative, in an "unprecedented" move, vetoed a \$20 million low-interest loan to Guyana because it would have supported government subsidies to rice farmers.<sup>3</sup>

Expanded military assistance to friendly governments in the region is an inseparable part of the Reagan "Marshall Plan." In his testimony before the House subcommittee, Enders noted that, in addition to the economic strategy, "military and political answers" are needed to "solve the security and political problems of the area." United Nations Ambassador Jeane Kirkpatrick has also called attention to the importance of granting military assistance in tandem with so-called "development" aid.<sup>4</sup> The increase in military aid in fiscal year 1982 is colossal. Under the Foreign Military Sales program, the Pentagon has been authorized to sell an estimated \$50.7 million worth of military articles in fiscal '82 to eleven countries: Barbados, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Panama and Venezuela. This represents an increase of 135 percent over 1980 sales to countries in the region, and a 96 percent increase over 1981 sales. Funding for military training of the region's armed forces personnel will leap 178 percent from fiscal '80 to fiscal '82, to a total of \$4.7 million. Licensed commercial sales of U.S. weapons are estimated to rise 48 percent, to \$25.3 million.<sup>5</sup>

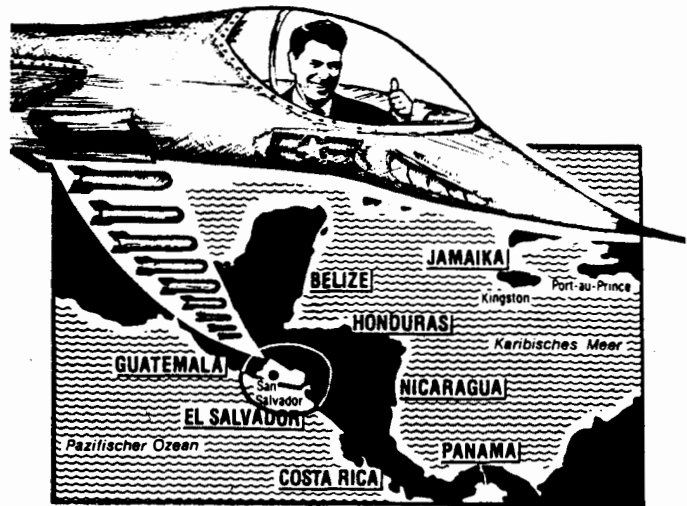
At the same time, the U.S. Department of Justice has permitted the training of counter-revolutionary exiles in bases in Florida where they are openly preparing

attacks on Cuba and Nicaragua in violation of the Neutrality Act.<sup>6</sup> Recently, the Cuban government announced the arrest of five counter-revolutionaries who landed on July 5, 1981 with weapons, explosives, and a plan to assassinate Fidel Castro.<sup>7</sup> And when Secretary of State Alexander Haig accused the Soviet Union of stepping up arms deliveries to Cuba, the Wall Street Journal reported that "U.S. officials have said recently that a series of steps, including some 'actions,' are planned for the near future to clarify U.S. policy toward Cuba."<sup>8</sup>

What, precisely, are some of the interests at stake for U.S. corporations in the basin? They were plainly, if crudely, expressed by President Reagan nine days after his inauguration. Responding to a news conference question about the election of a conservative government in Jamaica, Reagan said: "And I think this opens the door for us to have a policy in the Mediterranean (sic) of bringing them back in -- those countries that might have started in that direction -- or keeping them in the Western World, in the free world. And so, we are looking forward to cooperate with (Jamaican) Prime Minister Seaga."<sup>9</sup> Two months later, a U.S. AID functionary reminded the Senate Foreign Relations Committee that "The United States has vital economic and security interests in Latin America and the Caribbean," which together account for 77 percent of all U.S. investment in the Third World. "The continued health and growth of this large market is vital to our need to increase export earnings... [A]nd the importance of foreign sales to our income and employment is likely to be even greater in the future."<sup>10</sup>

At the Pentagon, a spokesperson justified the expanded U.S. military presence in the Caribbean (further described below) as a response to U.S. "strategic interests and security threats. The two main security threats in the Caribbean are Cuban support of insurgent subversion in various countries (by providing arms and training) and the threat to our sea lanes of communication."<sup>11</sup>

The military stake in the region was also outlined by Florida Congressman Dante B. Fascell: "We have both a commercial and a military stake in the Caribbean's sea lanes -- through which travel... all the naval and commercial vessels using the



*Lateinamerika Nachrichten*

Panama Canal, ... a significant proportion of shipping bound to or from the South Atlantic and much of America's imported oil -- and a similar stake in the region as a prime source for critical industrial raw materials. Because of the region's location, we have a stake in its use as a military basing point for U.S. installations and -- perhaps even more -- as a potential one for U.S. adversaries."<sup>12</sup>

The Caribbean holds about one-third of all U.S. investment in Latin America, or about \$5 billion worth. Export-import trade with the region comes to \$16 billion a year. It is still the United States' main source of bauxite, an ore needed to produce aluminum. One-fourth of U.S. petroleum imports are refined or shipped through the Caribbean,<sup>13</sup> and U.S. and Canadian oil companies are intensifying their search for oil in the region where Guyana and Jamaica are said to be the likeliest sources of rich deposits. Many of the Caribbean governments are offering highly favorable concessions to foreign oil companies, including permission to retain up to 70 percent of their profits.<sup>14</sup>

Jimmy Carter, of course, understood all of this as well as Ronald Reagan. Indeed, Carter should be claiming the credit for initiating both the "Marshall Plan" idea and the stepped-up U.S. military presence. In the fall of 1979, Carter's administration revealed the existence of a mysterious Soviet combat brigade in Cuba -- a revelation uninhibited by the prompt acknowledgement of the Soviet Union that the brigade had been there since 1962.<sup>15</sup> Carter used the presence of the brigade to announce, in a dramatic and war-mongering

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television address to the nation on October 1, 1979 the following actions:

- More economic aid to Caribbean countries "to resist social turmoil and possible communist domination."
- Expanded U.S. military maneuvers in the Caribbean basin and surveillance of Cuba by U.S. intelligence agencies.
- The establishment of a permanent military headquarters on Key West, to be known as the Caribbean Joint Task Force.<sup>16</sup>

Five weeks later, in a message to Congress, Carter proposed to "expand our support for development and security in Central America and the Caribbean" by spending \$175 million in the coming year on various economic assistance projects. He added that, "We hope that other nations and international institutions will increase their efforts to accelerate the social and economic development of Central America."<sup>17</sup> The spending program had been planned at least since the spring of 1979, as the rebel forces in Nicaragua were gathering strength for their final victory that summer. A Caribbean Group for Cooperation and Economic Development was formed by the United States and international agencies, and several countries were pledging to spend \$275 million on the Caribbean in 1980.<sup>18</sup>

As one consequence of the "Soviet brigade" scare, the annual military maneuvers in the Atlantic and Caribbean were expanded. By 1981, the war games had become the "largest U.S. maritime exercise in recent years," combining "a series of previously scheduled exercises into a compressed time period in order to provide realistic and integrated training in a war-at-sea scenario."<sup>19</sup> This year's Atlantic-Caribbean maneuver was called Ocean Venture 81, and the Caribbean phase took place from August 3 to August 20 under the command of the Joint Task Force in Key West, with units from the Netherlands and the United Kingdom participating.<sup>20</sup> The exercise sent 16,870 U.S. military personnel into the Caribbean on 12 ships and more than 100 aircraft.<sup>21</sup>

This dangerous<sup>22</sup> and provocative show of force may have been Jimmy Carter's idea, but it is also something Reagan clearly relishes as he showed by his delighted response to the U.S. provocation over Libya's Gulf of Sidra in August 1981. Reagan's recklessness was evident early in 1980, when the presidential candidate told

a CBS interviewer that a blockade of Cuba was one way to "show the Soviet Union how seriously we take this aggression of theirs" (in Afghanistan). Of course, he added, that was only a suggestion: "There might even be better options than that."<sup>23</sup>

If successfully implemented, the Carter-Reagan plan to "help" the countries of the Caribbean basin will further reinforce their dependence on the United States - politically, economically and militarily. These countries will continue to be at the mercy of the United States as their principal export market and price-setter for agricultural products (in a region where malnutrition is the main health problem) and raw materials of all kinds. As these governments offer the required "incentives" to U.S. businesses, the living standards of their people - already afflicted by rising unemployment and price inflation - will decline further, even as more profits are shipped abroad, and as the already stratospheric levels of external debt skyrocket. The prices they get for their commodities will fluctuate unpredictably, but the prices of imported goods, often including food, will climb higher. The resistance that all of this will evoke among the people will be met by the bullets that the U.S. government has thoughtfully provided to the authorities on generous credit terms. In return for the unpleasant repression that the authorities will be obliged to apply to keep the peace, the Reagan administration will defend their behavior as necessary "authoritarian" measures provoked by "totalitarian" Cuba and the Soviet Union.

This is pretty much how U.S. foreign policy has always been conducted in Latin America. Ronald Reagan has merely restated its premises more plainly, having inherited a situation in which a new and more promising level of popular resistance is taking shape. But like Jimmy Carter and all the presidents before him, Ronald Reagan will never understand the lesson that has been demonstrated again and again in Asia, Africa and Latin America, especially in the last twenty years: The struggle may be postponed, but it will never be defeated.

#### FOOTNOTES:

- 1) Latin American Agribusiness Development Corporation, S.A. is a Panamanian-registered corporation whose shares are almost entirely owned by 15 U.S.-owned agribusiness multina-

tionals. It invests heavily in export-oriented ventures in Central America and the Caribbean. The company has received AID loans of \$16 million since its founding in 1971. It pays no U.S. income tax because of its foreign registry and because its income is derived from foreign sources.

- 2) Wall Street Journal (WSJ), 8/21/81, p.4.
- 3) Associated Press dispatch in The Plain Dealer (Cleveland) 8/15/81.
- 4) Washington Post, 8/19/81, p.A-18.
- 5) State Department: Congressional Presentation, Security Assistance Programs, FY 1982. Commercial sales calculations in the text exclude Panama because of an unusually large purchase of \$29 million in 1980.
- 6) New York Times (NYT), 3/17/81.
- 7) Granma Resumen Semanal, La Habana, 7/19/81, p.1.
- 8) WSJ, 7/31/81.
- 9) Weekly Compilation of Presidential Documents, Vol.17, No.5, p.68.
- 10) U.S. Agency for International Development, prepared statement of Edward W. Coy, acting assistant administrator for Latin America and the Caribbean, 4/2/81.
- 11) Correspondence, Pentagon Public Affairs Office spokesperson to author.
- 12) Mimeographed manuscript, "Challenge in the Caribbean:

The United States and Her Southern Neighbors," August 1981.

- 13) Ibid., and see testimony of Willard Johnson on behalf of TransAfrica before the House Inter-American Affairs Subcommittee, 7/26/79.
- 14) WSJ, 6/19/81.
- 15) NYT, 9/13/79, p.A-16.
- 16) Facts on File, 10/5/79, pp.737-739.
- 17) Weekly Compilation of Presidential Documents, 11/9/79.
- 18) cf supra, #16.
- 19) Pentagon news release No.344-81, 7/22/81. In correspondence to the author, a Pentagon spokesperson attributed the growth of the maneuvers to the increased size of the Navy and to "former President Carter's October 1, 1979 public announcement of increased military presence in the Caribbean Basin."
- 20) ibid.
- 21) Correspondence, Pentagon Public Affairs Office spokesperson to author.
- 22) The Navy "accidentally" fired a live missile while cruising in the Caribbean in July. The missile, which apparently failed to hit anything, contained 215 pounds of explosives and had a range of 60 miles. See WSJ, 7/16/81.
- 23) Facts on File, 2/8/80.

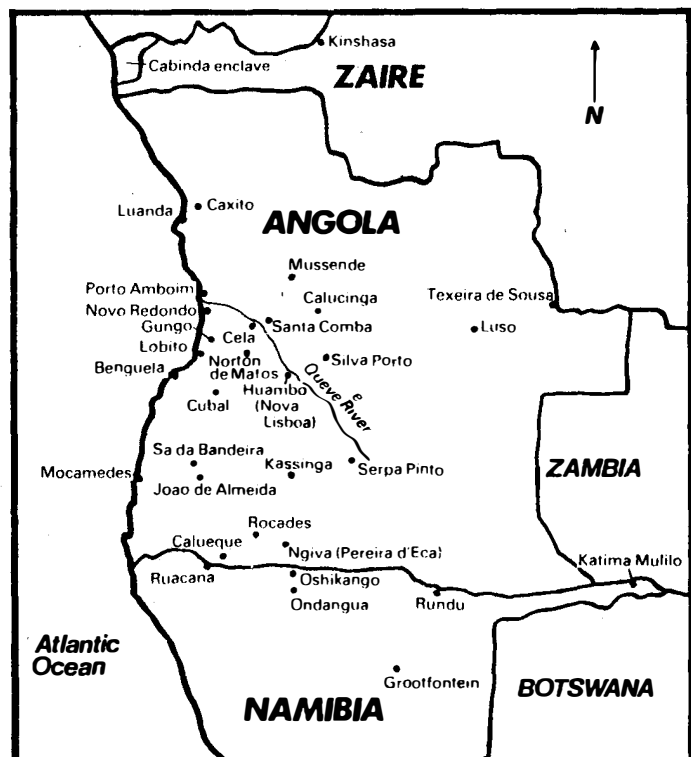
# Reagan Resurrects Savimbi

by Konrad Ege

At the same time as well over ten thousand South African troops were carrying out a major invasion of Angola, and a few days before a South African motorized column advanced into southeastern Angola with the aim of restocking supply dumps of UNITA troops,<sup>1</sup> U.S. Assistant Secretary of State Chester Crocker told a Hawaii audience that "UNITA represents a significant and legitimate factor in Angolan politics."<sup>2</sup> UNITA (National Union for the Total Independence of Angola), headed by Jonas Savimbi is, of course, the very organization aided in its fight against the Angolan government by South African troops during their invasion.

UNITA, which re-grouped with outside assistance after suffering military defeat by the MPLA (Movement for the Liberation of Angola) in 1976, has again emerged as a crucial component in the South African strategy to defeat the South West African People's Organization's (SWAPO) struggle for the liberation of South African-occupied Namibia. One of the main goals of South Africa's August-September 1981 inva-

sion was to strengthen UNITA; in addition, it hoped to destabilize the Angolan MPLA government, and to weaken SWAPO militarily. The invasion apparently was one more



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International Defence & Aid Fund map  
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step in a South African strategy to create a "buffer zone" along the Angolan-Namibian border which, at least for the near future, would impede SWAPO's military operations. UNITA is an "ideal" force to occupy this buffer zone.

In order to clear the way for UNITA, South Africa is carrying out a brutal war against the people of southern Angola. Sara Rodrigues, the Luanda correspondent of the Guardian (New York) wrote: "Pretoria seems determined to leave nothing but scorched, blackened earth, as it continues its brutal invasion of Angola.... The brunt of the South African action is intended to wipe out the civilian population. Villagers are being mown down; waterholes... occupied or sabotaged...; crops and homes burned to the ground; food stores raided and destroyed; and cattle... driven across into Namibia or slaughtered with automatic weapons."<sup>3</sup>

The Reagan administration, whose strongest response after weeks of continued South African aggression was to "deplore" the violence, vetoed a United Nations Security Council resolution condemning the invasion. That decision gives rise to speculation about what the U.S. government hopes to gain from the invasion. The creation of a "buffer zone" might give South Africa and the U.S. an opportunity to "settle the Namibia problem" in a way that will preserve South African military dominance over the country but will also provide a justification for Western governments and South Africa to recognize the "government" of Namibia and to argue that SWAPO's claims have lost their validity.

A "Namibia solution" excluding SWAPO which would benefit from such a buffer zone was outlined in 1977 by Peter Duignan, Director of the African Program at the Hoover Institution in Stanford, California. Duignan, who was a member of Reagan's transition team and has considerable clout in the Republican foreign policy establishment wrote that the U.S. "may well elect" to find a Namibia settlement "even if SWAPO and the U.N. refuse to go along. The West could then insist on fair elections.... With Western support, the interim government could lead Namibia to independence. The West would then be in a position to recognize the new government formed after the elections, and to help that government resist SWAPO's 'war of liberation.'" During these "free" elec-

tions, according to Duignan, South African troops would remain in Namibia, and only after "an independent Namibia is in a position to defend itself, and once guerrilla warfare has stopped, South African troops will be able to leave the country."<sup>4</sup>

As of now, the Reagan administration is still maintaining that it is determined to find a Namibia solution within a United Nations framework. However, while these statements are being made, South Africa is on its way to create militarily certain realities in Angola and Namibia. Even though the most recent South African invasions stand in stark contrast to working toward a peaceful solution to the "Namibia problem" which the Reagan administration claims to be committed to, there has been no visible effort by the U.S. government to prevent South Africa from further military actions. This silence or acquiescence is taken as support by the South African regime.

#### SAVIMBI: TREASON SINCE 1972

Jonas Savimbi plays an important role in the South African strategy, and South Africa appears committed to strengthen UNITA to prepare it for an extended role. At the same time, the Reagan administration is pushing Congress to repeal the Clark amendment prohibiting U.S. aid to UNITA. Both the U.S. and South Africa were ardent supporters of UNITA during MPLA's liberation war in Angola against Portuguese colonialism. Since 1972, UNITA has served pro-Western interests. Savimbi collaborated not only with the South African regime but also with the Portuguese colonial army - which was supposed to be his enemy. Former Portuguese dictator Marcello Caetano himself acknowledged that in 1972 the Portuguese occupiers struck a deal with Savimbi whereby they would leave him alone as long as he was fighting the MPLA. A September 1972 letter from Savimbi to General Luz Cunha, then Commander-in-Chief of the Portuguese army in Angola provides further documentation; in it, Savimbi advocates "the weakening of the MPLA forces within Angola to lead to their liquidation. This task can be accomplished by the Portuguese military forces and the forces of UNITA."<sup>5</sup>

With South African assistance, Savimbi rebuilt UNITA after his 1976 defeat. To-



day, UNITA is receiving weapons, fuel, medical care, training and actual combat assistance from South Africa. This was confirmed by a number of mercenaries fighting for South Africa, including Jose Ricardo Belundo, an Angolan fighting in South Africa's "32 Battalion." He explained the task of this elite unit: "Whenever UNITA had operational difficulties it would contact South African military security, which would call on 32 Battalion to... get UNITA out of trouble. We would operate on behalf of UNITA in UNITA regions." According to Belundo, who testified before the International Commission of Inquiry into the Crimes of the Racist and Apartheid Regimes in Southern Africa in early 1981, "the 32 Battalion was made to appear like UNITA. We carried Chinese-made AK's...." The existence of 32 Battalion has been confirmed by Colonel Leon Martins of the South African Army.<sup>6</sup>

While South Africa's support for UNITA is certainly the largest aid program to Savimbi, other countries have provided him with assistance. Morocco's King Hassan, himself a recipient of one of the largest U.S. military assistance programs in Africa, has emerged as a close UNITA ally. About 500 UNITA troops recently went through long periods of training by Morocco's U.S.-advised and equipped army.<sup>7</sup> (In return, Hassan gets South African weapons for his war in the Western Sahara, and South African advisors are reportedly training Moroccan soldiers.<sup>8</sup>) Another close African ally is Senegal, which provides Savimbi with weapons. UNITA also maintains an office in Dakar, Senegal for arranging arms deals.<sup>9</sup> Other donors to UNITA are the governments of Ivory Coast, Qatar and Saudi Arabia.

Savimbi's European contacts include the party of former Portuguese Prime Minister Sa Carneiro. The rightwing Portuguese magazine A Rua commented that Savimbi's former ties to the fascist Portuguese intelligence PIDE/DGS are "the best recommendations" Savimbi can provide.<sup>10</sup>

The right wing of Margaret Thatcher's Conservative Party has good relations with Savimbi as well. The Tory Party's foreign affairs committee, for example, hosted him during his 1980 London visit. According to Reagan foreign policy advisor, Kenneth Adelman, the French government continued to aid UNITA after the U.S. withdrew its support. Adelman wrote that as of 1978,

France was providing "millions" for UNITA.<sup>11</sup> At least officially, French aid to UNITA now has ceased. After the Angolan government suspended all French oil prospecting in Angola, France was forced to sign an agreement in September 1978 in which France pledged to halt all aid to Angolan counter-revolutionaries.

West Germany's Franz Josef Strauss, head of the rightwing Christian Social Union refers to Savimbi as a good friend, and has been accused in a report by Angola's Paris embassy of being instrumental in funneling arms to UNITA.<sup>12</sup> The Hanns-Seidel-Stiftung, a foundation with close ties to the Christian Social Union has provided substantial quantities of medicine to UNITA, according to Savimbi himself.

Savimbi also seems to work through a variety of channels to obtain arms on the international market. One such deal, worth an estimated \$1.2 million was uncovered in early May 1981 in Houston, Texas when customs officials arrested three Britons and three Austrians and seized a planeload of some 1,300 guns, 100 grenade launchers and about one million rounds of ammunition. The arms shipment, which involved the Liechtenstein and Hamburg, West Germany-based Servotech Company, Austria's Montana Airlines, and South Africa's Armscor, was destined for South Africa, but the London Observer made clear that its real destination could have only been Savimbi's UNITA.<sup>13</sup>

In the U.S., there are a number of rightwing organizations which have taken up Savimbi's cause. In early 1981 there were rumors that Savimbi was to come to the U.S. for talks with Reagan administration officials. At least publicly, the visit never took place, possibly because there was already considerable public opposition to visits by Dirk Mudge, the head of the South African-installed government of Namibia, and by South African Foreign Minister Pik Botha. However, then-Acting Assistant Secretary of State Lannon Walker met with Savimbi in Morocco in March 1981, and Jeremias Chitunda of UNITA's Central Committee apparently has visited the U.S. several times over the last few years. Savimbi's last known visit to the U.S. was in late 1979 on a tour organized by the rightwing Freedom House and Carl Gershman, executive director of Social Democrats, U.S.A.<sup>14</sup> President Reagan himself stated

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during his election campaign that he favors supplying weapons to UNITA.

Already, CIA Director William Casey is reportedly writing memos with titles such as "Draft Covert Operations Planning Document Africa-Middle East" which asks for "improved emphasis added logistical capabilities" to support anti-communist forces "especially in Angola."<sup>15</sup> The CIA had provided massive assistance which included weapons and the hiring of mercenaries for UNITA in 1975 and 1976, but had to cease its aid under a mandate by Congress. The CIA - at least officially - terminated its aid program with a \$540,000 gift to Savimbi for "continuing UNITA activities" in April 1976.

#### JOURNALISTS FOR UNITA

In addition to weapons and money, the CIA also used to work on getting good publicity for Savimbi in the U.S. and other countries. In his book, In Search of Enemies, former chief of the CIA's Angola Task Force, John Stockwell, described how the CIA managed to place disinformation pieces in the Washington Post and other U.S. media outlets during the height of the CIA's intervention in Angola in 1975 and 1976.<sup>16</sup> Most of the planted stories were about alleged successful operations by UNITA and Holden Roberto's National Front for the Liberation of Angola (FNLA, another CIA-backed guerrilla organization in Angola) as well as about Soviet and Cuban "subversion" in Angola.

Today, there is little need for the CIA to place disinformation pieces in the Washington Post. The Post's deputy managing editor, Richard Harwood, takes care of that himself. In July 1981 the Washington Post ran a seven-part series about Harwood's exploits while travelling with UNITA troops. Undoubtedly, the series came at a crucial time - right before a major South African invasion. (South African "incursions" already had been an almost weekly routine, and the Post often chose to report them in only a few paragraphs which stressed that South Africa was pursuing SWAPO guerrillas.) Indeed, the U.S. media has frequently played down South African aggressions against Angola. This misinformation of the U.S. public has been a major factor in suppressing grassroots resistance to the Reagan administration's stance of acquiescence to the South African

can invasions.

Richard Harwood, who went to Angola with British journalist Fred Bridgland, a "great admirer" of Savimbi, was full of praise for UNITA's "war of liberation." He uncritically conveyed Savimbi's views of the world. Harwood hardly questioned Savimbi's assurances that UNITA receives very little outside support, and that South Africa "provides no weapons and engages in no joint military operations with UNITA." (Savimbi claims that from 1977 to 1980 he got only \$10 million from outside sources; at the same time Harwood admits that UNITA pays some \$35,000 a trip just for pilots who fly planes into UNITA areas.) Harwood said that before coming to Angola, he had "heard from UNITA critics" that any military success UNITA might have achieved was the work of South African troops. During his trip, he concluded that this "was a racist argument, based on the prejudice that Africans are not capable of fighting.... The argument is untrue. These lads knew what they were doing."

Perhaps the most blatant piece of disinformation in the Washington Post was a map of Angola published with the last installment of the Harwood series. The map showed only one-third of the country as "government controlled." The other two thirds are "contested" or "UNITA area" (with the exception of a small area controlled by SWAPO). Even Smith Hempstone, a Savimbi supporter and regular contributor to Reader's Digest and the racist mercenary magazine Soldier of Fortune conceded that UNITA is operating in only one third of Angola.<sup>17</sup>

Propaganda for UNITA comes from yet another source - the hierarchy of the AFL-CIO. Its President Lane Kirkland hosted Jonas Savimbi in late 1979, and the AFL-CIO Free Trade Union News devoted most of its October 1980 issue to an interview with Jeremiaś Chitunda and AFL-CIO international representative and long-time CIA operative, Irving Brown. Brown praised Savimbi as a leader "whom I have known for more than twenty years as a great fighter for freedom whose concept of democracy comes as close as anyone in Africa today to our image of what is a free and democratic society." Brown went so far as to ask Chitunda whether it would be possible for AFL-CIO operatives to come into UNITA areas in southern Angola to help Savimbi set up free trade unions! (It would not

be the first time that Western trade unions aided counter-revolutionaries in Angola. In 1978 it was revealed that the International Confederation of Free Trade Unions, a labor center "set up... by the CIA"<sup>18</sup> was giving money to Holden Roberto's "Angolan General League of Workers" which was all but a front for the FNLA.)

#### LOBBYING FOR SAVIMBI

To get favorable press coverage, Savimbi maintains paid propagandists in the U.S. One of them is Florence Tate, former press secretary of Washington, D.C. mayor, Marion Barry. Tate, president of Florence Tate Associates, began working for UNITA in April 1980 for an annual fee of \$65,000 plus expenses. She described her political activities on behalf of UNITA as "lobbying ... to deter the diplomatic recognition of the Luanda regime and to persuade... U.S. government policy makers to support UNITA." Her tasks, according to a statement filed with the Justice Department under the Foreign Agents Registration Act include: "Write pro-UNITA letters-to-the-editor..., disseminate pro-UNITA news clips...[and] arrange public speaking engagements for UNITA representatives." Tate also does some speaking herself to "small selected groups of church and labor officials, Black organizations, and congressional staffs." She maintains contact with the Voice of America to "seize any available opportunity to present political views of Americans that are favorable to UNITA's cause" and tries to "maintain good personal relations with press, through judicious use of news tips...." Finally, her work includes arranging "for selected journalists to visit UNITA areas inside Angola."

Another paid U.S. propagandist for UNITA is Paul Koerner, a member of the Board of Directors of the St. Louis, Missouri-based Strategic Resource Information Service. According to an October 28, 1980 agreement signed by Koerner and Jeremias Chitunda, Koerner is "the sole Economic Agent" of UNITA in North America. The agreement reads, in part ("Principal" is UNITA, "Agent" is Koerner):

*WHEREAS, Principal claims to be the legitimate representative of the people of the Country of Angola, Africa, and the Central Committee is the governing body of*

*UNITA; and*

*WHEREAS, Principal wishes to promote the economic, industrial and agricultural development of Angola by and through the granting of concessions for such development; and*

*WHEREAS, Agent is knowledgeable of the various economic, industrial, mineral and agricultural deposits and uses in and of Angola; and*

*WHEREAS, Principal is presently engaged in an armed conflict to determine the government of Angola, which occupies the primary portion of Principal's time and activities.*

*NOW, THEREFORE, Principal hereby appoints PAUL K. KOERNER... as the sole Economic Agent of Principal in North America. ... The duties of said Agent shall be to promote the Principal's granting of economic concessions in the Country of Angola to various persons, individual and corporate.*

As this agreement shows, Savimbi has far-reaching plans. However, in spite of strong South African backing, it would be virtually impossible for UNITA to overthrow the MPLA government. Its popular backing and support from socialist and progressive countries is too strong. Even so, the next months might be crucial as South Africa seems prepared to create a "country" for Savimbi in southern Angola by its invasions. Now more than ever, the Angolan people who have remained constant in their total support for the liberation movement in Namibia, in spite of repeated South African invasions, need and deserve international support.

#### FOOTNOTES:

- 1) see Baltimore Sun, 9/4/81, p.A-2.
- 2) Address by Chester Crocker before the Foreign Relations and National Security Committees of the American Legion, Honolulu, Hawaii, 8/29/81.
- 3) The Guardian (New York), 8/26/81, p.10.
- 4) Refer Duignan, L.H. Gann, South West Africa-Namibia, American-African Affairs Association, Inc., New York, 1977, p.36.
- 5) The letter is part of a series of letters between Savimbi and Portuguese government officials. They were published first by the Paris Afrique-Asie magazine on 7/8/74.
- 6) West Africa (London), 3/9/81, p.493.
- 7) Washington Post, 7/22/81, p.A-15.
- 8) Africa (London), 4/81, p.61; The Nation, 12/20/80, pp.664,665.
- 9) see Die Welt, 1/31/79; Informationsdienst Suedliches Afrika, 10/80, p.16.
- 10) as quoted in Antimperialistisches Informationsbulletin, 11-12/80, p.7
- 11) Harper's, 9/78, p.22.

(cont. on page 59)

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# Libya: Propaganda and Covert Operations

by Jeff McConnell

The contours of a high-level Reagan administration plan to destabilize Libya are starting to shine through the curtain of government secrecy. In August 1981, Don Oberdorfer of the Washington Post reported that the first "interdepartmental foreign policy study" ordered by the Reagan administration shortly after taking office considered what the U.S. should do "to oppose Libya and its militant... leader, Col. Muammar Qaddafi." A few months later, Oberdorfer continued, "authoritative sources reported that the administration had drawn up plans to 'make life uncomfortable,' at a minimum," for Qaddafi.<sup>1</sup> Details of these plans are beginning to emerge because of intentional and accidental leaks (some of which are disinformation) and because of the controversy surrounding Max Hugel, formerly in charge of CIA covert operations, and CIA Director William Casey; and as a result of the air engagement between U.S. and Libyan fighter pilots over the Gulf of Sidra.

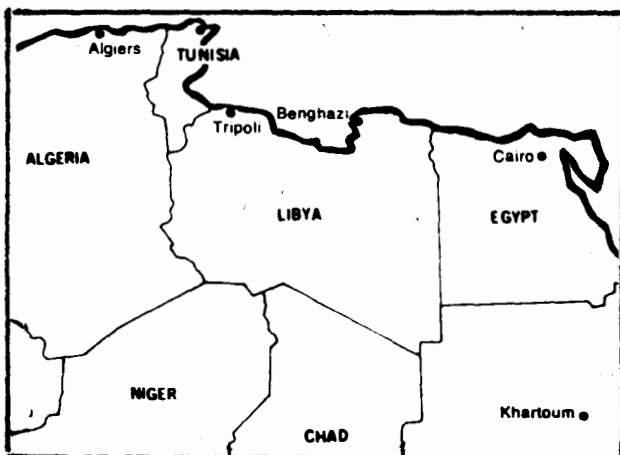
There is even some evidence that the Casey affair was, in fact, an intergovernmental struggle over the wisdom of initiating certain covert operations against Libya. But whether this is true or not, it has become quite clear that Libya - like

Cuba, Angola, Afghanistan and Vietnam - has already been targeted by policy planners for an intensified campaign of propaganda, isolation and destabilization. The issue for the Reagan administration, in Libya's case as in the others, is not whether to carry out the campaign, but rather how extensive the campaign can be, given inherent constraints and the dangers of public exposure.

## I. CIA IN AFRICA: HUGEL'S BRIEFING AND ITS AFTERMATH

On July 25, 1981 Michael Getler reported in the Washington Post that members of the House Select Committee on Intelligence had written to President Reagan "objecting to a Central Intelligence Agency plan for a covert action operation in Africa, according to informed sources." Getler's sources added that several Intelligence Committee members, both Republicans and Democrats, were "troubled by the plan itself, which they felt was not properly thought through, and the proposed secret action." They also said that Max Hugel and Herman J. Cohen (Deputy Assistant Secretary for Intelligence and Research at the State Department) first briefed committee members on the plan and "misgivings about the plan were voiced to Hugel and Cohen." The letter was written because committee members were not confident that their objections would reach Casey and President Reagan.

Three explanations have been offered for this lack of confidence. Former CIA Director Stansfield Turner often briefed the congressional oversight committees himself; William Casey did not, but instead delegated this responsibility to Hugel, or to his deputy Bobby Ray Inman. A second explanation was that Hugel was thought incompetent, and the third was that the plan was thought to be so "harebrained" that Committee members raised questions about



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Hugel's judgement, and about Casey's as well.<sup>2</sup> Whatever the explanation, the Intelligence Committee letter was a "highly unusual" move. Reportedly, it was the first time in the four years since the House committee was established that its members put their views on a CIA covert operation in writing to the president.<sup>3</sup> Both the White House and the Intelligence Committee confirmed that the letter had been written and sent.

Soon thereafter Newsweek magazine reported that the target of the covert action discussed in the letter was Libya. The aim was to overthrow Qaddafi - that is, according to Newsweek's sources, Qaddafi's "'ultimate removal' from power." To members of the House Intelligence Committee who reviewed the plan "that phrase seemed to imply [Qaddafi's] assassination .... Casey nevertheless denied that the CIA planned to kill [Qaddafi] - but the committee, one source said, 'just doesn't trust Casey' and fired off its protest." Newsweek characterized the action as "a classic CIA destabilization campaign" with three elements. One element was a **disinformation** campaign designed to embarrass Qaddafi. Another was the creation of a "counter government" to challenge his claim to leadership. A third element - potentially the most risky - was an "escalating paramilitary campaign, probably by disaffected Libyan nationals, to blow up bridges, conduct small-scale guerrilla operations and demonstrate that [Qaddafi] was opposed by an indigenous political force."

Newsweek did not reveal whether Hugel outlined to the committee a campaign already in progress or a campaign yet to begin. But it is known that various operations such as those purportedly described by Hugel and Cohen have already been carried out against Libya. What is not publicly known is the extent of U.S. involvement in such operations and the extent of their coordination. Such actions do not require congressional approval but only a finding by the president that they are needed for "national security," and thus they could have begun before the briefing. On the other hand, Newsweek reported that the cost of some aspects of the CIA campaign was so high that the CIA needed congressional approval to draw funds from a special reserve account. As of late July, Congress reportedly has not approved the

funds.<sup>4</sup>

## II. DENIALS AND COUNTER-DENIALS

On July 27 the White House explicitly denied aspects of the Newsweek story. The White House deputy press secretary, Larry Speakes, stated: "The briefing described by Max Hugel (sic) in the current issue of Newsweek never took place."<sup>5</sup> He also said that Newsweek "is incorrect. The letter did not concern Libya or Qaddafi."<sup>6</sup> Speakes declined to provide more information, saying: "We don't go into the business of discussing our intelligence."<sup>7</sup> But even his limited remarks were a departure from the White House's usual "no-comment" policy, and the Washington Post suggests it was "an apparent effort to assist beleaguered CIA Director William Casey." Most papers reported that the White House, and some that Senator Howard Baker (himself on the Senate Intelligence Committee),<sup>8</sup> had "denied" the Newsweek story, but few reported the actual content of the denials or the important fact that Speakes' remarks conflicted with only aspects of the story.

The next day the Washington Post reported that unnamed "administration sources" had said on July 27 that it was Mauritania and not Libya that was the subject of the House Intelligence Committee letter. On July 29, the Christian Science Monitor reported in an unsigned article that despite the public controversy over Casey's business practices, the "real reason" that members of Congress wanted him to resign was his approval of the Mauritania plan. The plan "raised in congressional minds a question of judgement." The House Intelligence Committee didn't consider Mauritania a country of "major importance.... It recently went through a political coup as a result of which it shifted its association from Morocco... to Libya.... It might be desirable to help out King Hassan of Morocco..., but is it worth a serious covert operation?"<sup>9</sup>

Three weeks later, Michael Getler reported that hours after the story on CIA covert operations in Mauritania appeared, the Mauritaniens "went up the wall" and demanded explanations from the State Department. The Reagan administration dealt with this problem in two different ways: "At first U.S. officials tried to tell Mauritania that they could not discuss al-

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leged or real covert actions; then they tried to convince them that the press account was wrong." Getler then cites "informed sources" as saying that the CIA target was not Mauritania but Mauritius, and that "the plan involving Mauritius did not involve cloak-and-dagger action but was mainly a quiet CIA effort to slip money to the government there to help counteract financial aid being supplied to forces opposing the government by... Muammar Qaddafi." Getler did not report, however, on how this money was to accomplish its task, or why such an operation would provoke as strong a response as the committee's letter to the White House.

On the other hand, Getler drew attention to a piece by Karen Eliot House in the Wall Street Journal concerning Egyptian President Anwar Sadat's then forthcoming visit to the U.S.<sup>10</sup> In a passing remark, House had written that the "administra-

tion's concern about Mr. Qaddafi is so great that key congressmen have been briefed on a covert U.S. operation planned to check Libyan influence in Mauritius, an island in the Indian Ocean that the U.S. feared could become a Soviet naval base." Significantly, however, House's piece did not appear until August 4, one week after the original Mauritania reports; moreover, she did not connect the Mauritius operation at all to the committee letter.<sup>11</sup> If the Journal did write it correctly, it seems to have done so inadvertently.

Time magazine, at about the same time as House's article was printed, claimed that it, too, had been told of a CIA plot "aimed at the 'ultimate' removal" of Qaddafi but had "concluded that the report was untrue;" and that certain "CIA sources" had fed this "disinformation" to Newsweek. Time charged that "CIA sources" were behind the Mauritania story also, but

## Mauritania ? Mauritius ??

Almost immediately after "sources" told Newsweek magazine that the CIA was planning the "ultimate removal" of Libyan head of state Muammar Qaddafi, other Reagan administration sources leaked information indicating that the CIA's target of a covert operation was not Libya but another North African country, Mauritania. In its August 10 issue, Newsweek followed that up with yet another leak: "Reagan administration officials concede that a second operation is planned, not for Mauritania, but for another undisclosed Third World country." Finally, the Washington Post had the decisive word: There had been a mix-up between two similar-sounding names: Mauritania and Mauritius, an island nation in the Indian Ocean. Mauritius now was the CIA target, and the CIA was rumored to be planning to fund a pro-U.S. Mauritian party for the upcoming elections, scheduled for late 1981 or early 1982.

Which leak or rumor about a CIA covert operation will turn out to be true remains an open question as of this writing. However, both Mauritania and Mauritius have been the targets of Western covert operations within the last year. And there are good reasons - from the CIA's perspective - to step up covert operations in both countries.

Mauritania, a huge desert country with less than two million people is very rich  
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in iron ore, phosphates (mainly used for fertilizer) and possibly in oil and uranium. Tensions between Mauritania and Morocco have been running high since it signed a peace treaty with the Polisario Liberation Front in 1979. (Morocco continues to use U.S.-supplied weapons in its war against the Polisario over the Western Sahara. The Polisario has been recognized by the majority of the Organization of African Unity member countries.) Strategy Week reported in July 1980 that French intelligence had plans to stage a coup ousting Mauritania's government which they perceived to be too closely aligned with Algeria, Libya and the Polisario. France, along with Morocco, and, until recently, Mauritania's southern neighbor Senegal, harbored Mauritanian opposition forces and gave them room for political maneuvers.

On March 16, 1981 the so-called "Alliance for a Democratic Mauritania" (ADM) staged an unsuccessful coup against Mauritania's President Khouna Ould Haydalla. The rebels came over-land from Senegal across a border tightly controlled by that country's security forces, and, according to 8 Days (London), were counting on Moroccan assistance in the second stage of the coup after capturing leading members of the government. The coup failed because government officials, unexpectedly, were



that what the House committee had objected to was "a much broader, proposed CIA operation - one that did not involve physical attacks on any national leader - to shore up U.S. interests in the Middle East and North Africa." However, according to one senator, this was a "hasty scheme," and Senator Barry Goldwater felt he "just couldn't stand watching a bunch of amateurs running things." Goldwater thereafter called for Casey's resignation. When Casey later testified on his own behalf to the Senate Intelligence Committee, Time reported, members were "less interested in his business practices than his leadership of the CIA."<sup>12</sup>

Newsweek defended its original story and reported that "White House officials" had tried to help Casey by denying the Libya story and by putting out word that Mauritania was the target country. In addition,

Newsweek claimed that a "second operation was planned for another Third World nation as well. It was not Mauritania, administration aides later conceded." Newsweek also acknowledged that: "When a majority of the committee protested to the President about the plan, most had the second operation in mind, though some thought the letter they signed referred to Libya."<sup>13</sup> This acknowledgement indicates that, contrary to Newsweek's original story, the House committee's letter may well have not referred explicitly to any particular covert operation at all.

About two weeks later, Getler's report appeared, attributing to "informed sources" the information that the controversial CIA target was Mauritius. Later, in its August 31 issue reporting on the Gulf of Sidra incident, Newsweek discussed Qaddafi's "undeclared war" against "Ameri-

not in the capital Nouakchott at the time of the coup. (According to a high-ranking Libyan official quoted in al-Qabas (Kuwait), Libya had provided intelligence about the coup to the Mauritanian government in advance.) Both Morocco and Senegal have stated that they were in no way involved in the coup, but Morocco's support for the ADM is no secret, and Senegal closed ADM offices in Dakar only after the embarrassment of having the failed coup attempt staged from their country.

The situation in Mauritius, from the CIA's point of view, is even more ripe for intervention. According to Roger Faligot writing in Bulletin d'Information sur l'Intervention Clandestine (Paris), the CIA has recently stepped up its activities on the island under CIA Chief of Station Jeff Corydon. The aim of the CIA - as well as of British and South African intelligence agencies - in Mauritius is to prevent an election victory by the Mouvement Militant Mauricien (MMM) against Prime Minister Seewoosagur Ramgoolam. The stakes are high: Port Louis, Mauritius is an important port for the U.S. Indian Ocean naval task force and the French Navy; both the U.S. National Security Agency (NSA) and the British Government Communications Headquarters (GCHQ) maintain intelligence facilities on Mauritius, and, above all, Mauritius is the legal owner of Diego Garcia, the most important U.S. naval base in the Indian Ocean. It is generally acknowledged that the MMM, led by Paul

Berenger, is very likely to win the upcoming election. The MMM is committed to a demilitarization of the Indian Ocean region, and has been active on behalf of the former residents of Diego Garcia since they were expelled in the wake of the U.S. takeover and enlargement of the military facilities there.

On the economic side, the MMM wants to take control out of the hands of a small elite which controls Mauritius' export and tourism-based economy. In fact, Mauritius is in very bad economic shape with one of the highest inflation rates in Africa. Its foreign debts to the International Monetary Fund and international banks are staggering, and Mauritius' economy has become dependent on South Africa. In March 1981, for example, Prime Minister Ramgoolam accepted a \$187 million loan from South Africa.

This economic hold over the island has given the South African regime considerable leverage in Mauritius' politics. South Africa is financing opponents of the MMM, most notable the small, extreme rightwing Mauritian Social Democratic Party. As far as U.S. intervention is concerned, Carter administration officials, according to Berenger, promised not to interfere in Mauritius' elections. Roger Faligot's article and recent revelations in the Washington Post, however, strongly indicate that this "promise" has been broken. The stakes for the U.S. might just be too high.

can interests" as background to the incident. It reported that the Reagan administration "is determined to put pressure" on Qaddafi "in a variety of ways," which include "asking friendly nations to help the United States isolate and condemn" Qaddafi, "propping up Libya's neighbors," and "unleashing the CIA." Newsweek now characterized the proposed CIA operation with a slightly different emphasis: it involves not the "hasty scheme" Time reported but rather a "patient" plan, one to "destabilize and ultimately overthrow" Qaddafi, but because of his "firm hold on power" and the unavailability of a "substantial political counterforce" in Libya for the CIA to work with, the "Reagan approach," with memories of the Bay of Pigs "fiasco" in mind, is to "start with a low-key, nonviolent effort to recruit reliable agents from within the Libyan exile community and begin the slow, tedious task of building a viable opposition" to Qaddafi.<sup>14</sup> Again there was no mention of plans for assassination.

### III. INFORMATION AND DISINFORMATION

It is important to pay close attention to all the details of these many reports. There is surely much disinformation here, but even such disinformation can be informative. Some sources believe that there were CIA people out to get Casey by feeding the press disinformation about covert operations; Time was most explicit about this. Casey was politicizing the analysis of intelligence to suit the government's cold war posturing; he was appointing people like Hugel; he was approving "bizarre" covert actions. This made him enemies. On the other hand, the White House, and perhaps other factions in the CIA, had an interest in both defending Casey against embarrassment and in covering up the details of covert operations. The White House also was interested in settling at least one diplomatic flap caused by the embarrassing revelations about CIA operations. And various congresspersons were interested in either covering up for Casey or in enlisting the media in their campaign against Casey and his "hasty scheme."

Finally, however, the Reagan administration has an undeniable interest in intimidating and testing Qaddafi, and there is a possibility that some of the stories were trial balloons to gauge Qaddafi's reaction

and the U.S. public's. And some may have also been more threats or bluffs than concrete plans. For example, the U.S. naval operation in the Gulf of Sidra was widely reported, both before and after the air engagement, to fill both these functions of test and threat. But at the same time that Qaddafi was tested, the American public was tested, too, over the extent that the U.S. government has succeeded in overcoming post-Vietnam opposition to military action. As former CIA analyst Joseph Sisco approvingly wrote just after the Gulf of Sidra incident, military actions are now possible to the extent they are packaged as necessary to national interests or national honor.<sup>15</sup> Thus the Reagan administration has a clear interest in leaking reports of covert action to condition the public to accept an increasingly broad conception of "national interests."

The details of the White House denial are important. Speakes denied that the briefing described by Newsweek had occurred; he did not deny that Hugel had ever briefed the House committee. This was a very weak statement; it only said that no briefing completely matching the description by Newsweek ever took place. (The exact meaning of Speakes' denial was probably that the U.S. had no plans to assassinate Qaddafi - a denial which had been made numerous times before. This is likely since the focus of Newsweek's article was the allegation of an assassination plot.) Moreover, Speakes' claim that the House Intelligence Committee letter was not about Libya or Qaddafi is consistent with its being about many kinds of operations that involved Libya or Qaddafi in some way; the alleged Mauritius operation, for instance, would involve Libya even if a letter protesting it would not be about Libya. A number of covert operations could hide beneath the semantic cover of Speakes' phrase.

There are several points of agreement among the later press reports. The leaked House Intelligence Committee letter was inexplicit enough to cause confusion about its precise subject. Libya was somehow involved. The Time and the later Newsweek reports are consistent: a number of operations were discussed in the House briefing; apparently, all focused on Africa and the Middle East, probably all with coordinated objectives. Both the planning and the operations themselves seem to have



been objected to in the letter.

There is much other evidence that helps in appraising these reports that comes from the history of U.S.-Libyan relations and from a number of current developments. U.S. covert operations have been taking place in Libya for a long time. It is thus useful to examine their history and the history of U.S. objectives there to understand what factors are currently motivating planners: many of the strategic issues and the constraints have changed little.

In many cases, roles have changed recently. The French, under Valéry Giscard d'Estaing took over covert operations in Libya while Jimmy Carter was in office as part of their aggressive Africa policy. Ronald Reagan has now taken over there the French objectives and tactics, both because of Giscard's loss to Mitterrand and France's consequent change in policy toward the Third World, and because of the increasingly aggressive U.S. foreign policy. It is thus also important to examine the history of these operations in the 1970s to see what strategies Reagan's CIA is likely to adopt. Finally it is useful to look in detail at various contemporary developments to see if any picture emerges of ongoing CIA activities that supports one or another of the reports that followed the initial House committee leak.

#### IV. WESTERN CONTROL OF LIBYA AND THE PROBLEM OF SUCCESSION

In 1959 William Draper, an investment banker headed the Presidential Committee to Study the Military Assistance Program, which was composed of generals and former Defense Department employees. The "Draper Committee" submitted a "composite report" and a collection of "annexes," or supplements on U.S. military aid to President Eisenhower. While the composite report was approved by the entire committee, its members were not necessarily in full agreement with the "annexes" which were, nevertheless, passed along to the president as independent recommendations.<sup>16</sup>

Annex C, "A Study of United States Military Assistance Programs in Underdeveloped Areas," summarizes in general terms many of the problems that countries like Libya presented to U.S. military planners. The authors carefully studied the importance for Western interests of "the use of the

armed forces of underdeveloped countries as a major 'transmission belt' of socio-economic reform and development." In many of these countries, the authors maintained, "the military, as dynamic agents of social and economic reform represent an effective alternative to Communist extremism." As such, it "should receive the full support and encouragement of American economic and military assistance planners." Moreover, "the organizational strength of the Communist parties, their unity of purpose and the dedication and loyalty of their leaders, are rarely matched by similar attributes among the democratic parties.... Communism may overrun these critical areas of the world unless a political and social counterforce, well organized... and dedicated to common goals is developed." According to "Annex C," it is becoming "increasingly evident that the military officer corps is a major rallying point of the defense against Communist expansion and penetration." The corps can be involved in "providing stable and efficient government," in "improving the internal security," and in making more effective use "of their nations' economic resources and foreign economic assistance."<sup>17</sup>

A CIA study prepared for the Draper Committee at this time confirmed the effectiveness of using military assistance for these purposes. There was said to be one category of governments sustained by U.S. military aid which enabled "the regime to keep power by more or less authoritarian means;" and there was another category of states described where "without United States military assistance the government concerned would almost certainly have... given way to a Communist or pro-Communist regime." The two categories covered about twenty countries.<sup>13</sup> The study, however, neglected to list those countries in which the armed forces were in the process of being built up for just these purposes.

An unpublished and until recently confidential version of Annex C concluded with case studies of two Military Assistance Programs (MAP) - Libya and Brazil. It suggested that Libya was one of the countries in which the U.S. should be building up the officer corps for leadership purposes. The authors began by maintaining that although "North Africa does not lie in our strategic jurisdiction,"

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but rather France's, this fact still "should not prompt us to belittle the strategic importance of the region.... The West, should it lose completely its strategic position in North Africa, would find its control over the Mediterranean seriously threatened. North Africa, moreover, flanks the routes which the Soviets would follow in their efforts to penetrate Africa.... Libya... serves as a buffer between the Middle East and the Maghreb and at least partially shields the latter from the full force of Arab nationalism emanating from Cairo [where Gamal Abdel Nasser was then in power].... So long as Libya remains friendly to the West, the West can control the southern shore and part of the Eastern Mediterranean."

Even if the U.S. military base at Wheelus were to become obsolete, there would still be "compelling reasons" for the U.S. to maintain political and military influence in Libya. From these considerations, several consequences followed for U.S. policy. Any settlement of the anti-colonialist struggle in Algeria must "preserve for the French the responsibility for the defense and foreign affairs of Algeria." Moreover, "in the event of an attempted Egyptian coup in Libya..., Bourguiba [the Tunisian president] might intervene in Tripolitania [one of Libya's provinces] rather than see it fall under Nasser's control. The United States could strengthen Bourguiba by giving him certain prestige weapons... which would make him the strongest single Arab leader in the Maghreb."

A major concern among Libyan officials at this time was "Egypt's unrelenting effort to bring her western neighbor within her sphere of influence.... Today, Egyptians, through a policy of cultural imperialism have come to dominate many important sectors of Libyan society" including education and the mass media. The problem of Libya, the authors wrote, contrast sharply with those in "French North Africa," where "the French presence is the focus of Arab hostility. In Libya... the foreign presence is primarily British and American. British troops helped train the Libyan army" and the U.S. had its important base at Wheelus, representing "a \$150,000,000 investment. Since 1951, both Great Britain and the United States have heavily subsidized the Libyan economy," with the U.S. assuming "the major share of

Libya's budget deficit" since 1955. "Thus far, despite efforts by extreme nationalists to depict the Libyan government as a pawn of the Western powers, the Anglo-American presence has not proved a serious source of tensions. The central government, however, is under growing pressure from tribal elements" and from Libyans "prodded by Radio Cairo" to moderate links with the West. The U.S. maintained that its relationship with Libya was "a sound business venture" for the Libyan government which defended U.S. aid payments more as "rental for base rights" than as military aid grants. And although the Egyptians "have been critical of the Base Agreement from the beginning," Libyan King Idris realized "how much Libya needed to have her budget strengthened by the income ... from the base.... Indeed, the Libyan economy would collapse in the absence of American economic aid."

The authors concede, however, that "the initial favor with which most Libyans viewed the base arrangements has waned and a number of tensions have marred the working relationship between Libyans and Americans." Moreover, "Egypt and Russia both try to exacerbate these tensions in their efforts to turn popular sentiment against the presence of the U.S. base." For example, Arabic-speaking members of the Soviet Embassy frequently go to areas close to Wheelus and "through the technique of subtle questioning, plant doubts in the minds of the Arabs. Is not the noise of these jets terrible? ... Did you ever stop to think of how much water the Americans use at the base? ... From time to time accidents involving U.S. military vehicles occur along the road connecting Wheelus and Tripoli.... There have been instances, also, of U.S. planes dropping practice bombs uncomfortably close to Libyan villages."

But on the whole "these irritations ... have not significantly affected the pro-Western orientation of the Libyan government.... The Russians want the Americans out for strategic reasons." And "so long as the United States continues to hold the base and to carry on the economic and other programs associated with it, the Egyptians cannot gain control of the country." The Libyan government "seems to be fully aware of the dangers of communism," but... the "people of Libya generally do not seem to fear the communists as much as they do 'Western imperialists.'"

The pro-Western orientation of the Libyan government was said to be likely to prevail as long as King Idris remains in power. During that time, as the authors saw it, Libya's military problem was one not of external but of internal security. The Libyan army was incapable of defending the country against outright aggression; the Anglo-American presence, however, would "discourage any overt attempt at a military takeover by Egypt." By training and equipping the Libyan army and the provincial police forces, the U.S. and Britain hoped to forestall internal problems. Meanwhile, the military should also be used as a "transmission belt" for development; "dramatic hydrological projects" in a country with severe water problems, financed by the U.S., could turn Libya into a "show window" facilitating Western interests. And, the authors contended, the military "can make an important contribution to Libya's unity and independence by ... creating a corps of native Libyan teachers who are oriented favorably to the West," thus pushing out Egypt's influence. Libya, by itself, was said to be "not a viable country. External financial support will always be required, and the United States can expect eventually to have to bear almost the full burden of subsidizing Libya." This was a good investment, however. For relatively modest funds, the U.S., "as long as it maintains its influence in the formulation of Libya's economic, defense and foreign policies, will be able to exercise a counter-weight to the attempts of extreme nationalists to dominate the entire region from the Atlantic to the Persian Gulf," attempts whose aims "converge with those of the Soviet Union."

But there was a problem about succession - "The future stability of Libya," the authors wrote, "hinges upon the succession to Idris and the degree of national unity which can be maintained following his death. The heir apparent, a young nephew of the king, is conceded little chance of commanding the allegiance of diverse elements in the country." The authors feared that the greatest danger after Idris' death might be a secession of "the tribesmen of Cyrenaica" from the union with Tripolitania. Should that happen, "the Egyptian underground can be expected to make a bid for power in Tripolitania. The major obstacle to such a move, of course, is the continued presence of the United States

and Great Britain...." But external support might not be sufficient, and Libya's "unity and independence" - the aim of the "show window" scheme - might not have been achieved as yet by the time of Idris' death.

Thus the U.S. had to search for a solution to the succession problem. The authors of the confidential report advised that "the possibility of grooming a reliable military elite for a future governing role merits thoughtful consideration. The creation of a national staff unifying the various forces at the top level may prove desirable as step toward facilitating the transfer of political power."<sup>19</sup>

One ought, of course, to be careful in not attributing to these remarks more significance than they deserve: they were all part of a confidential portion of a supplement to a report by a Presidential Commission which merely gave recommendations to the president. Yet they are surprisingly similar to language that appears in actual policy documents. An example is a summary of U.S. policy in Libya prepared by the Joint Chiefs of Staff in early 1957. The Joint Chiefs' summary is brief, but the Draper Committee "case study" could be looked at as nothing less than a detailed statement of the same political analysis espoused in the summary.

The Joint Chiefs were already in 1957 concerned that U.S. interests in Libya were increasing rapidly. "The best interests of the United States will be served by taking steps to insure the continuation of a political atmosphere in the Libyan Government which will be amenable to the continuance of the present base rights agreement... and the formulation of additional agreements on reasonable terms. In addition, the United States should encourage the orientation of the Libyan Government toward the West, and away from Egyptian and Soviet influence. Finally, the U.S. should assist in the maintenance of a loyal armed force to insure the political stability of the country [emphasis added] after the death of the King.... The Military Assistance Program objective for Libya is to assist in the development of the Libyan Army to have the capability to maintain internal security and contribute to the national unity of the country."<sup>20</sup> A later State Department document of the Kennedy administration indicates how this was to be accomplished. The U.S. was to

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finance fifty percent increases in the size of the Libyan armed forces in the mid-1950s, then again in the mid-1960s, accompanied by expanded training, at least in part to Westernize the officer corps.<sup>21</sup>

#### V. OIL, CORRUPTION AND THE COUP

In the 1960s, Libya became important not only because of Wheelus and its location, but also because of its oil and the wealth it created for a small group of people. Wilbur Eveland wrote in his book, Ropes of Sand: "Working in Libya, I saw first hand the factors leading to the overthrow of that country's monarchy in 1969 and the emergence of yet another radically anti-Western regime. Oil company greed, internecine rivalries, and subordination of corruption sowed the seeds of this further loss of American influence." Mustafa Ben Halim, Libya's second prime minister, was suddenly "a rich man just after negotiating the first [oil] exploration concessions" and the renewal of the base agreement in the mid-1950s. But he "prudently elected to allow members of the royal entourage to share in the spoils," giving them an additional reason to toe the pro-Western line besides those discussed in the Draper Committee study.

As Libya's ambassador to France, Eveland continued, Ben Halim organized "a near monopoly of all engineering and construction activities ensuing from Libya's by then well established oil discoveries." When Eveland, then a representative for Vinnell Co. (one construction company interested in getting a piece of the pie in Libya, see CounterSpy, May-July 1981) met Halim in Paris, he learned how business was done in Libya. "The formula was forthright and simple: Ben Halim or one of his brothers shared in the contract, with payments for this 'service' to be made (illegally, under Libyan law) in a foreign bank account. In return, Vinnell was entitled to work and bid for new jobs against its (Ben Halim-sponsored) competitors." Eveland reported, however, that entrants in the race to negotiate oil concessions in 1965 soon made Ben Halim's corruption seem "relatively 'minor league.'" When Qaddafi overthrew the monarchy four years later, neither "oil companies nor Washington should have been surprised."<sup>22</sup>

Whether the U.S. government indeed was

"surprised" by the coup is not so clear. For one thing, the military was being groomed by the U.S. possibly to succeed the monarchy, or at least to make the transition smooth after Idris' death. And the U.S. warned Idris in 1968 that U.S. military support for Libya did not mean protection of his throne. The U.S. recognized Qaddafi's new regime just several days after the takeover and ignored appeals from friends of the monarch to help. A few months later, Qaddafi had several members of his Revolutionary Council arrested after the CIA warned him of a plot against him. And in 1971, the CIA and British intelligence stood in the way of efforts by royalist opponents to overthrow Qaddafi.<sup>23</sup> Qaddafi was staunchly anti-communist at this point, and this convinced Western governments that they had paved the way for the right man.

#### VI. EFFORTS TO CONTROL LIBYA'S INCREASING INDEPENDENCE

Qaddafi's increasingly militant support for Palestinian rights in the early 1970s led to a revision of U.S. policy. When the U.S. Ambassador to Libya left his post in early 1973, he was not replaced.<sup>24</sup> Reconnaissance flights over Libya began in 1972 in response to Libya's first acquisition of Soviet arms.<sup>25</sup> In March 1973, a Libyan plane reportedly attacked a U.S. C-130 transport that Libya claimed had entered restricted air space, but the C-130 escaped undamaged.

Growing oil revenues after 1973 enabled Qaddafi to finance both guns and butter for Libya, to remain unconcerned about Western opposition to his support for the Palestinians and ties to the Soviets, and in fact to maintain some leverage over the U.S. and several European countries because of Libya's oil exports. Anwar Sadat, over this period, expelled Soviet advisors from Egypt, turned his back on Nasserism, and slowly began to reintegrate Egypt into the Western economic and military system. Qaddafi took over where Nasser had left off, and he began encountering the same hostility from the West that Nasser had earlier incurred. The U.S. was now faced with a situation where it had protected Qaddafi early on in order to control the spread of Nasserism and of Soviet influence in Libya after Idris' departure; now Qaddafi himself needed to be controlled.

Relations between Egypt and Libya began to deteriorate after 1973. Sadat withdrew from plans to merge the two countries and excluded Libya from preparations for the 1973 Arab-Israeli war. Qaddafi's Islamic fundamentalism, his opposition to a political settlement with Israel, and his radical support for Arab unity and independence from the West all sharply contrasted with Sadat's positions on these issues. They also contrasted with the positions of some members of Libya's Revolutionary Council, and in August 1975, Omar Mehishi, Abdul Menin al Houni, and two other Council members were accused of plotting against Qaddafi. Mehishi and al Houni both left Libya and were granted political asylum in Egypt in early 1976. There they organized Libyans in Egypt against Qaddafi, and Mehishi began using Egyptian radio to transmit anti-Qaddafi propaganda into Libya. A number of acts of sabotage occurred in Egypt in retaliation, prompting Sadat to deploy troops on the Libyan border in summer 1976.<sup>26</sup>

France reportedly became embroiled in the dispute in 1977 because of its growing ties with Egypt, its long-standing involvement in North Africa, and its growing cooperation with the CIA. Roger Faligot wrote in The Middle East that in 1977, Colonel Alain Gagneron de Marolles, then "supervising all French covert actions, was allegedly authorized by... Sadat to launch guerrilla raids into Libya from the Egyptian border. According to reliable SDECE [French intelligence] sources, the CIA had pushed France to the fore in this anti-Libya exercise, which failed abysmally." Colonel de Marolles teamed up with Mehishi in this operation. However, MOSSAD (Israeli intelligence) was "extremely hostile" to this operation. "It saw as a distinct threat the possibility of a pro-Egyptian government being set up in Libya, thereby strengthening Egypt's position in any negotiations."<sup>27</sup>

At the same time, there were reports of Egyptian military aid to Chad, and the Egyptian Vice President visited Chad in July 1977. This created in Libya a sense of encirclement. In one instance, Egyptian soldiers were patrolling inside Libyan territory, and when they did not respond to a Libyan order to leave, Libya attacked and Egypt counterattacked.<sup>28</sup> The four day war which followed did not lead to large losses, but it increased Libya's prestige

and provided rationales for both Libya and Egypt to buy more Soviet and U.S. arms.

There were (and are) large discrepancies between Soviet and U.S.-Egyptian estimates of the monetary value of Libya's Soviet arms. Qaddafi professed to want to diversify Libya's arms purchases, but when the U.S. and France responded negatively, he continued to buy from the Soviet Union. Throughout the 1970s, although Libya became increasingly to be portrayed as a Soviet surrogate, many experts agreed that the chief tie between the two countries was arms sales. Several times the U.S. blocked export licenses for military equipment for Libya, and, in February 1978, the U.S. even halted the delivery of spare parts for C-130s Libya already possessed; the reasons given were Libya's support for "terrorism" and its opposition to U.S. policies in the Middle East. In late 1978 and early 1979, however, the U.S. agreed to sell two 727s and three 747s, after Libya promised no military use for them and acceded to the Hague hijacking convention. The sales were cancelled in 1979, however; U.S. officials argued that Libya had intervened in Uganda using C-130s and stated that the 747s might be used in similar military operations.

This affair, along with Libya's support for Iran's revolution, the Polisario forces in the Western Sahara, and Palestinian causes convinced the U.S. that Qaddafi was a major obstacle to American interests in the Middle East. The Carter administration escalated its propaganda about Soviet "penetration" in Libya. It leaked news of a "secret analysis" prepared for National Security Advisor Zbigniew Brzezinski which painted "a disturbing map of Soviet-backed Libyan-organized disruption... stretching from Malta to the Philippines."<sup>29</sup> Newspaper writers with close ties to the CIA and the Pentagon developed this theme.<sup>30</sup> (As far as Malta was concerned, propaganda and covert operations went hand-in-hand. To underscore "Maltese opposition to Libya," the British were setting up a phony "Maltese Liberation Front" that claimed responsibility for bombings of Libyan buildings.<sup>31</sup>) At the same time, the burning of the U.S. Embassy in Tripoli in late 1979 and the Billy Carter affair, which lasted throughout 1980, offered U.S. propagandists still more ammunition against Libya.

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Reconnaissance flights over Libya continued, and in summer 1980, Libya started intensifying its efforts to intercept the U.S. planes. On one occasion, the Pentagon reported that an order to "arm your missiles" had been overheard by U.S. pilots, although there was no evidence that Libya had fired any missiles. Still, in October 1980, Qaddafi wrote letters to Carter and Reagan demanding that the U.S. "keep its naval and air forces away from the Libyan Arab borders... Otherwise, confrontation and the outbreak of an armed war, in the legal term, would regretfully be a possibility within view at any moment."<sup>32</sup> It is not known if Carter cut back reconnaissance flights, but he did overrule the Pentagon and refrained from conducting naval maneuvers close to Libyan coastlines.<sup>33</sup> The Carter administration was convinced that military action against Libya could create "unforeseen problems." One such problem would be that of "a general war. Sadat's moves in 1977... nearly touched off a larger North African war, with Algeria ready to intervene on Libya's side and Morocco likely to jump in against Algeria."<sup>34</sup> Even so, Carter sought "to gain African support against Libya."<sup>35</sup>

#### VII. NEW FRENCH EFFORTS TO OVERTHROW QADDAFI

The French government, too, was concerned about the Libyan threat to its interests in Africa - a threat that had grown considerably since 1977. A new operation against Qaddafi was seen to be necessary. According to Roger Faligot, the operation was organized by the SDECE along the same line as the operation Newsweek said Max Hugel had proposed. One aspect was a propaganda campaign, and "psychological operations against Qaddafi were organized for some six months before the date set for a coup" in August 1980. These included interviews with opponents of the Libyan government in the French press using "elaborate leaks and stories planted by SDECE-connected journalists. A massive drive was undertaken... to promote Lapierre and Collins' book The Fifth Horseman, a political fiction about Qaddafi blackmailing Carter with an... atomic bomb." There was also a "spate of ... media items on Qaddafi as 'mastermind' of all 'terrorist groups,'" intended to intimidate and isolate Qaddafi. Colonel de

Marolles again ran the operation, and Faligot claims that British Intelligence's "Maltese Liberation Front" operation was carried out in cooperation with SDECE. Also apparently part of the campaign was a story which appeared in the London Sunday Times. "French intelligence," it ran, "reports a big build-up of crack Egyptian forces on the Libyan border. More speculative versions claim that a Israeli general staff working group has offered Cairo a blueprint for a fullscale effort" to overthrow Qaddafi.<sup>36</sup>

A second aspect of de Marolles' operation was an effort to contact, unify and mobilize some of the Libyan opposition to Qaddafi. Faligot wrote that SDECE agents were dispatched to Libya "to liaise with disenchanted officers of the Libyan Army," and SDECE is said by Faligot to have "strengthened the Libyan exile 'government' in Cairo."

Egypt was again enlisted in paramilitary operations. According to Faligot, de Marolles was given "a free hand by Sadat to organize border incidents from the West," and French intelligence reportedly set up an anti-Qaddafi "Liberation Front" on Libya's border. On June 16, Egypt imposed martial law in the border region where the Four-Day War had been fought. Three days later, Libya accused Egypt of preparing again to wage war. In late August 1980, it was reported that there were 50,000 Egyptian troops facing Libya;<sup>37</sup> the New York Times reported that 40,000 had been moved there over the previous year.<sup>38</sup>

The object of these preparations, according to Faligot, was a "military uprising" on August 5, 1980 "to be organized at the garrison of Tobruk, followed by guerrilla action on both the eastern and western borders. The head of Military Security in Tobruk, Commandant Driss Shehaibi, had been recruited by the French to lead the uprising." At the time AFP released an unattributed report hinting that "Qaddafi may have died in a shooting incident." In reality, the French-instigated plot was foiled and Shehaibi fled the country. Claudia Wright reported later that he "had apparently invited Qaddafi to inspect military facilities at Tobruk. Plans were made to fire on [his] plane as it landed, but foreign military advisors... tipped him off."<sup>39</sup>

However, spurious reports persisted, attributed to Egyptian and other Middle

Eastern sources that the "uprising" against Qaddafi was continuing. The New York Times reported that according to diplomatic sources, "a mutiny broke out Aug. 7 in two battalions... in Tobruk under the command of Maj. Seyyed Idris. Major Idris attempted to exploit discontent... with the help of infiltrators from Egypt,... but when Libyan authorities responded with negotiations with the troops, the mutiny failed and Major Idris escaped to Egypt."<sup>40</sup>

Later, after Libya's intervention in Chad, SDECE Director de Marenches proposed French military action. But Giscard refused, "fearing to antagonize one of France's main oil suppliers and French public opinion six months before the Presidential elections."<sup>41</sup> Instead he began to negotiate with the Sudanese and the Egyptian governments for covert action against Qaddafi.<sup>42</sup> Several months later, Sadat admitted that Egypt was supplying Hissene Habre's Chadian rebel forces based in Sudan to destabilize Chad and drive the Libyans out.

#### VIII. REAGAN AND THE "CANCER THAT HAS TO BE REMOVED"

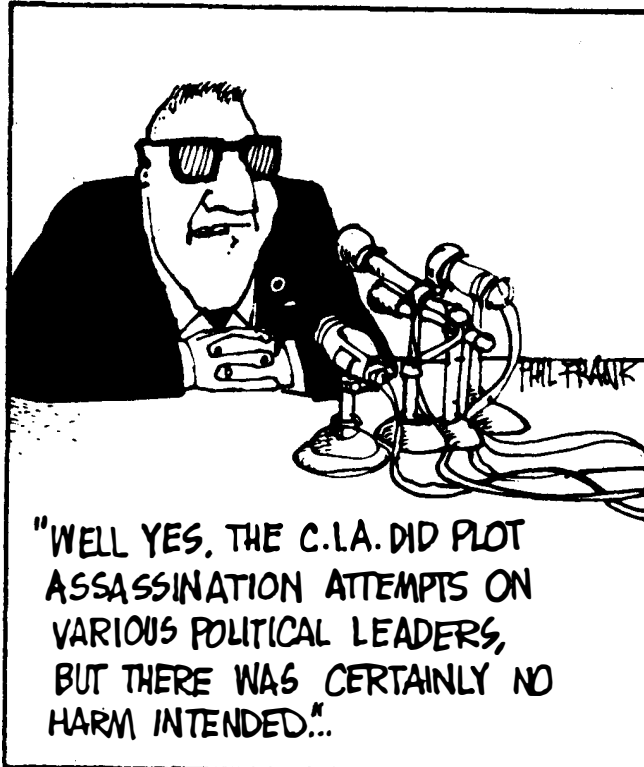
Under Francois Mitterrand, France has moved toward more cordial relations with Libya. However, it appears that Ronald Reagan has "taken up where Giscard left off."<sup>43</sup> The interagency review of "how to handle" Qaddafi, which Oberdorfer described, was originally hampered by differences within the State Department. The "Africa specialists" were said to view Qaddafi as a "regional problem," solved by backing existing anti-Libya resolutions by the African states and encouraging them and France to "get the Libyans to change their ways."

A "more confrontational" line, espoused by the policy planning staff was said to view Qaddafi "as Moscow's surrogate, sowing the seeds of disruption in a band from Morocco...[to] Saudi Arabia."<sup>44</sup> Later, Oberdorfer wrote that "Haig was reported to have rejected an early report from within the State Department setting forth the substantial risks to Americans and American policies of taking direct action against Libya." Haig wanted a tougher response.<sup>45</sup> As early as March 1981, it was reported that he was "slightly obsessed with knocking... Qaddafi from power." Haig

viewed him "as an agent of the international Soviet-backed terrorist conspiracy,"<sup>46</sup> and was said to have characterized Libya as "a cancer that has to be removed."<sup>47</sup>

In adopting a harder line, the Reagan administration has dismissed some of the considerations that motivated Carter's more restrained approach. The administration let it be known that a cutoff of Libyan oil to the U.S. would have no harmful effects, and the day after Libyan diplomats in the U.S. were expelled in May 1981, representatives of 35 U.S. companies were summoned to the State Department and urged to cut back their personnel in Libya. They were told that if "trouble developed" in Libya, the U.S. government "could do nothing to help." One official reportedly stated later: "We're not predicting an imminent crisis, but we warned the companies that the potential for trouble is very great." Another commented: "We don't want to have another hostage crisis."<sup>48</sup> The oil companies have largely ignored the warnings, after receiving assurance from Qaddafi about the safety of their personnel.

The Reagan administration also seems prepared to risk disagreement with its European allies, who depend heavily on Libya for oil, and it seems willing to risk the regional conflict in North Africa that



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Carter was not. And it is perhaps prepared even to confront the Soviet Union over Libya. There are several thousand Soviet and East European advisors in Libya. As the Wall Street Journal observed: "Dealing with these forces would pose serious problems for any anti-[Qaddafi] military operation mounted by a neighboring U.S. ally, such as Egypt. And since such forces would want guarantees of U.S. support, any military operation would risk a direct U.S.-Soviet confrontation."<sup>49</sup>

More speculative is Claudia Wright's report that part of current contingency plans for U.S. military operations in trouble areas of the Middle East and North Africa - areas like Libya - is the plan to supplement the main "Triple Squeeze" (as Haig calls it), consisting of three kinds of direct military operations - ships, marines, emigré paramilitary operations - with a "fourth squeeze, to be prepared in tight secrecy and flashed at the Soviet Union to deter it from coming to its clients' rescue." This "squeeze" will come from nuclear weapons, stocked in Turkey and Greece "but available for dispersion around the western Mediterranean if the secret part of talks with Spain and Portugal can be settled as Haig would like."<sup>50</sup> It is not simply the existence of such plans which is the most frightening, for such operations have been planned for many years, but rather the openness and concreteness with which U.S. officials now boast of them.

The efforts against Libya have to be understood as part of the Reagan administration's so-called campaign against "international terrorism." This campaign has a public side and a not-so-public side. Its public side emphasizes state-sponsored international "terrorism" and the "terrorism" of national liberation movements. On May 6, 1981 when the administration closed the Libyan Embassy in Washington, the State Department justified the action as a response to Libya's "wide range of provocative behavior and misconduct, including support for international terrorism." Officials also stated that the action was catalyzed by the attempted murder of Faisal Zagallai, an opponent of Qaddafi attending school at Colorado State University. Claudia Wright, however, reported that the expulsion was "one of the first and last schemes devised by Max Hugel," suggesting other mo-

tives besides punishing Libya for "terrorism." Moreover, the selective application of the "terrorism policy" also suggests other motives: the recent murder by Taiwanese security forces of a Taiwanese dissident teaching at Carnegie Mellon,<sup>51</sup> and the indifference shown to the case by the administration, is a controlled-experiment verification of the insincerity of the "terrorism policy." The long-standing ties of terrorist Cubans to the CIA and other U.S. agencies; and the presence in the U.S. of Nicaraguan counter-revolutionary groups are further indications of U.S. insincerity.

And at the same time the U.S. was acting against Libya in May, it was moving toward better relations with Iraq, which has long been excluded under law from U.S. weapons purchases because of its alleged support for international terrorism; after all, as Haig observed before Congress in March, there seems to be "some shift in the Iraqi attitude," related to "greater sense of concern about the behavior of Soviet imperialism in the Middle East area." Thus what the campaign against "international terrorism" in its not-so-public side is really about are the long-standing American aims of propping up clients fighting the Soviet Union and progressive governments. Otherwise, why be concerned just with "international" terrorism and not also with the "domestic" terrorism of the kind the U.S. exports to El Salvador, Argentina, Guatemala, Thailand, Indonesia, and many other nations?

Like France the year before, the U.S. now considers Libya to be a major obstacle to its policies in Africa. U.S. officials have stated that it was Libya's intervention in Chad that opened their eyes to the "Libyan threat." Curiously, African states were more indifferent to the intervention, according to Andrew Young: "A Libya-dominated Chad caused little alarm initially, because Africans saw it merely as an expulsion of French influence. But... Muslim riots in Kano, Nigeria, and the fears of Senegal's former president Leopold Senghor raised a question of malicious mischief which could be damaging to Sudan, Cameroon and Mali - all countries with complex balances of Christian and Muslim populations."<sup>52</sup> Perhaps Egypt should now be added to this list, after Sadat's September 2 mass arrests of Muslim and Christian opponents (among others) who he said



threatened "national unity." Reportedly, there is also a fundamentalist Muslim faction in the armed forces that increasingly opposes Sadat's policies on Israel and other matters,<sup>53</sup> a faction that could at some point respond to a call by Qaddafi. Several times U.S. officials have reiterated Senghor's assertion that Libya is dedicated to establishing a Saharan empire uniting Muslim tribes throughout northern Africa south to Zaire. No evidence has ever been offered to support this claim.

At the same time, U.S. officials have seen other kinds of Libyan influence as obstructive to American interests. Libya's oil has enabled it to offer generous foreign economic aid, and the U.S. has several times countered Libyan offers of aid with American offers. Qaddafi will be chairman of the Organization of African Unity (OAU) when it meets in Tripoli in 1982, and the Reagan administration tried unsuccessfully to get member nations to revoke that honor.

Libyan influence, further, is seen as a foot in the political door for the Soviet Union. In the new cold war atmosphere since the collapse of SALT II and the shifts of power in the Persian-Arabian Gulf, the Soviet connection has come in government circles to be more than mere propaganda. There is much variation among estimates of the size of Libya's military purchases from the Soviet Union, but it is emphasized repeatedly that Libya, with its small number of troops, could never make use of it all. On the other hand, the Soviet Union's Libya connection is useful for U.S. planners who find talk of "international terrorism" politically unsatisfying and seek to reformulate the issues in traditional cold war terms. Of course, these planners are ably served by journalists with whom they have close ties.<sup>54</sup>

A central document in the campaign against terrorism has been Claire Sterling's The Terror Network. She devotes a chapter to Qaddafi, who she calls "the Daddy Warbucks of international terrorism." The chapter was reprinted in March 1981 in the neo-conservative The New Republic under the ominous headline: "A murderer, a maniac - and Moscow's man." The book conforms closely to Haig's conception of international terrorism and the Soviet Union's role in it.<sup>55</sup> Thus the U.S. government has done its best to promote The Terror Network, and the International Com-

munication Agency (ICA) "has arranged for its... centers around the world to make sure the book is promoted to local readers."<sup>56</sup>

In June 1981 the CIA issued another central document in the campaign, its new annual report on international terrorism. Not surprisingly, Libya was said to be the "most prominent state sponsor of international terrorism." A review of intelligence on terrorism was ordered soon after Haig's first remarks on the subject. The resulting CIA report was rejected by Casey because it did not support Haig's assertions on terrorism. Casey then ordered a second report to be prepared by the Defense Intelligence Agency, but that one too was rejected. A third report was then begun, using new material as well as material from the two rejected reports. It is unclear if this third report was issued as the annual report on terrorism, but those familiar with it told the New York Times that it concludes that "the Soviet Union has not played a direct role in training or equipping traditional terrorist groups such as the Red Brigades.... It does find that the Soviet Union has provided aid to organizations and nations, including the Palestine Liberation Organization and Libya, that support terrorism and engage in it themselves."<sup>57</sup>

The efforts against Libya also reflect the importance the Carter administration started to attach to covert operations after the fall of the Shah of Iran and their even greater importance to the Reagan administration. Because of past actions and revelations making it more difficult for the CIA to conduct its own operations, Reagan appears to have decided to collaborate more closely with anticommunist forces abroad. Moreover, public concerns in the U.S. that led to restrictions on CIA covert operations haven't disappeared: Casey himself stated that openness "could panic an American public which has not yet recovered from the Vietnam morning-after syndrome."<sup>58</sup>

The CIA is reported to be working through counter-revolutionary Cubans in Central America, through Egypt in Afghanistan and against Iran, and in collaboration with China against Vietnam. CIA Director Casey seems to be calling for a sort of "Nixon Doctrine" for covert action, in which the U.S. would supply increased aid, but place the primary respon-

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sibility on the nation assisted. But U.S. allies, too, are reluctant for the CIA to undertake such actions, thus requiring "increased conditioning" of allies to the necessity "for covert operations against Soviet surrogates and revolutionary forces" to be coordinated by the U.S.

Given the constraints imposed on the CIA, successful operations require four kinds of efforts discussed by Newsweek: (1) isolation of target countries; (2) a propaganda campaign; (3) mobilization of opposition forces; and (4) military action from neighboring countries through emigré forces or regular troops, assisted, if necessary, by the U.S. Each of these efforts was part of the French campaign against Libya in 1980, and now that the Reagan administration has taken over that campaign, and apparently approved policies that enable it to proceed with each of these kinds of efforts, it is important to look at each category for evidence of how the campaign against Libya is proceeding.

#### IX. ISOLATING LIBYA

A diplomatic campaign against Libya has been going on for some time, and State Department officials are said to assert that "the administration would be willing now to encourage actions against the Qaddafi regime. However, it is up to the African states themselves to take the lead."<sup>59</sup> Morocco, for example, reportedly lobbied strongly against Libya in the months prior to the OAU meeting in late June 1981, and it is hard to imagine that the U.S. did not coordinate strategy with Morocco.

Condemnations and breaks in diplomatic relations are two other ways by which collaborating nations can "publicize their hostility." The U.S. has taken the lead in these actions, and a number of African nations have followed. The U.S. has also tried to reduce the incentives for Libya's neighbors to move toward closer relations. Military assistance has increased to Tunisia, Egypt and Sudan. Tunisia's acquisition of M-60 tanks is specifically to "deter further Libyan adventurism." Increased military aid has also been discussed with Morocco and Algeria. Further south, the U.S. has devoted much attention to stabilizing Liberia's economy with loans and grants and to initiating increased military cooperation (including the arrival of 100 Green Berets in Monrovia in April 1981

to train the Liberian military) in order to make it unnecessary for Liberia to accept Libyan aid.<sup>60</sup> Indeed, Liberia broke off relations with Libya when Qaddafi visited Moscow in April 1981, and this break was surely related to U.S. pressure.

Similarly, the U.S. has urged non-African countries to join the campaign against Libya. A Wall Street Journal report stressed that the U.S. "has been pressuring France, Italy, West Germany and Britain to take a tougher line" against Qaddafi, even though "these countries have extensive commercial relations with Libya."<sup>61</sup> The Reagan administration has undertaken an especially intense effort with Italy. The previous Italian cabinet reportedly agreed tentatively to a visit by Qaddafi in summer 1981. But the plan was opposed by the U.S., and Haig and Defense Secretary Caspar Weinberger "made strong efforts to block the visit."<sup>62</sup> Italy's new Premier, Giovanni Spadolini, is anti-Arab and very pro-American, and the visit has been cancelled.

#### X. THE PROPAGANDA CAMPAIGN AGAINST LIBYA

Propaganda against Libya has had five major themes: (1) that Qaddafi is the "patron saint of terror," as Haig put it; (2) that Libya is militaristic and "imperialistic;" (3) that Libya is a Soviet surrogate; (4) that Qaddafi is a madman and the "most dangerous man in the world;" and (5) that, domestically, Libya is mismanaged and not meeting its people's needs, that it is repressive, and that there is an opposition in Libya that is large, growing, and worthy of support.

Phil Kelly wrote in The Middle East that disinformation on Libyan terrorism regularly enters the West from Egyptian, Moroccan, Tunisian and Israeli sources. Another source of disinformation is the Phalangists' Voice of Lebanon radio station which carried a report alleging that "terrorist leader 'Carlos' was in Libya, near the Sudanese border, training terrorists to attack the oilfields of Libya's opponents." This item resurfaced in Egypt's government-controlled Middle East News Agency (MENA) in June 1981, this time claiming "King Khaled of Saudi Arabia would be a target during his state visit" to England. The story was repeated in many British newspapers, "quoting MENA to the effect that an attempt on King Khaled's

life would be made by Carlos and two Palestinian groups with 'the backing of Colonel Qaddafi.'"<sup>63</sup>

In the U.S., the Billy Carter affair has returned to the realm of non-events from which it came. But another scandal has developed over the activities of ex-CIA operatives Edwin Wilson and Frank Terpil, giving the press and the government a new forum for horror stories about Qaddafi. A handful of government agencies appear to be providing the press with a steady stream of well-planted leaks.

The disinformation on Libya's intervention in Chad - the main example offered of "Libyan imperialism" - is extensive.<sup>64</sup> First, it is useful to note, as the press and government spokespersons usually do not, that the Libyan military is small - much smaller than the 100,000-man force that Sadat now has deployed on Egypt's border with Libya<sup>65</sup> - and that "Qaddafi is viewed as unlikely to extend his military incursion beyond Chad. His 60,000-man armed forces, with more than a tenth of their manpower in Chad, are said to be too strained logistically in that country to do more than consolidate their positions and yet [Qaddafi's] threat has helped justify military buildups and requests for aid by Egypt, Tunisia and Israel."<sup>66</sup>

Other articles in the U.S. media have suggested that Qaddafi has mismanaged Libya's oil wealth, buying vast amounts of weapons but not providing for the people's needs.<sup>67</sup> But even Newsweek acknowledged that since 1969, "Libya has built 200,000 houses and planted 400 million trees." In addition, the average annual wage rose from \$1,700 to \$10,000 over the past ten years. "'You don't see poverty or hunger here,' says one Western ambassador in Tripoli. 'Basic human needs are met to a greater degree than in any other Arab country.'"<sup>68</sup> Qaddafi has initiated a number of changes in the economy since early 1980, including the phasing out of most private businesses. This has created some opposition from the middle class and a number of arrests have occurred. The figure of 2,000 has been widely quoted as the number of those arrested, but the State Department's own human rights report on Libya asserts that "abuses of this magnitude have not been confirmed."<sup>69</sup>

For all the writing on Qaddafi's "murderous" policies it should be pointed out that the executions of 22 of Mehishi's

group in April 1977, along with an Egyptian saboteur and his accomplices were the first executions in Libya since the 1969 coup; according to Gideon Gera, "death sentences on prominent monarchists [had] either been commuted or pronounced on absentees."<sup>70</sup> And contrary to the Reagan administration's pronouncements, the Libyan government claims that the so-called "liquidation campaign" of Libyan dissidents is not run by the government. The fact, little mentioned, that victims have been mostly minor opposition figures would seem to support this.<sup>71</sup> Of course, such subtleties matter little to the administration, which ordered out Libyan diplomats because of the "liquidation campaign" long after everyone else had agreed that it was over.

Another subject prominent in the propaganda is that of coups against Qaddafi. Coup attempts in Libya get reported regularly whether or not they have actually occurred. An impression of widespread dissatisfaction is nonetheless created. Kelly, for example, wrote: "A story about an attempted coup in Tripoli last January [1981] began in the Cairo daily Al-Ahram and found its way into the BBC monitoring service, and so into Western press 'backgrounders' by February."<sup>72</sup>

#### XI. CREATING AND MOBILIZING OPPOSITION TO QADDAFI

The CIA strategy of trying to work through surrogate forces, Haig's willingness to employ a "mixture of expatriate subversives and mercenaries, who can parade as national liberators recognized by Washington"<sup>73</sup> as the third part of the "Triple Squeeze," and a collection of reports specifically about Libya all give credence to the report by Newsweek that the administration's approach to Libya includes an effort to "recruit reliable agents from within the Libyan exile community" to build a "viable opposition" to Qaddafi. Newsweek quoted one senior U.S. official as stating: "I don't think anything is going to gear up from this side until there is a clear sense that there is something to work with," implying it will when there is.<sup>74</sup> The Wall Street Journal earlier reported that even though there is no official confirmation, "the U.S. is widely believed to be working with the Libyan exiles in the hope of developing an

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organized resistance movement."<sup>75</sup> Another report stated that, although U.S. officials will not confirm such contacts, "exiled Libyans, including supporters of [Abdul al Houni] ... who ... now leads Libyan emigrés in Egypt, say they have asked the United States what it would do, if anything, to help neutralize or overcome the Soviet Bloc security forces supporting Qaddafi."<sup>76</sup>

An even clearer indication of CIA contacts concerns Yahya Omar, a Libyan businessman who was sentenced to death in absentia by a Libyan revolutionary court in March 1981, and who is mentioned in two prominent articles on the Libyan exile opposition which appeared in May 1981. According to Newsweek, the U.S. government "has warned Yahya Omar, an Arab multimillionaire with ties to U.S. intelligence, that he may be on the hit list drawn up by terrorists acting for [Qaddafi]," because FBI agents found his name at the home of Eugene Tafoya, who has been charged with Zagallai's attempted murder. Omar, who was part of Libyan King Idris' entourage when Qaddafi overthrew him in 1969 escaped aboard a U.S. Air Force plane, and took with him a fortune in crown jewels. Since then, Omar has been an advisor to the Sultan of Oman. "On some of his frequent trips to Washington, Omar has stayed at the apartment of James Critchfield, a former chief of the CIA's Middle East division."<sup>77</sup> One can speculate that this item was leaked as part of the effort to embarrass Libya with the Wilson-Terpil affair (Tafoya worked for Wilson), but the article points to another fact: the CIA was directly involved in Libya until the early 1970s, and its contacts with monarchists, and early Qaddafi supporters as well, apparently continues.

The aftermath of the July 1981 seizure by Libyan students of the Libyan mission to the United Nations is also revealing. The students ousted the diplomats and staff, destroyed papers, books and pictures of Qaddafi, and barricaded themselves inside for three hours. When arrested, they were booked only on charges of criminal trespass, a misdemeanor; and the judge reportedly "adjourned the cases 'in contemplation of dismissal' and released the protesters on the equivalent of six months probation."

Although U.S. officials were reportedly "disturbed" that the case was treated

lightly, the U.S. attorney's office in Manhattan declined to prosecute. For the "disturbed" U.S. officials, the issue was, as one State Department employee put it: "What better way [than to prosecute] to prove that we are [a] responsible [government]?" A spokesperson for the U.S. attorney's office in Manhattan refused to state reasons for the failure to prosecute.<sup>78</sup> (The week before the seizure of the mission, anti-Khomeini Iranians seized the Iranian interest section in Washington and are now being prosecuted for a felony in federal court. These Iranians, however, were leftists and presumably would not be the kind of Iranians the U.S. could "recruit as reliable agents" against Iran.)

The anti-Qaddafi Libyans are a different story. Although Mohammed Mugarieff (a former Libyan ambassador to India who resigned last year) has expressed bitterness about the CIA role in Libya and called on the U.S. to "leave us alone in our struggle" against Qaddafi,<sup>79</sup> some of the Libyan opposition in the U.S. is notably pro-American. The Washington Post reported in May 1980, for example, after about 130 hooded anti-Qaddafi demonstrators marched through downtown Washington, that the demonstrators were "largely pro-American, an experience some Washingtonians, remembering the sometimes violent demonstrations held by hooded anti-Shah Iranians in the past, found a little difficult to come to terms with."<sup>80</sup> For all the propaganda about opposition to Qaddafi, little is said about its political orientation; one report stated only that there are "Arab nationalists, Islamic fundamentalists, progressive, or left, and liberal factions."<sup>81</sup> The fact is that the organized opposition is nearly entirely the kind the U.S. can work with, and despite problems progressives might have with Qaddafi's policies, no substantial opposition has developed from the left.

On the other hand, as the Wall Street Journal reported, "there isn't any sign that grumbling among ordinary Libyans has been organized into an effective internal opposition that could work with the exiles." Qaddafi's "biggest domestic worry is the widespread unpopularity of his economic measures:" recent edicts nationalized all businesses and placed heavy restrictions on inheritance and large savings accounts.<sup>82</sup>

Although there is talk of the "slow, tedious task" of building an opposition, it is clear that the difficulties in carrying out that task make U.S. planners think, as they have always done in the case of Libya, in terms of a coup from the military. This is made plain by the attention devoted to the problem of a possible successor to Qaddafi, whose removal "might simply open the way for the installation of a new leader who is even closer to the Soviets;<sup>83</sup> European governments also claim this concern, as well as the concern that a successor may reduce oil output and foreign exports. More explicit is a statement made by "one U.S. official" to the Journal some time after the warnings to oil companies about personnel in Libya: "The companies won't get another warning. We're playing confrontation politics, and we want them out, whether there is a coup in the works or not."<sup>84</sup>

Moreover, Don Oberdorfer wrote that Libya was an important topic in the conversations in early August 1981 between Reagan and Sadat. Sadat reportedly said that Libyans inside the country, rather than overt pressures from the outside, which the Reagan administration has focused on in its public posturing, are the most effective opposition force.<sup>85</sup> Given the confirmation of the thrust of the Newsweek-Time report by various independent sources, Oberdorfer's little-noticed report is quite astonishing. It affirms that planning for a covert operation against Qaddafi - perhaps a coup - is being conducted at the head of state level.

These reports are especially noteworthy because of indications that the U.S. and Egypt had at least foreknowledge of a May 1981 coup attempt in Libya. Claudia Wright pointed out that Sadat's use of an AWACS plane to fly to Sudan to meet with Jaafar Nimeri at about the same time the plotters were arrested suggests that the plane was being used not to protect Sadat against an attack as he claims, but to give the U.S. and Egypt knowledge of the plot's effectiveness and warnings of moves by Syria and the Soviet Union to come to Qaddafi's aid.<sup>86</sup> These events occurred two weeks after Max Hugel's plan to expel Libyan diplomats was carried out and the oil companies were warned to get their personnel out of Libya. The expulsion and warning generated front-page news, much publicity about "Libyan terrorism," and several

stories about opposition and instability in Libya. One, unsigned, appeared in the Washington Post the day the **expulsion order** was reported and seems thus to have been in preparation for some time;<sup>87</sup> another appeared later in the month, almost coinciding with the events inside Libya.<sup>88</sup> Both articles would have required much advance research, and the information for them would consequently appear to have been supplied by Libyan organizations or U.S. government sources, both having an interest in publicizing the issue. A Daily News story that the U.S. was drafting a plan to overthrow Qaddafi was deliberately leaked in May 1981, about a week before the arrests.<sup>89</sup> Its possible connections to the coup attempt remain unclear, but it reports that the U.S. was drafting a plan to encourage Egyptian sponsorship of a coup against Qaddafi.

## XII. MILITARY PREPARATIONS AGAINST QADDAFI

Libya is reported to figure prominently in Haig's "Triple Squeeze" plan: around Libya, for example, there are "American reinforcements and staging facilities in the Egyptian western desert, covert aid for [Habre's Chadian] guerrilla force in south-west Sudan, on the Chad border, close-in Sixth Fleet patrols in the Gulf of [Sidra], and improved air defense and surveillance operations from Tunisian territory."<sup>90</sup> These preparations, in addition to the increases in military assistance, are to play a large role in the project Oberdorfer later corroborated, after the initial report by Time, "a long-range enterprise which concentrates on placing pressures on Qaddafi from outside his country." Oberdorfer's sources confirmed much of what Newsweek and Time had reported earlier and, as the White House had done, focused their denial very narrowly on the claim that the plan included "an assassination plot."<sup>91</sup> (But even this denial may be misleading. Columnist Jack Anderson claimed that his associate Ron McRae discovered schemes involving hit men posing as mercenaries for Qaddafi and poisons with delayed effects. The details sound fantastic, and Anderson gives no solid evidence, but after the operations against Cuba in the 1960s and the other reports about Libya reviewed here, they cannot be dismissed.<sup>92</sup>)

These reports all tend to verify the

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story reported by Lars Nelson in the New York Daily News on May 17, 1981. "The Reagan administration," he wrote, "is drafting a secret strategy to use Egypt and other moderate Arab states" to topple Qaddafi. "But the effort to neutralize him, a senior State Department official insisted, would not take the form of assassination." Rather, the administration would "encourage" conservative Arab states that feel threatened by Qaddafi, "most notably Egypt, to take action of their own, either through direct invasion or sponsorship of a coup. If the Arab attempt appeared to be near failure, the U.S. would provide direct assistance, one official indicated.... The operation against [Qaddafi] would be done in such a way that the U.S. would be able to claim that it was not directly involved. But senior administration officials are saying privately that the U.S. would give direct assistance to the Arab states to make sure that it succeeds."<sup>93</sup>

There is something very unreal about Nelson's report, in which "senior" officials are surprisingly talkative. There is no reason to think that these are leaks from one faction out to embarrass another, as was later the case with the Casey affair. More likely, the aim was to intimidate Qaddafi into policies more acceptable to the U.S. or to send signals to allies and potential allies that the U.S. would be tougher and more reliable in protecting its friends. Still, these statements seem to violate Casey's edict against openness, and questions thus remain about the motivations behind the statements. It is, of course, just possible that they are boasts from men who are ready to exercise power and undisturbed at who knows it.

Many similar questions are raised about the Gulf of Sidra incident. It, too, seems to have been exploited to intimidate Libya and to rally allies. A number of points are important to keep in mind: (1) Michael Getler reported in the Washington Post just after the incident that U.S. officials had said "the basic decision to hold the naval exercise off Libya was made by Reagan at a National Security Council meeting late in July. These officials also said there were considerable discussions before within the Pentagon about a possible postponement until after the summer. One reason is that there are several hundred additional American dependents in

Libya during the school vacation period." (2) The commander of the Navy task force conducting the maneuvers off the Libyan coast "was called back to Washington before the exercise by the Joint Chiefs of Staff to make sure that all operational rules, including the rules of engagement in which fire is returned, were understood. High level sources said the briefing on the exercise extended to the National Security Council."<sup>94</sup> (3) Given the limits of their planes which are more bombers than fighters, the Libyan pilots had virtually no chance of hitting the U.S. planes. This raises questions "about whether the Libyan firing was an accident or a nervous reaction by the pilot, since earlier in the two-day Mediterranean exercise about 40 other Libyan planes had come out to probe U.S. defenses, with no missiles being fired."<sup>95</sup> If other actions were open to the U.S. pilots besides the return of fire, there is reason to think that the incident was provoked. (4) The Navy later admitted that the incident had occurred outside the area the U.S. had warned air and sea traffic to avoid in preparation for the exercise.<sup>96</sup> (5) The Newsweek item that warned the Libyans that the exercise had been undertaken to "test" Qaddafi is thought by many observers to have been a deliberate leak to provoke the Libyans.<sup>97</sup> Newsweek, in fact, first reported the exercise in its July 20 issue, at about the same time Getler reported Reagan was approving it in the NSC.<sup>98</sup> (6) The Newsweek article reports that Egypt was conducting military maneuvers on its border with Libya consecutively with the naval exercise, and although U.S. officials insisted that this was a "coincidence," they were eager to see how Qaddafi would react.<sup>99</sup>

Egypt, of course, is central to all military plans against Qaddafi because of its long-standing hostility toward Libya, its 100,000 troops in the border area as of January 1981, and the size of its arms purchases from the U.S., which will nearly double in 1982. All scenarios for military action project it coming mainly from Egypt, whether from emigré groups (as in the French operation) or from the Egyptian military. Oberdorfer wrote, however, that Sadat's emphasis on Libya's internal opposition in his talks with Reagan "may have reflected a reluctance on the part of Sadat to confront Libya militarily at this

time."<sup>100</sup>

Along similar lines, Newsweek emphasized that only when the U.S. succeeds in building up the opposition to Qaddafi will the CIA "then support more expensive and more visible propaganda and paramilitary operations."<sup>101</sup> On the other hand, there has been more speculation recently about Israeli military cooperation with Egypt against Libya now that Israel's relations with Egypt are largely normalized. Then agricultural minister Ariel Sharon was given a tour of Egyptian deployments in the border region in late May 1981, and this fueled the speculation.<sup>102</sup> Sharon, of course, is now Israel's defense minister.

### XIII. THE FUTURE OF THE CAMPAIGN AGAINST LIBYA

The possibility of an Egyptian invasion of Libya with U.S. backing may seem remote, but so did the possibility of an Iraqi invasion of Iran before it began just over a year ago in circumstances that bear some similarities to present ones. Iran had successfully been isolated internationally through U.S. efforts; the pro-Shah opposition to the Iranian revolution had made an alliance with Iraq and was in contact with U.S. officials; a campaign of propaganda had successfully pictured Khomeini as a madman and a mastermind of international terrorism (see CounterSpy, Nov.80 - Jan.81).

The Reagan administration seems intent to learn from the Iran "adventure." Whether Reagan intends to repeat Carter's Iran strategy completely - by cutting off oil imports, declaring an economic boycott and urging other nations to do the same, banning travel, deporting Libyans, and creating incidents that might provoke the seizure of hostages or some other reason for confrontation - is hard to know, but the precedents are there.

Two years ago Michael Klare reported in The Nation on U.S. efforts at that time to "cure the Vietnam syndrome."<sup>103</sup> He warned of the danger of so-called "humanitarian intervention" - i.e., "Entebbe-type raids to free civilian hostages or campaigns to topple such troublesome despots as, say, Colonel Qaddafi or the Ayatollah Khomeini." Iran soon afterwards saw such a raid and such a campaign, both justified as "humanitarian." Reagan, Haig and Casey now work to fulfil the remainder of

Klare's prediction, justifying their actions with the same rhetoric. However, there are still many who can be counted on to oppose any U.S. military intervention in the Third World no matter how it may be disguised.

### FOOTNOTES

- 1) Washington Post (WP), 8/20/81, pp.A-1, A-17.
- 2) Newsweek, 8/10/81, p.24.
- 3) WP, 7/25/81, pp.A-1, A-14.
- 4) Newsweek, 8/3/81, p.19.
- 5) WP, 7/28/81, p.A-2.
- 6) Chicago Tribune, 7/28/81, p.3.
- 7) cf supra, #5.
- 8) New York Times (NYT), 7/28/81, p.A-13.
- 9) Christian Science Monitor (CSM), 7/29/81, p.4.
- 10) WP, 8/15/81, p.A-3.
- 11) Wall Street Journal (WSJ), 8/4/81, p.30.
- 12) Time, 8/10/81, p.18.
- 13) cf supra, #2.
- 14) Newsweek, 8/31/81, pp.16-17.
- 15) WP, 8/20/81, p.A-29.
- 16) See Blanche Cook, The Declassified Eisenhower, Garden City, NY, 1981, pp.329-332.
- 17) Supplements, Annex C, March 1959, pp.55, 78-80.
- 18) CIA Report, "Certain Problems Created by the U.S. Military Assistance Program," cited in Cook, cf supra, #16.
- 19) "Case Studies of the Military Assistance Program in North Africa (Libya) and Latin America (Brazil)," in "A Study of the United States Military Assistance Program in Underdeveloped Areas," unpublished version, Eisenhower Library, pp.52-65.
- 20) Joint Chiefs of Staff, Military Aid for the Middle East, JCS 1887/340, 2/1/57, p.2555.
- 21) State Department, "North Africa in the Mediterranean Littoral," 8/9/63, p.22.
- 22) Wilbur C. Eveland, Ropes of Sand, W.W. Norton, New York, 1980, pp.316, 317.
- 23) Foreign Policy, Spring 1981, pp.81-82.
- 24) ibid., p.84.
- 25) NYT, 10/24/80.
- 26) Gideon Gera, "Libya," in Colin Legum (ed.), Middle East Contemporary Survey, vol.1, 1976-77, New York, 1978, p.535.
- 27) The Middle East, August 1981, p.34.
- 28) cf supra, #26, p.536.
- 29) Sunday Times (London), 6/20/80, p.10.
- 30) see NYT, 3/14/80, p.11; Business Week, 3/3/80.
- 31) cf supra, #27, p.36.
- 32) cf supra, #25.
- 33) NYT, 8/21/81, p.10.
- 34) cf supra, #23, p.91.
- 35) NYT, 6/3/81, pp.1,12.
- 36) cf supra, #29.
- 37) NYT, 8/24/80, sec.IV, p.2.
- 38) NYT, 8/19/80, p.12.
- 39) cf supra, #27, p.23.
- 40) cf supra, #38.
- 41) cf supra, #27, pp.34-36.
- 42) New Statesman, 8/21/81, p.13.
- 43) ibid.
- 44) WP, 3/21/81, p.A-3.
- 45) cf supra, #1.
- 46) WP, 3/22/81, p.A-1; according to this article and WP, 8/20/81, pp.A-1, A-17, these impressions are the result of interviews with Western European foreign ministers who visited Reagan and Haig.
- 47) quoted anonymously in New York Daily News, 5/17/81, p.2; attributed to Haig by Claudia Wright, New Statesman, 8/28/81, p.11.
- 48) NYT, 6/27/81, pp.1,37.
- 49) WSJ, 7/14/81, pp.1,16.
- 50) New Statesman, 4/10/81, p.2.
- 51) Far Eastern Economic Review, 9/4/81, p.34; WP, 9/14/81, p.C-15.
- 52) Foreign Affairs, vol.59, no.3, p.664.

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- 53) 8 Days, 8/22/81, p.13.  
 54) E.g. Robert Moss, New York Times Magazine, 11/2/81.  
 55) NYT, 5/3/81, pp.1, 36.  
 56) New Statesman, 8/21/81, p.16.  
 57) cf supra, #55.  
 58) WP, 8/26/81, p.B-18; WP, 8/27/81, p.C-31.  
 59) cf supra, #35.  
 60) African Index (AI), 6/15/81, p.33.  
 61) cf supra, #49.  
 62) cf supra, #39, p.18.  
 63) The Middle East, August 1981, p.24.  
 64) See Louis Faka, et. al, From El Salvador to the Libyan Jamahiriya, London, 1981, pp.61-82.  
 65) WP, 1/16/81, p.A-27.  
 66) WP, 5/7/81, p.A-21.  
 67) cf supra, #35.  
 68) Newsweek, 7/20/81, p.42.  
 69) State Department, Country Reports on Human Rights Perspectives, 2/2/81, p.1039.  
 70) cf supra, #26.  
 71) cf supra, #42.  
 72) cf supra, #63.  
 73) cf supra, #50.  
 74) cf supra, #14.  
 75) WSJ, 7/14/81, pp.1, 16.  
 76) cf supra, #66.  
 77) Newsweek, 7/27/81, p.13.  
 78) Boston Globe, 8/28/81, p.12.  
 79) cf supra, #66.  
 80) WP, 5/24/80, p.B-4.  
 81) NYT, 5/27/81, p.A-8  
 82) WSJ, 8/31/81.  
 83) ibid.  
 84) ibid.  
 85) cf supra, #1.  
 86) cf supra, #42; The Middle East, September 1981, p.16.  
 87) cf supra, #66.  
 88) cf supra, #81.  
 89) Daily News, 5/17/81, p.2.  
 90) cf supra, #50.  
 91) cf supra, #1.  
 92) WP, 8/25/81, p.B-15.  
 93) cf supra, #89.  
 94) WP, 8/20/81, pp.A-1, A-16.  
 95) WP, 8/21/81, p.A-15.  
 96) WP, 8/25/81, p.A-13.  
 97) Such as Adm. Eugene Carroll (ret.), CBS Evening News, 8/21/81.  
 98) cf supra, #66, p.46.  
 99) Newsweek, 8/24/81, p.13.  
 100) cf supra, #1.  
 101) cf supra, #14.  
 102) Newsweek, 6/15/81, p.25.  
 103) The Nation, 10/13/79.

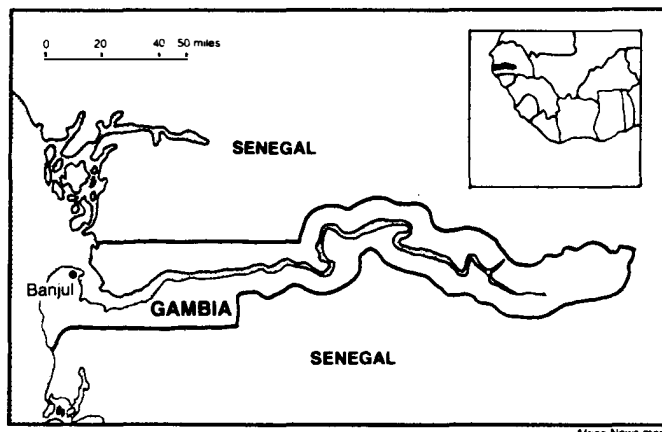
# The Gambia Betrayed

by Konrad Ege

On August 4, 1981 hundreds of Gambians and Senegalese marched through Washington, D.C. and other cities in the U.S. carrying posters such as "Diouf is a French Wolf in Africa," "Senegalese Troops out of The Gambia," and "I.M.F. is a Bad Pill that Kills." The demonstrations had been called by the Washington-based Student Coordinating Committee on The Gambia (SCCG) to protest the "Franco-Senegalese invasion of The Gambia." At the time about 2,500 Senegalese troops - close to one third of Senegal's armed forces - were in The Gambia.

The invasion began on July 30, 1981, less than twelve hours after a group of progressive Gambians, apparently led by Kukli Samba Sanyang, the head of the outlawed Socialist Revolutionary Party (SRP) had taken over key buildings in Gambia's capital Banjul and announced that President Sir (!) Dawda Jawara was overthrown. Jawara, who had been the head of Gambia's government even before Gambia's independence from British colonialism in 1965, was attending the royal wedding in London at the time. By many accounts, the coup was welcomed by most Gambians in the capital Banjul, and received support from a large sector of the country's security forces. The U.S. media had difficulties reporting about the insurrection since

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most reporters knew only that The Gambia was staunchly pro-Western and believed it was a "model of democratic government." (see Washington Post, 8/3/81)

For most Gambians, things looked somewhat different. Economic conditions were disastrous, partially due to dry weather which had destroyed much of the peanut harvest (Gambia's main crop), but mainly because of corruption and an inefficient government bureaucracy. Austerity conditions imposed by the International Monetary Fund didn't do much to alleviate the economic misery, and a number of anti-government demonstrations occurred in 1981, several of them in the week before the coup.

On October 30, 1980 Jawara banned two



legal political parties, the Movement for Justice in Africa/Gambia and Sanyang's SRP. Also, during October, several hundred Senegalese troops entered The Gambia claiming that Libya was using The Gambia as a base to overthrow the Senegalese government (see Le Monde, 7/31/81). Jawara explained the troop presence as part of "combined military maneuvers" after he had first asserted that they were there to pay last respects to the head of Gambia's security forces who had been killed. At the time, according to Africa Now (London), "elements hostile to the government began suggesting that Dakar was planning an invasion if disturbances got out of hand."

These "elements" proved to be correct. The invasion came less than a year later, and there can be little doubt that Jawara would have been ousted without the Senegalese troops. Jawara apparently asked President Abdou Diouf to send in the troops while still in London. Diouf claimed that his invasion was justified under an agreement between the two countries signed on February 18, 1965 (the very day of Gambia's independence) which obligates mutual assistance if one of the two governments faces external aggression. Senegalese President Diouf and newspapers close to the government argued that the coup was a form of external aggression. Several African newspapers and politicians - including Nigerian Vice President Alex Ekwueme - declared that the intervention was a clear violation of Article 3 of the OAU (Organization of African Unity) Charter which prohibits interference in the internal affairs of member countries.

It took the Senegalese troops several days to recapture all of Banjul. Reports of casualties ranged from 300 to 2,000 dead, and hundreds were wounded. Many of the rebels, protected by sympathizers in the population, especially in poor areas, apparently managed to merge with the people after being defeated militarily. Their supporters reportedly also were able to hide away a large number of arms in sewers and trenches.

From the very beginning, Diouf and Jawara emphasized that the coup was "foreign inspired." U.S. Ambassador to The Gambia, Larry Piper did his part to promote the theory of foreign intervention when he stated at an August 5 press conference in Banjul that some of the weap-

ons captured from the rebels were "foreign arms that were not in the armory" before the rebellion. Other U.S. media accounts emphasized that the rebels were armed with Soviet weapons. This story, however, had to be discounted even by the Jawara regime. It conceded on August 11 that the Soviet-made Kalashnikov rifles used in the coup had been purchased by the Gambian field force itself.

The only foreign intervention that took place in The Gambia was by Senegal, France, and England. France, which has 1,200 infantry marine troops in Senegal, and dozens of military advisors in the Senegalese armed forces, all but controls the Senegalese military. It is inconceivable that Senegal, one of the most reliable and willing defenders of French interests in Africa would have staged the invasion without French collaboration. Likewise, the British Special Air Service (SAS) did its share to keep the British-installed Jawara in power. SAS played a key role in crushing the revolt when it freed Jawara's wife Thielal N'Diaye who had been held hostage by the rebels. Jawara himself acknowledged that he had received "excellent technical advice" from the British on how to handle "certain delicate situations." (The London Times, 8/10/81)

President Jawara, who set up his headquarters in the Senegalese embassy after returning to Banjul (under the protection of fourteen sharpshooters of the Senegalese mobile gendarmerie squad) on August 2 first announced that Senegalese troops would leave The Gambia "as soon as the crisis is over." Several weeks after the invasion, things look quite different. Diouf continues to assert that Senegal's security is linked to stability in The Gambia. The Senegalese occupation forces, whose actions were met with resistance and resentment by a large sector of the Gambian population from the very beginning, seem to be digging in for a long stay. The Gambia's own security forces have been dismantled, and Senegalese military and intelligence officers are training new Gambian units. For all practical purposes, Senegal is in charge of security in The Gambia.

At an August 20 press conference, Diouf and Jawara announced plans for a closer alliance between the two countries. Jawara told reporters that the coup at-

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tempt "opened our eyes to the need to go further" in joining Senegal. One of the first projects is the "integration" of the security and intelligence services. Senegal has been pushing Gambia for over fifteen years to join in forming "Senegambia." Gambia's English-speaking elite, however, has resisted that demand out of fear of being simply annexed and dominated by the French-speaking Senegalese elite. But now, Jawara claims it is his "duty" to find "a better form of cooperation which goes beyond the integration of the security forces."

For the immediate future, the integration of the two countries will satisfy Jawara's desire for stability and fulfill Senegal's annexationist ambitions. It is also likely to provide even more opportunities for multinational corporate expansion and seems to be in line with U.S. and West European regionalist designs. Realizing that colonialist domination of individual countries is coming to an end, West European countries and the U.S. are playing key roles in creating regional organizations (such as the African Development Bank) which can be used to manipulate African countries. An integration of Senegal and The Gambia, especially if it includes full economic integration, is another step in the direction of regionalization.

However, the integration of the two countries also might serve to strengthen and unite progressive forces in The Gambia and Senegal. All but one rightwing

Senegalese party strongly condemned the invasion, and, consequently, will be opposed to Senegal's annexation of The Gambia. The same is true for Senegal's most powerful Muslim leader who publicly denounced Diouf's invasion, obviously contradicting Jawara who had urged crushing the rebels because they were Marxists who "denied the existence of God."

Thus, in spite of its military defeat, the Gambian coup might turn out to have positive results for African liberation movements. The case of the Senegalese intervention in The Gambia is not an instance of one independent African government aiding another one under threat of external aggression. Rather, it was an unsuccessful attempt by opposition forces to get rid of a government that had been installed by European colonialists - in this case the British. The Jawara regime was rescued by another client government of a former colonial power, the Senegalese. Senegal's President Diouf, who is also aiding UNITA forces in Angola, is dependent on French military assistance to guarantee the very survival of his government. Thus, the Gambian coup was defeated through an intervention by proxy and teaches a sad lesson about the foreign policy of Socialist French President Francois Mitterrand. Without French support of the Senegalese invasion - in whatever form - Jawara's rule almost certainly would be over.

## Secret World Bank Blueprint for China

### by Walden Bello

China: Socialist Economic Development, a World Bank document recently leaked to CounterSpy provides a candid picture of how one of the key institutions of the international financial system seeks to integrate the world's most populous nation back into the capitalist world. The document was the product of a 17-person World Bank mission that visited the People's Republic of China in the latter half of 1980. While there, the mission was hosted by the Ministry of Finance and other state

economic agencies. Acceptance of the general conclusion of the nine-volume study was a precondition for the granting of a \$200 million loan for technical education in June 1981. The Bank mission took place

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in a wider context of increasing U.S.-China cooperation against the Soviet Union and Vietnam. Before he left the World Bank presidency on June 31, 1981 Robert McNamara had vetoed further aid to Vietnam to appease the U.S. Congress while proposing a \$9 billion loan program for China over the next four years.

The main thrust of the World Bank report is the prescription of a pattern of "export-led growth" for China - that is, to gear its manufacturing industries toward capitalist export markets.

*Given the shortage of foreign exchange, and the knowledge to be gained from exposure to world markets, expansion of manufactured exports must have high priority. The outlook is promising, given the abundance of skilled low-wage labor and the enormous potential for economies of scale.*<sup>1</sup>

Wage levels, according to the report, are much less than in Hong Kong and South Korea, and the World Bank predicts that "China's manufactured exports could grow at 10-15 percent in the 1980s if suitable policies are followed and if new markets can be aggressively penetrated." China: Socialist Economic Development asserts, however, that to be successful, "Chinese industries must produce goods styled and designed for the world's bigger and more open markets. To do this, Chinese manufacturers and designers need to be exposed to foreign manufacturing methods, product designs, tastes, styles and practical requirements; and direct measures are also needed to strengthen Chinese design capabilities."

What all this means is a drastic reorienting of many sectors of Chinese industry from serving domestic needs, as well as an intensification of the competition among

Third World nations for capitalist markets that are already shrinking due to "stagflation" and protectionism. The World Bank prescription is, indeed, suicidal, for the protectionist wave among capitalist countries is increasing. As McNamara himself admitted during the Conference of the United Nations Trade and Development Agency in 1979: "Since 1976 there has been a marked increase in protectionism in the industrialized nations, and the pressures for even further restrictive measures are strong.... The devices utilized to provide such protection have multiplied."<sup>2</sup>

To finance China's export-oriented growth, the World Bank recommends that the country assume a foreign-borrowing strategy that would have China's debt outstanding go from \$3.4 billion in 1980 to as much as \$79 billion (in 1990 dollars) by 1990. This would put China in the top group of severely indebted countries like Brazil, South Korea and the Philippines. The leverage that international financial institutions would derive from this condition would be enormous.

Among other things, the report prescribes the introduction of capitalist management techniques, more freedom for markets, moves away from price control, and more "freedom" for technocrats and technical personnel. The objective quite clearly is a gradual dismantling of the socialist economy. As the report admits, the development strategy it proposes "might tend to increase relative inequality."

#### FOOTNOTES

1) All footnotes, except when indicated, are from World Bank, China: Socialist Economic Development, Washington, D.C., June 1981.

2) Robert McNamara, Address to UNCTAD Conference, World Bank, Washington, 1979, p.10.

Report No. 3391-CHA

## China: Socialist Economic Development

Document of the World Bank

### The Main Report

June 1, 1981

East Asia and Pacific Regional Office

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*This is the World Bank's plan to incorporate China into the monopoly capitalist system. The Chinese government is suppressing the report for obvious reasons.*

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# The Ascher Memorandum: Marcos Plugs the Leak

by Roberto Dela Rosa

(Ed. note: In early December 1980, CounterSpy and the Filipino solidarity group Congress Task Force leaked a confidential World Bank memorandum entitled "Political and Administrative Bases for Economic Policy in the Philippines," more popularly dubbed the "Ascher Memorandum" (after William Ascher, the author of the report). The memorandum assessed the staying power of the Philippine dictator Ferdinand Marcos. (See CounterSpy, February-April 1981.) Roberto Dela Rosa, a CounterSpy supporter in the Philippines, traces the Philippine government's responses to the leaked Ascher Memorandum.)

A glossy photo of World Bank Regional Vice President for Asia and the Pacific, Shahid Husain, beamed paternalistically at the Filipino public from the front page of one of the Philippines' tightly controlled newspapers. Husain - dining royally with Marcos and his powerful wife Imelda just one week after the "lifting" of martial law - "congratulated the First Couple on the government's efficient management of the economy."<sup>1</sup> Embarrassed by the leaked Ascher memo, Marcos had Manila's newspapers falsely trumpeting World Bank confidence in the Philippine economy. Articles quoting World Bank publications that the Philippines was "one of the brightest lights in the region" due to the government's "impressive record in managing the economy" riddled Philippine newsprint ad nauseam for months.<sup>2</sup>

This was all part of a not-too-subtle public relations job to polish Marcos' image tarnished by the leaked Ascher report. The confidential World Bank memo examined disturbing trends in the Philippines which, it argued, were making Marcos' rule increasingly "precarious." At the same time, the memo revealed the Bank's marked preference that Marcos himself and not an elite opposition member - Benigno Aquino, for example - hold the reigns of power in the near future. Marcos is a dictator whose personal allegiance and institutions have evolved to serve the bank well.

Although the government-controlled media

sought to belie World Bank control over the Philippine economy, the months following the publication of the Ascher memo witnessed the Marcos regime trying everything in its power to win back a gold star from the World Bank. Marcos initiated policies and changes to deal with what the World Bank called "potential problems." He lifted martial law, secured the technocrats' role, made steps to placate the discontented national bourgeoisie, and attempted to camouflage widespread poverty.

## FACELIFTING MARTIAL LAW: PURE COSMETICS

The Ascher memo had expressed concern over the "increasing precariousness of the current administration" which "could result in the lifting of martial law." Martial law, it warned, had served its purpose and "increasingly has become a liability." Marcos got the message: two months after the memo was leaked, martial law was "lifted;" six months later, "elections" were held. Not that the lifting meant much in concrete terms. Threats to "national security" by "subversives" were still reason enough for arbitrary arrest; the press remained clamped in the fist of its owners - Marcos' family and cronies. Strikes were illegal in broadly defined "vital sectors." Even Newsweek magazine termed it a "cosmetic" lifting.

The election was just as fraudulent. Marcos is said to have paid a member of the pro-Marcos Nationalista Party, Alejo Santos, to run against him. About a month before the election, Santos resigned as Chairman of the Board of the Philippine Veterans Bank (where, by his own admission, he "was practically an employee of the [Marcos] government"<sup>3</sup>) to become Marcos' major opponent. A threat of six months imprisonment hung over any Filipino who failed to vote. But, for international public opinion, the World Bank could now cite both the lifting of martial law and the election to claim that the Philippines was a "democracy" resting upon popular support.

RESCUING THE TECHNOCRATS

Marcos is valued by the World Bank in good part for the unsullied technocrats who underpin him. The World Bank was extremely concerned, as Ascher noted, about "the vulnerability of the technocrats in retaining their economic policy management positions if the administration should change." These young graduate-educated administrators brought in by Marcos are the inside allies who enable the World Bank to have as much influence as it does in determining Philippine economic policy.

Should Marcos fall to an opposition leader who dismissed many of these technocratic allies, might not World Bank designs on the Philippines be seriously crippled? The Ascher Memorandum perceived a way out: the technocrats could, in an altered environment, become a political force, and ultimately one of their ranks could succeed Marcos.

Enter Cesar Virata, Minister of Finance and the World Bank's and the International Monetary Fund's closest Philippine friend, confidant and trusted technocrat. Under the new parliamentary system, Virata assumes the prime ministership for at least the first year of Marcos' six-year presidential term. Virata's appointment signals an almost certain end to the World Bank fear of a violent succession crisis should anything happen to Marcos. As prime minister, Virata becomes head of a seven-person executive committee which includes the leading technocrats and on whose lap the presidential powers will fall should Marcos be eliminated.

PLACATING THE NATIONAL BOURGEOISIE

The central thrust of the Ascher Memorandum was its prophecy of accelerating domestic opposition to the deepening transnational corporate (TNC) penetration into the domestic economy. Marcos' recent spate of generous incentives for foreign corporations' trade and investment was under heavy attack. The World Bank's worry: should the national bourgeoisie, the domestic class devastated by the TNC expansion, transform complaints into political demands and join forces with the more nationalistic and radical opposition, it could spell the end for World Bank plans for the Philippines.

Privately, some government officials

felt that the World Bank voicing its fear was somewhat underhanded. After all, the policies provoking bourgeois opposition had been set by the Bank itself as conditions for a major loan. (That fact was neatly glossed over by the Ascher memo.) Marcos himself had sought earlier to revoke some of the policy changes that were eliciting this vehement protest from domestic entrepreneurs, but had given in under World Bank pressure.

Discontent among the national bourgeoisie presented enough of a threat to require Philippine government-World Bank talks on a remedy. As revealed recently by a Philippine government official, a solution was quickly hammered out. The government, far from making real changes, was to remain on course with World Bank programs contrary to the interests of the national bourgeoisie. At the same time, it was to create a mechanism which would allow it to feign concern for the bourgeoisie's plight.

"Consultations" became the new key word, and the months of March and April saw the government initiating numerous "consultations" with the domestic business sector. As part of this program, Manila's financial newspaper Business Day set up a two-day conference (with government prodding) at which members of the national bourgeoisie could pay one hundred dollars a day to hear government officials explain why Marcos' economic program was in their best interests. Concomitantly, the Marcos-controlled press inundated the public with articles stressing the futility of moderate businessmen aligning with radicals. The regime went so far as to suggest that Lenin be quoted and distorted by columnists who argued that communists, by definition, manipulate nationalist entrepreneurs to extend communist victories.

POVERTY: CAMOUFLAGE IT!

The Ascher Memorandum recognized the "almost universal perception in the Philippines that the income distribution is deteriorating." Since 1972, Marcos' public rationalization for restricting certain basic freedoms had been that his "New Society" program marked a shortcut in poverty alleviation. The brutal reality, however, was that after eight years of martial law, average Philippine nutrition levels had fallen to the second lowest in

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Asia after Bangladesh. And, if there was less freedom and less bread, the World Bank could well grasp that it was likely "to detract from the popularity of the Marcos administration."

As a remedy, the Ascher Memorandum counseled the Bank to exert "greater pressure on the administration to alter the reality and perceptions of income concentration." This solution, needless to say, did not set well with the Marcos regime, but a compromise of sorts was worked out - if the reality could not be changed, at least the perception of that reality could be.

Toward this end, presidential spokesperson Adrian Cristobal called together the writers who were working on what will be billed as Marcos' latest book, Progress. The president, the writers were told, had expressed dissatisfaction over the initial drafts. His instructions: cite more foreign sources showing that poverty had decreased since the declaration of martial law. The writers hesitated. It was an impossible task, they claimed. Well then, suggested Cristobal, go to the rural areas for a day and create your own evidence to argue that the peasants' state has improved. So they did.

#### A GOLD STAR FOR THE PHILIPPINES

When, following the Ascher Memorandum revelations, CounterSpy magazine leaked a World Bank report on Indonesia criticizing the government's economic policies, the Indonesian government reacted quickly and decisively. Indonesian Central Bank files suddenly were placed off limits to World Bank missions.<sup>4</sup> The Philippine government

responded to World Bank criticism just as quickly and decisively - but, lacking Indonesia's massive petroleum cushion, in a different direction. Rather, Marcos meticulously carried out World Bank suggestions in hopes of currying favor and keeping the Bank from channeling its support elsewhere.

A Filipino privy to high level internal Philippine government discussions explained the reaction. The regime, he said, "looked at the [Ascher] report as an attempt to protect the reputation of a friend. We wanted our reputation protected. So we heeded the advice."

The strategy, it seemed, worked smoothly - at least in the short term. In reward for initiating the changes well in advance of Marcos' June 30, 1981 inauguration, the Philippines was graced by the presence of Vice President George Bush at that event. Bush toasted Marcos, saying, "We stand by the Philippines.... We love your adherence to democratic principles and democratic processes."<sup>5</sup>

Memo author William Ascher would have applauded. But George Bush may eat his words, as did Jimmy Carter after his infamous - and glaringly similar - New Year's toast to the Shah on the eve of the Iranian revolution.

#### FOOTNOTES:

- 1) Bulletin Today (Manila), 1/21/81.
- 2) Times Journal (Manila), 2/25/81; Times Journal, 2/4/81; Business Day (Manila), 2/17/81.
- 3) Philippine Liberation Courier, 6/81, p.2.
- 4) Far Eastern Economic Review, 7/10/81, p.8.; see Counter-Spy, May-July 1981.
- 5) Far Eastern Economic Review, 7/10/81, p.13.

## FROM THE EDITORS

If your label reads "R61" or "L61", this is your last issue of CounterSpy - so please renew right away and don't miss a single issue.

CounterSpy is one of the very few magazines that has not raised its subscription price in the last three years in spite of increasing printing, mailing, and production costs. And we have no plans to raise it in the near future. We want to make sure that you won't have to stop subscribing because CounterSpy is too expensive.

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attacks by the right-wing against Counter-Spy (several Congresspersons repeatedly named CounterSpy as one of the reasons HR4 - the "Intelligence Identities Protection Act" - had to be passed) we need your support more than ever. We also urge you to help us distribute CounterSpy, and to inform the media in your area about the grave danger HR4 and its Senate counterpart present to the freedom of the press, and to what is left of "democracy" in the U.S.

(For our subscribers, we are enclosing a promotional brochure for MERIP Reports with this issue. We are sure that you'll find MERIP's reporting on and analysis of events in the Middle East useful.)

# World Bank Counterinsurgency in the Philippines

by Walden Bello and John Kelly

A forthcoming book, provisionally entitled Development Debacle: The World Bank in the Philippines to be published jointly by the Philippine Solidarity Network and the Institute for Food and Development Policy charges that the World Bank is "intimately involved with the [Philippine] government's counterinsurgency program."<sup>1</sup> According to Development Debacle, the Bank works directly with the Marcos government's Integrated Aid Development (IAD). As its name suggests, IAD is supposed to provide a variety of developmental services to Filipinos. Instead, IAD (as its American counterpart, the Agency for International Development (AID) often does) doles out counterinsurgency and repression.

## MINDORO

One instance detailed in Development Debacle is the IAD project in Mindoro begun in 1975. Among the key parties in that project are the Civic Action Group of the Philippine Army, a key counterinsurgency unit; and the Presidential Assistant on National Minorities (PANAMIN). PANAMIN, with \$600,000 from the World Bank, was to dispense medical and agricultural assistance to 20,000 Manggyan families, Mindoro's indigenous tribal group. PANAMIN was also supposed to "grant legal titles for ancestral lands traditionally used by these communities...."

Instead, PANAMIN created government-controlled reservations not unlike the strategic hamlets of Vietnam. The objective, of course, was to totally control the Manggyans and cut them off from revolutionary forces. In fact, a leaked PANAMIN document admits its counterinsurgency role.

*With the success of the anti-subversive campaign in the cities, the subversives now will seek sanctuaries secure from government forces. The remote areas inhabited by the tribes offer many hideouts (sic).... It would be tragic if the enemies of the Republic succeeded simply because no one else reached the minori-*

*ties first.... Fundamental to the effort is getting to them first--ahead of the subversives. [Emphasis added.] This means an immediate effort to expand our personal contact with all the tribes and a longer range program to address their problems and convince them that the government way is best.<sup>2</sup>*

## SAMAR

On the island of Samar, the World Bank's counterinsurgency role is even more manifest. IAD programming for Samar began in 1974; the same year signs of insurgency appeared on the island. In 1976, the Philippine government created the Samar Integrated Rural Development Office at least partly in response to the escalating insurgency. At the same time, 9,000 troops, including the notorious 60th Constabulary Battalion, were rushed to Samar. According to human rights groups such as the Task Force Detainees (the main human rights agency connected to the Philippine Catholic Church), these troops pillaged, plundered and terrorized Samar. They established fire free zones - raising again the specter of Vietnam and My Lai. In these zones, the International Commission on the Militarization of Samar reported, "any non-military person is shot on sight. The victims are often farmers who have not received word that their farm is now so designated."

In the midst of this, the Samar Development Office began negotiations for financing with the World Bank and the Australian and Japanese governments. As a World Bank press release explained, the Bank and the Australian projects are coordinated and complementary. "The [Samar] project is part of the overall development plan for the island and complements separate projects being assisted by the Government of Japan and Australia."

The counterinsurgency input of the Australian component was admitted in a confidential memorandum of the Australian Development Assistance Bureau leaked by World Bank employees. The area referred to

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is precisely where the mobility of the 60th Constabulary Battalion has been severely restricted.

*The Far East coast of northern Samar, i. e., the Manapano-Gamay-Lapining area is at present entirely isolated from the rest of northern Samar with access limited to ocean going pump boat when weather permits or to foot travel. It is thus almost impossible for authorities to provide adequate education, health or security services in the area. As a consequence, even though construction of the road would be difficult and expensive and perhaps not strictly justified by economic argument, it is intended that an early start be made on this portion of the East Coast Feeder, regardless of economic priorities.*<sup>5</sup> (Emphasis added.)

For its part, the World Bank is concentrating on Eastern Samar where four government battalions are carrying out extensive search-and-destroy missions.<sup>4</sup> The Bank is financing the revamping of the port of Catbalogan and improvement of 200kms. of the coastal road. At the same time, the International Commission on the Militarization of Samar stated, two military engineering battalions have been "building roads and airstrips which have a primarily strategic value." According to a first hand report cited in Development Debacle, "the regime has been pushing the construction of many large ports for the boats of the Philippine Navy, airstrips for the planes of the Philippine Air Force, and highways for the quick movement of troops."

The relevance of the Bank's financing to the needs of the people of Samar, one of the poorest Philippine islands, is not readily apparent. Indeed, Development Debacle quotes a middle-level Bank staffer who has said as much: "Don't think we're blind. How could anyone fail to see that the Samar stuff had military potential, with all the news about a military build-up in 1979?" This same person further reported that on two separate occasions (at a "decision meeting" in mid-April 1979, and at a key Executive Directors meeting in December 1979) World Bank officials expressed concerns about the military significance of the project. While Bank higher-ups claimed "political neutrality," one Executive Director did question "whether this was in fact an RD [Rural De-

velopment] project designed to benefit the poor with nearly all that money going to road building and port improvement."

#### FOOTNOTES

- 1) All references, unless otherwise indicated, come from the chapter on rural development of the book provisionally entitled Development Debacle: The World Bank in the Philippines, scheduled for release in late 1981. Authors are Walden Bello, Robin Broad, Vincent Bielski, David Kinley, and David O'Conner. The documents on Samar were leaked to CounterSpy and the Congress Task Force (CTF) and were released at a press conference on September 1, 1981.
- 2) PANAMIN, mimeographed confidential report, undated, provided to CounterSpy and CTF by a Filipino source.
- 3) Australian Development Assistance Bureau, Briefing Notes and Project Documentation for Selected Consultants, Northern Samar Integrated Rural Development Project, Philippines - Australian Development Assistance Program, September 1978, p.17.
- 4) The World Bank project is detailed in: World Bank, Samar Rural Development Project Appraisal Report, Washington, D.C., November 1979.

#### WORLD BANK DOCUMENTS

##### WORLD BANK POVERTY REPORT ON THE PHILIPPINES

According to the Far Eastern Economic Review (3/27/81) this report created "considerable disquiet about the way things are going in the Philippines." FEER also revealed that after CounterSpy leaked the report, the World Bank provided Marcos with a revised version less critical of the government. In the public interest, CounterSpy is making available the original report. (\$15)

##### WORLD BANK REPORT ON FOREIGN INVESTMENT IN INDONESIA

According to FEER: "Bank officials have worked hard trying to keep the sole leaked copy of the draft... from appearing in the press." (5/29/81) Read what the World Bank did not want you to read about Indonesia; a report that forced Suharto to personally issue a major national address. (\$20)

##### WORLD BANK REPORTS ON SOUTH KOREA

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# Interview with Ian Adams

## RCMP Demystified

*Ian Adams, a Toronto-based journalist has written widely on the Royal Canadian Mounted Police (RCMP), Canada's intelligence agency. CounterSpy interviewed Adams in August 1981 and revised the text with him in late September. Adams' most prominent work is the novel S: Portrait of a Spy (Virgo Press, 69 Sherbourne St., Toronto, Ontario). "S" is an important work for someone trying to understand the "powers-that-be" in Canada and U.S.-Canadian intelligence relations.*

*CounterSpy: The paperback edition of your book, S: Portrait of a Spy is billed as a "devastating bestseller." What is devastating about the book?*

Ian Adams: Well, devastating wouldn't be my word, but I suppose what makes it unique in Canadian terms is that it was the first book ever, fact or fiction, to be written about the RCMP Security Service. Hundreds of books have been written about the CIA, the British MI5 and about the KGB, but no book has ever been written about the RCMP Security Service. "S" is also unique in that the book itself became the catalyst for the former head of the Security Service, Leslie James Bennett, to launch a libel suit against me. He charged that "S" was a fictionalized version of his own career. And in the course of the pretrial process we learned something that had never been revealed before in Canada: that Bennett had indeed been suspected of being a spy and had been interrogated by the Security Service at great length.

*Are there other details that have come to light in the Bennett case?*

Well, just recently Bennett was interviewed by the Australian Broadcasting Company TV. He said a number of remarkable things, and charged that a death squad had been established by the RCMP to get him if they ever obtained proof that he was a double agent. Bennett said he'd been warned about this by a fellow RCMP officer he'd known for a long time. The other thing that came out was that Bennett and RCMP liaison officer to the CIA, Inspector Harry Brandes were among the people who

interrogated John Watkins, the former Canadian ambassador to the Soviet Union, in a Montreal hotel room on October 12, 1964, and that Watkins died while under interrogation. The story they'd put out before was that the Security Service hadn't been there, and that Watkins had died at dinner, or something like that.

*Your book, even though a novel, raises many questions about the nature of the RCMP and portrays it as a somewhat undemocratic institution. Do you think that a novel was the only way that questions like that could have been raised at the time?*

Yes. Let me go back a bit to how I first got started writing about the RCMP. In 1973, I was covering the coup in Chile. I became aware of the liaison between the RCMP and the CIA in Chile. And that came about because the Canadian government put out the official story that no Chileans wanted to come to Canada as political refugees. Meanwhile the contrary was true. I went to the Canadian embassy in Santiago every day, and it was just jammed with people trying to get out of the country through what they thought would be the neutral offices of the Canadian embassy. Some of the people who tried to get exit visas were well-known, including prominent labor people.

It was about three weeks after the coup; things were quite desperate. The National Stadium was full with 14,000 political prisoners, and the smaller Chile Stadium held another 4,000 or so. People were desperate to get out of the country. Well, what the Canadian government was doing, apparently, through the RCMP Security Service, was giving the CIA the names of the people who were trying to get out of the country. At that time, the CIA had the most extensive documentation on who was who on the political scene in Chile. President Allende's personal bodyguard, Grupo Amigos Personales, had infiltrated Investigaciones, the police force, and destroyed most of their files on the political opposition. So the U.S. embassy had in its hands the most complete files.

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I reported all this, and the stories were published by newspapers and magazines in Canada. The reaction was incredible. The Department of External Affairs phoned up the editors and complained about it, and the RCMP complained bitterly because I had identified RCMP officers who were down there. And then things became quite difficult for me. Some writing contracts I had were terminated. It was difficult for me to get work. The RCMP put out the story that I was a member of a "subversive" organization, which is totally untrue. I have never belonged to any political organization. But some newspaper editors believed it. So there was a smear campaign and I said to myself, I have to find out more about these guys in the RCMP.

I had been a journalist in this country for about ten or twelve years, and I didn't know anything about the Security Service, nor did I know any other journalist who did. But I just knew they had enormous power. Obviously, they did, if they could pull things like the campaign against me. I began to slowly build a body of information on the structure of the RCMP Security Service, to make contact with people who had retired from it, who were disgusted, and with people who had been harassed by the organization. Through all that research I discovered two issues, that kept coming up all the time. One, no other international intelligence organization trusted the Security Service, they sort of were considered "sick" - sick being the parlance in intelligence terms for an organization that's been penetrated; and two, never in the history of the RCMP Security Service had they ever caught a spy.

*And that's what they are supposed to do?*

Yes. Their primary function is counter-espionage, counter-intelligence, and surveillance of foreign intelligence organizations that operate in Canada. They're supposed to track down the spies - they've done all kinds of things against progressive Canadians - but they've never caught a spy. So I put that together to suggest that the classic situation had occurred - the Security Service had been penetrated. Now strangely enough, when "S" came out, there was this reaction by Mr. Bennett, who was the former head of counter-espionage, and who had retired under very strange circumstances in 1972 - no one had

ever been informed as to why and how. And it came out through my pretrial process that he indeed had come under suspicion of being a mole, that he had infiltrated the Security Service for Soviet intelligence.

*The novel portrays the CIA-RCMP relationship as one in which the CIA is clearly the dominating force. Going from the novel to reality, is that the way you would describe the actual relations between the CIA and the RCMP?*

Well, recently it may have become a bit more sophisticated. However, it wasn't long ago that a CIA man could more or less just give orders to a Security Service officer without any consideration that he or she was an officer of a foreign intelligence apparatus. I think that to some degree that has changed. But the agreement between Canada and the U.S. in regards to sharing secrets is totally dominated by the U.S. intelligence, partly through the ability of the CIA and the National Security Agency to obtain enormous amounts of raw data - which they selectively share with the Security Service.

*Beside the incident in 1973 in Chile, were there other times when the RCMP did some of the CIA's dirty work?*

A lot of middle management deals occur all the time. For example, when the CIA has an agent that's too hot somewhere in Latin America, the RCMP might make it easier by allowing the agent to cool off in this country.

And then you have the Warren Hart arrangement. Hart came from the U.S. to Canada to infiltrate the Black movement, and also tried to infiltrate the Native Indian movement. But everyone knew he was an agent. He was too obvious, and it was a joke among people here. I went to a meeting once dealing with the occupation of a park by a militant political group. Hart was there, and he was openly drawing diagrams of bombs and passing them around. He was the most indiscreet agent they've ever turned loose up here, but he was around for quite a while. People would say to a well known Black leader, whom Hart was supposed to spy on, "Hart is an agent, why do you keep him around?" This guy would reply, "listen, I don't have any money, I can't pay for my apartment. I don't have a car, and he has one and drives me around." This, of course, was a bit naive.

Hart appeared again in a very strange case, though, which still hasn't surfaced, and that was the Canadian Space Research Corporation case.

*Is that the corporation that was selling arms to South Africa with the help of the CIA?*

Yes. The man who was directing internal security at Space Research was a former RCMP Security Service officer. His name was Don McLeary. And lo and behold who turns up as the man on Antigua where Space Research was smuggling from, as the public relations man between the corporation and the local people but Warren Hart. Now it seems that McLeary must have been one of Hart's case officers when he was in Canada. And they later employed him on this job in Antigua for Canadian Space Research. So all these connections exist, and who knows who takes the responsibility, and at what level the executive of the CIA and the RCMP are involved.

*Would you say that the CIA treats Canada as some sort of extension of the U.S.?*

Sure, and because it's outside of the U.S. they don't have to worry about their mandate. Just one reason they're here is the labor union structure in this country, which is an extension of the American unions, and the CIA and the RCMP have a very strong interest in the union structure and in the "legitimate" left such as the New Democratic Party,

*Originally the RCMP was set up to promote White expansion into the West, pushing out native peoples. Does the RCMP still play a major role in the suppression of Native peoples?*

The RCMP operates as a contract police force for ten of the provinces, only Quebec and Ontario have their own provincial police forces which would be similar to the state troopers in the U.S. So at that level the RCMP functions as the provincial police. In British Columbia, Alberta and Saskatchewan where there are heavy concentrations of Native people their job is to keep those people down... because of White society's encroachment on the land and resources of the Native people.

The RCMP has historically had the function of keeping the lid on Native dissent, and for that reason they're deeply feared

and hated on most of the reservations. In the provinces which have their own provincial police forces, that's Ontario and Quebec, the RCMP has responsibility in terms of immigration and drug enforcement, and certain federal responsibilities such as tax fraud and, of course, national security. The major activity of the RCMP Security Service, along with military intelligence in Quebec, outside these federal functions, has been focused on the Quebec drive for independence.

*What about RCMP connections to the media? You pointed out that it was a well organized job that was done on you. Can you identify specific media outlets in Canada that are used by the RCMP?*

It's a very insidious thing. Even what is supposedly the most responsible newspaper in Canada, the Toronto Globe and Mail, has a reporter called Peter Moon, who's sometimes referred to as Corporal Moon. His job is basically to get as close to the RCMP as possible, and get as much information from it as he can without ever being critical about it. Whenever the Globe and Mail makes up its mind to write something critical about the RCMP, when things become so obvious that they have to report something, it's assigned to another reporter. The other reporter usually gets burned on the assignment and subsequently has to take a bureau job in another city.

There has always been a fearful relationship between the media and the RCMP which I think comes from the colonial mentality which still exists to some extent in Canada today - the publishing world in Canada has always refused to take upon itself the kind of responsibility and power that it potentially could have. In the U.S. you have corporate publishing with all its problems, but at the same time it's not always going to let a government agency dictate what it should and should not say.

*One newspaper with RCMP ties that you point out in "S" is the Toronto Sun. What is the nature of these ties?*

Sun editor Peter Worthington has had quite close connections with the RCMP Security Service for years. That was revealed by Bennett during the libel suit. He had known Worthington for fifteen years or more, and had used him as a pipeline for information. In most other countries,

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a revelation like that would have started a debate about the ethics of journalism. But in this country the media wasn't interested. The nature of the Sun, a tabloid, is "tits and crime," very rightwing, re-evoking all that 1950s Cold War nonsense.

*Here in the U.S. we are witnessing what's called an "unleashing" of the CIA, involving an increase in covert operations. It's questionable whether the CIA has ever been leashed; but anyway, does this resurrected Cold War atmosphere, which calls for strengthening intelligence agencies, also exist in Canada?*

Since there's such a close collaboration between the RCMP and the CIA, that's also happening here to a certain extent. Let me go back a bit. In the early 1970s when a lot of draft resisters came to Canada, the CIA and the RCMP developed strong middle-management functions in terms of exchanging information about political organizations and "dissident" groups on both sides of the border and using their agents to infiltrate groups on both sides of the border. And, of course, Canadian intelligence officers are always attending CIA courses in Langley.

Now, as in the U.S., there have been commissions investigating the RCMP. The McDonald Commission into the RCMP's illegal activities has just reported its findings to the federal government. The evidence is pretty damning. The Commission recommends that the RCMP Security Service be disbanded, and a civilian agency similar to the CIA, but with responsibility to both domestic and foreign security, be established. However, there's no guarantee of civil liberties in these structural changes. In fact, the government will through legislation make it legal for the secret police to break in, tap phones, and open mail.

*What kind of organized opposition is there to RCMP excesses?*

Well, there's really not very much. One organization, the Law Union, a national group of lawyers who are a minority group as opposed to the Law Associations, consistently puts forward a position which says the RCMP should be more heavily policed. There are also some political groups in Quebec and other provinces. But in Canada, the RCMP enjoys such a mythical

role that to question it in any way is almost to commit political suicide. In a way, the Mountie is the last mythical figure in our society.

*The RCMP has this "clean" image even in the U.S. where the figure of an RCMP officer in his scarlet uniform is used by Windsor in their ads for Canadian whiskey; the officer is usually on a horse, somewhere in the wild, under the caption, "One Canadian Stands Alone."*

About four months ago, I went across the country on a speaking tour. I went from city to city doing interviews on radio and TV stations, and discovered there's almost a generational difference in attitude - any TV or radio host over forty tended to try to put as much distance between themselves and me as possible to make sure that their audience would not in any way think that the host condones this investigation of the RCMP. Younger persons were much more matter of fact.

The RCMP myth is so strong in our country because we're a country that has so few myths. In a time of high economic anxiety and great political uneasiness, people start to hold on to myths, especially those related to law and order. To start questioning these myths is to create even more anxiety. That's when the public turns against the bearer of "bad" news: the commission investigating the RCMP, or the newspaper that's writing stories about it. Psychologically one can understand the phenomenon, but it doesn't do much to advance our cause.

*What do you think are the main issues between Canada and the U.S. today?*

The Canadian dollar has collapsed in the last few days. Part of the collapse, Finance Minister Allen MacEachen claims, is due to the fact that some Canadian corporations are trying to buy U.S. corporations. But I don't think it's as simple as that. There's a sustained campaign going on at various levels against [Prime Minister Pierre] Trudeau's energy package which aims to Canadianize our resources. The attack on the Canadian dollar which has really shaken up the country has put tremendous pressure on the government. We had this incredible statement by MacEachen a few days ago when he asked the banks not to lend money to Canadian corporations who want to buy U.S. corporations.

## Is the U.S. Destabilizing Canada?

Referring to Prime Minister Pierre Trudeau's plan to buy back about one-third of the Canadian energy corporations presently owned by U.S. companies, the Atlantic Council warned in a July 1981 study that "the new energy program... casts considerable doubt over future general energy cooperation" between the U.S. and Canada. The Atlantic Council further warned that oil and gas production in Canada might be impeded. Presently, about 80 percent of Canada's energy resources are owned by U.S. multinationals.

U.S. Policy Towards Canada: The Neighbor We Cannot Take for Granted was written by the Atlantic Council's Working Group on the United States and Canada which consists largely of former U.S. government officials and corporate executives with financial interests in energy and raw material development. Given the Council's board of directors at the time of its writing (including present Secretary of State Gen. Alexander Haig, CIA Director William Casey, Henry Kissinger and Paul Nitze) the paper undoubtedly has been studied closely by the Reagan administration.

The Atlantic Council paper clearly voices its concern about the Canadian energy program - "Canada's economy is now more subject to government direction and control than has been the case... in the past," - and is equally open about the U.S.'s desire to further expand corporate investment in Canada; "The United States needs Canadian resources, Canadian markets, and opportunities for investment in Canada."

In a key statement, the Council urges the U.S. government to "seek to assure that energy projects affecting both countries are handled with genuine reciprocity." In other words, the Reagan administration should oppose and take steps against Trudeau's energy program which favors Canadian over U.S. companies as developers of Canada's vast energy resources.

The Council is surprisingly frank in describing its attitude toward who should have the final say about Canada's energy development: If U.S. corporations are to

be hurt by Trudeau's energy plan, the U.S. government should step in. If the government of Canada "determines to use its very considerable powers" to control and direct the economic relationship between the two countries "in a manner it deems helpful to Canada, the U.S. private sector and the U.S. government must ... determine whether or not the effect is detrimental to their interests, and decide, if necessary, on an appropriate course of remedial action."

As of October 1981, there is little doubt that the Reagan administration has decided to take "remedial action," since U.S. corporate officials have complained bitterly about Canadian plans to buy back some of their own resources. Time magazine commented that the "real victims" of the energy program are U.S. companies that have "invested approximately \$10 billion in Canadian... energy enterprises." Before they went into summer recess, two U.S. Congressional committees passed bills against the Trudeau program - one would impose a nine month moratorium on the purchase of more than five percent of the voting stock of U.S. energy companies by Canadian corporations.

In summer 1981, the Reagan administration mailed questionnaires to the executives of the 500 largest U.S. corporations asking them about their problems in dealing with the Trudeau government. The administration also threatened "tough retaliatory sanctions" against Canada if it continues its nationalization plans. One of the retaliatory actions being considered by the administration is to invoke a section of the 1974 Trade Act which gives the president the power to alter all trade agreements with Canada. Given U.S. control over Canada's economy (according to the Atlantic Council "Canada is the locus of the largest proportion of American foreign investment"), it wouldn't be too difficult for the U.S. to wreak economic havoc in Canada. For the Trudeau government, it appears, a crucial time has come. It is being forced to demonstrate how serious it is about its plans to control Canada's own resources.



I have a theory that the CIA and the State Department are out to punish us for daring to want to own and control our own energy industry. And part of this concerted attack is to bring down the Trudeau government, just as they brought down the Whitlam government in Australia in 1975.

U.S. corporations control about 80 percent of our resources, and the U.S. investment in Canada is something like \$90 billion. Now in Chile it was about \$6 billion, I think. Look at the length the CIA and ITT went to save and protect that investment. Obviously they're not going to stand by and allow the democratic process to take place here, even if we don't arbi-

trarily nationalize our resources but just buy them back, after years of being ripped off. There are other reasons why the Reagan government would want to bring Canada in line. They want all the rest, they want our water, they want the rest of our power. There's a scheme to set up nuclear power stations north of the border to supply electricity to the U.S., so that all environmental problems are shifted out of the U.S.

*What is the time frame of the Trudeau program to buy back Canada's resources from U.S. corporations?*

It's supposed to be the objective of the

## Australia 1975

At first, the Australian establishment media ridiculed accusations that the CIA had played a leading role in the ouster of the Labor Party government of Prime Minister Gough Whitlam in 1975. But evidence that has come to light since then strongly indicates that the CIA was very interested in getting rid of Whitlam and played a key role in his ouster.

Whitlam was dismissed by Governor General Sir John Kerr in a "constitutional coup" in November 1975. (Kerr used an archaic constitutional power which, although it may have been technically legal, had never been exercised before in Australia's history.) The CIA wanted Whitlam out because, as a top secret cable leaked to the Financial Review shows, it feared that Whitlam's government might inquire into and publicize the nature of U.S. intelligence facilities in Australia. According to the former head of CIA counterintelligence, James Angleton, these installations "elevated Australia in terms of strategic matters unlike any other similar installation that may be in any other place in the free world." The 1975 coup came after several incidents in which, in the opinion of the CIA, Whitlam had damaged national security interests. On November 2, 1975, for example, Whitlam stated publicly that he knew that the CIA had given money to the rightwing National Country Party of Doug Anthony. In the course of this revelation and general debates on the role of U.S. intelligence in Australia, several CIA officers were pub-

licly identified, in particular Richard Stallings, a CIA employee in charge of the U.S. intelligence facility at Pine Gap and a close friend of Anthony's.

The CIA was extremely worried and concluded that further discussion about U.S. intelligence in Australia could "blow the lid off" the installations where the named CIA officers had been working. The CIA also warned that if the existing problems - that is publicity about U.S. intelligence facilities in Australia and Whitlam's questions about the CIA - "cannot be solved the CIA does not see how our mutually benefitting relationships are going to continue." In effect, the top secret CIA cable stated that the Australian Prime Minister was posing a threat to U.S. intelligence bases in Australia.

On November 8, 1975 a senior Australian Defense officer went to Sir John Kerr and informed him of this cable. Three days later, Kerr dismissed Whitlam. Interestingly enough, Kerr has longstanding ties to the CIA and had been working with Australian military intelligence. Kerr played a prominent role in the CIA-funded Australian Congress for Cultural Freedom and personally went to the U.S. in the early 1960s to get money from the CIA-connected Asia Foundation for his Law Association for Asia and the Western Pacific.

Like Canada, Australia is supposed to be a democratic country and a close ally of the U.S. And yet, the 1975 "constitutional coup" shows that these factors don't prevent the CIA from intervening anywhere it perceives U.S. strategic or economic interests to be threatened.



eighties. They started PetroCan which is sort of the equivalent of the Mexican Pemex, and they've bought a couple of smaller oil companies. But those deals have been accompanied by scandals, and some people with ties to Trudeau's Liberal Party have made enormous profits. So it's business as usual with the Liberals: enormous corruption is accompanying their so-called reforms. That's going to make people cynical... and there isn't really a concerted attempt to take over the biggies like Gulf and Esso.

*In the U.S. we have very little news about Canada, and people were probably more aware that the CIA and the corporations were destabilizing Chile than they know that something might be underway just north of the border.*

Some Canadians are very sensitive about this, but I think the vast majority doesn't want to hear about it. They would like to have this comfortable colonialized structure continue. In the fifties there was heavy investment by American corporations that suddenly gave the Canadian bourgeoisie tremendous wealth. The

bourgeoisie, by selling out to U.S. corporations through the fifties and sixties and by the give-away of our natural resources by successive Liberal governments, has created a very powerful and wealthy middle class. They're the ones who don't want anything upset. They want to keep the colonialist and imperialist relationship with the U.S. intact because they are the management class who have benefitted so enormously. It's the class that historically turns on the government when the government, in the larger interest of the country, tries to regain control of our natural resources. The Liberal government in our country understands this very well, so their "nationalization" program will only be in force as long as it is politically useful.

When I talk about U.S. destabilization of Canada, I'm sure I'm going to be accused of paranoia and belief in the cosmic conspiracy. But these things like the partial collapse of the Canadian dollar just don't happen. Who would have thought ten years ago that the CIA would oust the Whitlam government in Australia? Yet it happened.

# The British Right and Intelligence

by Richard Shaw

Over the last decade, England has seen the rise of a number of powerful rightwing "research" and "public policy" institutes. These organizations include the Institute for the Study of Conflict (ISC), the Foreign Affairs Research Institute (FARI), the Monday Club, and the National Association for Freedom (NAFF, recently re-named the Freedom Association); each of which purports to be independent and "objective." In reality, however, they have been working closely with Western intelligence agencies and act as ideological conduits for a variety of disinformation and propaganda campaigns aimed at strengthening intelligence agencies and rightwing parties and organizations. Some of these organizations have even received money from intelligence agencies such as the CIA.

*(Richard Shaw is a British freelance journalist.)*

The influence of these institutes, which also maintain high-level contacts with foreign rightwing and racist organizations and governments, has spread rapidly throughout the media and cabinet-level governmental circles. Their strength is comparable to U.S. organizations such as the Heritage Foundation, the Georgetown University Center for Strategic and International Studies, the American Enterprise Institute and the Hoover Institute in Stanford, California. The Monday Club, FARI, the ISC and NAFF contributed substantially to the rise to power of the present government of Margaret Thatcher.

## THE INSTITUTE FOR THE STUDY OF CONFLICT

The ISC is a supposedly "authoritative" information center which commissions writers to produce "factual" articles on in-

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ternal security, military affairs and international communism. Brian Crozier, a CIA contract agent, founded ISC in 1970 as a "registered charity" with about \$20,000 "donated" by multinational corporations like Shell and British Petroleum,<sup>1</sup> plus money from the U.S. National Strategy Information Center (NSIC) and Forum World Features (FWF).<sup>2</sup> In 1973, ISC received 75 percent of its funds from the CIA, and was staffed by what the U.S. Senate Select Committee on Intelligence called "CIA collaborators."<sup>3</sup>

At the same time that he founded ISC, Crozier was in charge of FWF which appeared to be just another news agency but actually was in the "propaganda business." An internal CIA memo to the then Director of Central Intelligence Richard Helms, noted that in its first two years, FWF "has provided the U.S. with a significant means to counter Communist propaganda and has become a respected features service ...."<sup>4</sup>

ISC's U.S.-based supporter, the National Strategy Information Center, was founded in 1962 by present CIA Director William Casey.<sup>5</sup> One of its main activities, as Casey told the Senate Intelligence Committee, has been the building of "academic responsibility" for the practice of intelligence in various countries. The NSIC is supported by the Mellon family, heirs of the Gulf Oil fortune.<sup>6</sup>

ISC council members include numerous people with intelligence connections: Vice Admiral Louis Le Bailly was Director General of Intelligence at the British Ministry of Defense from 1972 to 1975; Sir Edward Peck is the former head of the Secret Intelligence Service (SIS) clandestine operations in Berlin; Major General Richard Clutterbuck (ret.) is regarded as one of those principally responsible for the British Army's counterinsurgency operations in Northern Ireland; and Sir Robert Thompson is a one-time Nixon favorite advisor and proponent of the "strategic hamlets" concept of counterinsurgency warfare.

As FWF's ideological heir, the ISC receives CIA information and acts as its propaganda conduit. In fact, Robert Moss, a senior member of ISC up to mid-1980, is a regular recipient of CIA information. The Daily Telegraph wrote on August 6, 1979 that one CIA report on Nicaragua, classified "Secret: No Foreign Dissemina-

tion" came "into our writer Robert Moss's hands." Moss and Arnaud de Borchgrave are co-authors of the disinformation novel The Spike and leading "experts" on terrorism. On the inside flap of The Spike, its publisher Weidenfeld (British edition) noted that Moss and Borchgrave have had access to information from all major Soviet defectors. Earlier this year, the two also boasted of having regular contact with the CIA and French intelligence on (former CIA officer) William Buckley's TV show, "Firing Line."

In 1975, hundreds of ISC internal documents were dropped anonymously in the letter box of Time Out magazine. The documents revealed regular contacts between the Institute and rightwing regimes and intelligence agencies around the globe, notably the Rhodesian secret service and South Africa's BOSS. The documents also shed light on ISC's contacts deep inside the British establishment, even the Cabinet office.<sup>7</sup>

#### GEOFFREY STEWART-SMITH

Beside having served as advisor to the British Military Voluntary Force which unsuccessfully tried to send mercenaries to the Congo, Biafra, and Southern Africa,<sup>8</sup> former conservative Member of Parliament (M.P.), Geoffrey Stewart-Smith is a pivotal link between three somewhat shadowy propaganda organizations. He is the editor of East West Digest and director of Foreign Affairs Publishing Co. Ltd. (both at 139 Petersham Road in Richmond), and director of the London-based Foreign Affairs Research Institute (FARI).

East West Digest is published twice monthly. Its ideology is glaringly obvious in the table of contents of any issue. The July 1980 issue (No.14), for example, contained articles entitled "Toward a Western Grand Strategy for Global Freedom," "Despite Carter's Words, High Technology Trade Continues with USSR," "Afghanistan: the Worst Reported War of Our Time," and "Communist Gulags in Angola Denounced." Free copies of the Digest are sent to all M.P.'s.

The Foreign Affairs Publishing Co. is a major publisher of rightwing books in England and features titles such as "Inside the KGB," "The Communist Challenge to Africa," and "The Assault on the West," etc. Since the company is a private limited

company, its accounts are not available to the public. It is known, though, that the company is an agent for the Swiss Eastern Institute based in Berne which analyzes the development of Eastern Europe from an "objective," rightwing perspective. Foreign Affairs Publishing Co. is also an agent for the International Documentation and Information Center (Interdoc) in Holland. Interdoc has published a Who's Who and What's What on progressive activists in Europe. It is run by the East-West Institute, an organization which according to Time Out magazine has had close contacts with the rightwing British Monday Club (see below) and Dutch intelligence.<sup>9</sup>

Strategically located at Whitehall, near the Foreign Office and other centers of government, the Foreign Affairs Research Institute (FARI) is a mini-version of, and resembles, ISC. In 1979 Conservative M.P. Sir Frederick Bennett was the chairperson of FARI; and Robert Moss and Brian Crozier have also been on the FARI council. According to Eschel Rhoodie, the former head of the infamous South African Department of Information, FARI was set up by South Africans in 1976,<sup>10</sup> and since 1976 has been subsidized on an annual basis of £85,000. The South Africans aimed to influence government opinion in the West on the strategic importance of the sea lanes around South Africa and its raw materials - both of which FARI claims are threatened by the Soviet Union. A conference on Western commitment to South Africa, sponsored and organized by FARI, ISC and NSIC, was held in Brighton, England in June 1978. Attendants included Brian Crozier, Stewart-Smith, Air Vice Marshall Stuart Menaul (ret.), Lord Allen Chalfont, George K. Tanham, and the former head of the South African Defense Force, Admiral James Johnson.

Naturally, FARI's activities have been

*A June 25, 1981 letter ("Dear Bill") from Stewart-Smith to William E. Green of Altawail Trading Enterprises, London which was obtained by CounterSpy indicates FARI collaboration with the Embassy of Saudi Arabia in London and the nature of FARI's funding today. Stewart-Smith mentions a \$2,000 donation from Lockheed and asks Green to arrange contributions from Altawail and General Dynamics.*

very popular with the South African government. FARI's deputy director Ian Greig's book, The Communist Challenge to Africa, was published as a joint venture by FARI and the South African Freedom Foundation (SAFF), a propaganda organization founded by the South African Department of Information. SAFF also paid for visits to South Africa by Robert Moss and General Sir Walter Walker, former NATO Commander-in-Chief for Northern Europe.<sup>11</sup>

#### THE NATIONAL ASSOCIATION FOR FREEDOM

NAFF, recently re-named Freedom Association, came into being in 1974 following the election victory of the Labour Party. Lord De L'Isle (Chairperson of Phoenix Assurance, one of the largest insurance companies in Britain) became, and still is, its head, and former Tory M.P. John Govriet became administrative director. The director was Robert Moss; he resigned recently and the position is now vacant. Other ISC luminaries joined the NAFF council, including Brian Crozier. NAFF's aims are laid out in a 15 point "Charter of Freedom" which puts great stress on the "sanctity of private property,... the freedom not to join a trade union and freedom from oppressive taxation." In a number of industrial disputes, NAFF has played a major strike-breaking role. For example, when two anti-union employees at British Rail were dismissed for refusing to join the union, NAFF took their case to the European Court of Human Rights, which they won in August 1981.

#### THE MONDAY CLUB

The Monday Club was formed in reaction to the "pink" policies of then-Prime Minister Harold McMillan in January 1961, by Ian Greig (who would later become FARI's deputy director), Cedric Gunnery, Anthony McClaren, and Paul Bristol. Its main goal is to influence the Conservative Party and move it to the right. Bristol was the Club's first chairperson, and in the beginning, meetings were held on Mondays in his home with a dozen or so people attending. After one year, the Club had fifty members divided into five research groups. Members of Parliament and other prominent rightwingers also joined the Club when it was still in its infancy, including Ronald Bell, Patrick Wall, and Harold Soref, a

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former M.P. and intelligence officer. At the end of 1963, the Club had about 250 members, eleven of them M.P.'s.

During the Club's first few years, it concerned itself with "the surrender of British responsibility in Africa," especially in Rhodesia. In November 1963, Soref organized a reception for Ian Smith, then Rhodesia's Prime Minister. In November 1965, the Club held a meeting on Rhodesia at which it called for friendship and cooperation with the racist government. The event ended in three cheers for Ian Smith. The Monday Club unanimously protested sanctions against Rhodesia; a "Scrap Sanctions - Talk Now" meeting was held in Westminster in February 1966. The publicity resulting from this event brought the first substantial increase in membership. In April 1969, membership exceeded 1,500 - an increase of 90 percent in one year, and by its tenth anniversary (1971) the Club had the largest membership of any conservative organization in England, with branches in Scotland, Wales and Northern Ireland.

The 1970 election of Conservative Edward Heath as Prime Minister was a breakthrough for the Monday Club, and it was able to dramatically increase its representation in Parliament. Twenty-nine members, including Stewart-Smith, were elected to the House of Commons, increasing the number to thirty-five. Although Heath was considered too moderate, the Club was able to influence him on such matters as arms sales to South Africa which he dealt with "to the satisfaction of the Monday Club...."

In 1970, the Club held a "Conference on Subversion" attended by 250 members. Speakers included General de Lorenzo, former head of Italian Security and a fascist; Charles Lyons of the FBI; and Sir Robert Thompson. The panel for discussion included Ian Greig, Harold Soref, and George K. Young, former head of counterespionage, 21st Army Group.

Continuing its support for the regimes of South Africa and Rhodesia, the Monday Club organized numerous meetings on Southern Africa such as one on October 4, 1977 featuring Cas de Villiers, director of the Foreign Affairs Association of South Africa (FAA), and one on July 12, 1979 with John Launder, an editor of the Rhodesian Broadcasting Company as a speaker. Only last year, the Club's Africa Group invited Johan Adler of the South African embassy

in London to give a talk.

Senior members of the Conservative Party regularly attend Monday Club meetings, and the list of military Club speakers reads like a military Who's Who. It includes Sir Neil Cameron, Marshall of the Royal Air Force; S.W.B. Menaul, director of the Royal United Institute for Defence Studies; and Sir Peter Hill-Norton, Admiral of the Fleet. One favorite war horse of the Club is Sir Walter Walker, who was busy forming his private "army" called Unison in the mid-1970's. It was subsequently reconstituted under the name "Civil Assistance."

#### SOME SUCCESS

The propaganda of FARI, the Monday Club, NAFF, the ISC and similar organizations has been important in preserving the domination of U.S. military and strategic interests over Britain since World War II. In the political sphere, such bodies certainly helped bring rightwing British politicians à la Margaret Thatcher to power.

Naturally, the U.S. government does not want a leftwing government in Britain which might opt to withdraw from NATO, expell the approximately 25,000 U.S. troops in Britain, nationalize U.S. firms, and end the close collaboration of U.S. and British intelligence agencies. In 1974, the Ford administration was alarmed about the election victory of a left-leaning Labour government. Such a move had to be stopped. Within two years the U.S.-controlled International Monetary Fund, by imposing drastic economic conditions on a loan made to Britain, forced the Labour government to apply unpopular conservative policies. At the same time, rightwing propaganda organizations stepped up their efforts to insure that the Labour government would be replaced by a government of their liking. To this end, Robert Moss, an Australian citizen, returned to Britain and became the speech writer for a little-known M.P., Margaret Thatcher. One of Moss's speeches, attacking the alleged Sovietization of Britain, earned Thatcher the nickname "the Iron Maiden," and gave her much media exposure. Moss took over important positions in the ISC, and helped to organize NAFF. Thus, he was able to figure prominently in a propaganda campaign to manipulate the British media in support of the return of a rightwing gov-

ernment.

Propaganda was used to agitate around two actual crises: a series of serious strikes, and escalating repression and resistance in Northern Ireland. Moss and his cohorts, through their propaganda, skillfully turned strikes from being ordinary conflicts between workers and owners into "communist encroachment" and the "march of the left," charges which were duly "affirmed" and detailed in the British media. In turn, the British population, especially during the winter of 1978 to 1979, was psyched into a national crisis mentality, and many were given to believe that only a "strong and firm" Conservative government could "sort out" the "industrial wreckers" and assorted "communist thugs."

As it turned out, the Soviets did not take over Britain, but the rightwing shadow government, assembled in part by Moss, did. However, some sectors of the extreme right in Britain might have been prepared to counter a Labour victory with illegal methods. Just before the 1979 election, the late Airey Neave, M.P., Monday Club supporter and one of Thatcher's closest allies, discussed plans for an undercover "army of resistance" in the event of a Labour victory, according to Lee Tracey, a former British intelligence officer and electronics expert. Other options brought up by Neave were possibilities to stop Labour leader Tony Benn from becoming Prime Minister by violent means. Tracey was asked to consider whether he would join a team containing intelligence specialists who would do the dirty work on Benn. Tracey stated that his conversation with Neave was based on his assumption that the "communists" were capable of taking over Britain.<sup>12</sup> Tracey and Neave agreed on a further meeting, but Neave was killed by a car bomb near the House of Commons a week later.

#### "COLOSSAL DISTORTION"

In a December 1980 article, Hugo Young, political editor of the Sunday Times, reported that during the 1970s, a colossal distortion was permitted in the work of British intelligence. An inordinate stress on the "communist threat" led to massive propagandizing about "communist subversion" in universities, trade unions and other institutions, i.e. the Labour Party.<sup>13</sup> FARI, ISC and other organizations

described above were major contributors to this distortion. Their dissemination of disinformation about leftist subversion was and is aimed to convince Parliament and the public of the need for strong intelligence agencies; and "strong" intelligence agencies, they argue, are incompatible with public scrutiny. This campaign, coupled with Britain's Official Secrets Act and rigid libel laws has allowed British intelligence to maintain a fairly low profile as far as their illegal activities are concerned.

British history over the last decade provides numerous examples of how a country can be manipulated into cold war, anti-worker politics. Main actors in Britain included these non-elected organizations buttressed by the British intelligence services, and used by foreign intelligence agencies and governments as propaganda transmission belts. Thus, rightwing "research" institutions have been able to affect the political scene in many ways of which the public has not always been cognizant.

#### FOOTNOTES

- 1) Daily Mail, 12/22/76.
- 2) State Research Background Paper, 10/77, p.2.
- 3) Guardian, 12/20/76, p.9.
- 4) ibid.
- 5) The Leveller, no.52, 1981, p.10.
- 6) One member of the Mellon family, Richard Scaife Mellon, purchased Forum World Features from John Hay Whitney, a witting CIA collaborator.
- 7) see also Searchlight, No.20, 1977, pp.3-6. The tentacles of the Institute stretch to lesser known organizations. Based in Richmond, for example, is also the Soviet Analyst whose editorial board includes Brian Crozier. The Analyst is a bi-weekly newsletter which purports to analyze the Soviet Union.
- 8) Sunday Times, 4/23/72.
- 9) Time Out, 8/29/75.
- 10) People's News Service, 4/17/79, p.8.
- 11) People's News Service, 2/6/79.
- 12) New Statesman, 2/20/81, p.3.
- 13) Sunday Times, 12/14/80.

(cont. from page 19)

- 12) Informationsdienst Suedliches Afrika, 5/80, p.32.
- 13) The Observer (London), 5/17/81, p.7.
- 14) Southern Africa, 1/80, p.11.
- 15) Washington Post, 8/26/81, p.B-18.
- 16) John Stockwell, In Search of Enemies, W.W. Norton and Co., New York.
- 17) see Reader's Digest, 2/81, pp.106, 107. In its June 1981 issue, Soldier of Fortune features an article by one of its staff writers, Al Venter, about his actual participation in a South African raid into Angola.
- 18) Philip Agee, Inside the Company: CIA Diary, Penguin Books, Harmondsworth, England, 1975, p.611.

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