

# Covert Action

## INFORMATION BULLETIN

**Uprising and Repression in LA** *Mike Davis*

**What's New Under the New World Order** *Eqbal Ahmad*

**Bush Family: Corruption and CIA Connections** *Jack Colhoun, Anthony Kimery*

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## Editorial: New Enemies, Old Objectives

Gone is the overarching dynamic of superpower conflict in which the U.S., by casting its opponent as an evil empire, automatically assumed for itself the mantle of good. Gone, too, is the ability of the U.S. to justify any outrage in the name of anticommunism.

Despite these dramatic changes, the World Order is far from new. The same narrow group of First World elites enforces its same set of interests: control by the haves of the international and domestic have-nots and appropriation of their resources. The U.S. still veils the concomitant economic, political, and military aggression with the softening gauze of benevolent intent. To sustain this illusion, it still needs the sharp contrast of enemies of mythic proportion. These enemies can be manufactured from the same half truths, counterfeit evidence, and ideological distortions which marked anticommunism. And like "godless communism," the new enemies justify repression at home and invasion and exploitation abroad.

The effectiveness of the new pantheon of demons-in-the-wings, like that of the recently released Pentagon military strategy, requires careful preparation, rapid response, flexibility, and new technologies.

Internationally, success rests on policymakers' ability to threaten, bribe, or impose cooperation or, at least, reduce dissatisfaction to impotent grumbling.

At home, propaganda and ideology are crucial. To create consensus, policymakers camouflage war as rational and bloodless, and disguise extensive surveillance and repression as a measured response to impending anarchy. The mainstream media collaborate by framing the debate.

Some examples: In the "war on drugs," the options within the acceptable frame of debate range from massive militarization of minority communities — as Ross Perot has advocated — to spending more on treatment and rehabilitation. Not discussed: rectifying the systemic conditions that underlie the drug problem and exposing who profits from the status quo.

The debate on nuclear proliferation centers on which countries the U.S. allows in the Nuclear Club. Not on the table: worldwide enforceable nuclear disarmament.

The debate on terrorism has been turned on its head. The decades-long pattern of wholesale terrorism practiced by states which murder and repress their populations and invade their neighbors is forgotten in the rush to target a few selected individuals or groups. In a recent Supreme Court decision, despite global outrage, the U.S. legalized its right to kidnap foreign nationals.

Corruption, we are told, threatens "our way of life." But, discourse on the venality inherent in the inequi-

table tax system, the S&L ripoff, and the massive waste of resources on the military are subsumed in denunciations of welfare fraud or overpriced toilet seats.

The Japanese are projected as economic enemies, when in fact their crime is simply that they use the scalpel and bludgeon of capitalism with more dexterity than the U.S. They do so not only in the Third World (forgivable), but in the U.S. (immoral and sneaky).

In response to ecological devastation, the "environmental president" proposes tightening a few regulations here, fining a few gross polluters there, and encouraging citizens to save the earth by recycling Diet Coke cans. While the human right to a clean, safe world is violated, the fundamental sources of degradation — corporate greed, First World overconsumption, and structurally skewed trade practices — go unchallenged.

Crime (a racist code word) too, threatens "the American dream." We are told to fear rioters stealing diapers and running shoes, street gangs, drug users — the people who fill U.S. jails with the largest proportion of incarcerated citizens in the world. Meanwhile, white-collar criminals not only run free, but are rewarded with all the perks and privileges the system can muster. These culprits include not only the S&L bandits who stole \$500 million to \$1.5 trillion, but those executives who base corporate policy on cost benefit analysis, routinely setting financially acceptable levels of worker and consumer cancer, injury, and death.

The U.S., decrying alleged enemies of democracy around the world, creates international propaganda and aid institutions which promote U.S. values, and, as if by happy coincidence, serve U.S. economic interests. These entities have so grotesquely blurred reality, that any difference between democracy and free market capitalism no longer exists as part of the debate.

At home, the courts and the police are rapidly eroding the Bill of Rights. The repression following the Los Angeles uprising is only the most recent and visible manifestation. And it is only fitting that William Webster heads the investigation. The former director of both the CIA and FBI can be expected act like the cop he is and recommend screwing tighter the repressive lid, rather than ameliorating the conditions that caused the pressures to build.

The Gulf War showed how easily the U.S. public can be manipulated for short periods of time, how willingly the lapdog media lick the hand that holds their leash, and how willing the administration is to buy power with blood. If we are to see through the serial demonizations which mark the New World Order, we must continue to expose how and in whose interest they function. ●

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This century has been marked by unrecorded holocausts justified by the Cold War. With allies such as Israel, the U.S. continues to violate the dream of peace in the Middle East. There, as elsewhere, the decisive issue has always been control of resources.

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Dissatisfaction and grumbling among Third World members echoes through the U.N. corridors. In the official body, the U.S. still uses bribes, threats and "humanitarian intervention" to coerce complicity with its unipolar vision while Boutros-Ghali toes the line.

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A Florida woman fighting Procter and Gamble toxic wastes is savagely beaten while her attackers remain at large. This case is increasingly typical of what is happening around the country when activists organize against poisonous industrial giants.

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The Bush men loot and pillage from D.C. to Dallas, from Bahrain to China. To them, the spoils of board room, regulatory agency, family enclave, and covert activities are all business as usual.

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Government employees are usually pensioned off after 20 years. Strong evidence suggests that George Bush has put in 45 years of loyal service to the CIA, and has profited from shady oil deals and covert operations. The world deserves a rest.

Correction: In #40 (Spring 1992), the sentence on page 5 in the article by William Kunstler should have read: The U.S. Court of Appeals for the Eighth Circuit affirmed—on the basis of its interpretation of the Supreme Court decision which required a finding—that the new evidence would "possibly," rather than "probably," have resulted in a different verdict.

Front cover photos: Los Angeles after the Uprising, Ted Soqui/Impact Visuals. Bush family portrait, the White House. Back cover: funeral of death squad victim in El Salvador, Terry Allen.



# The Murder of History

Eqbal Ahmad

I thought that I would start with some good news. We haven't had any for such a long time. The good news was given to us by President Bush in his State of the Union Address. As I listened, I couldn't figure out if I was more amused than horrified or more horrified than amused. I wrote down sentences that struck me as being terribly good news. Here is one. "By the grace of God" (I thought it was a secular country) "America won the Cold War."

Here is another. "And I think of those who won it in places like Korea and Vietnam." I am reading these sentences purposely because I think they accurately describe the mood of the U.S. Establishment and reflect its understanding of the Cold War—that is to say, from 1945 to 1991.

Next sentence. "We liberated Kuwait." Thomas Jefferson, as you know, would be celebrating the idea of a republic restoring a monarchy. Marvelous.

And here is a real treasure. "And soon after" (meaning soon after the war), "the Arab world and Israel sat down to talk seriously and comprehensively about peace."

And finally this howler. "A world once divided into two armed camps now recognizes one sole and preeminent power—the United States of America. And they regard us with no dread, for the world trusts us with power and they trust us to be fair and restrained and they trust us to be on the side of restraint and decency."

Please keep these sentences from the State of the Union in mind as I continue. They started me thinking what I should say to you: We may end this century—the twentieth

century—the way we began it, in a state of mindlessness, confusion and violence. I thought of telling you what I told the previous generation of students. Sometimes they would ask me—that was twenty years ago—why I am working myself to death to stop the war in Vietnam. I used to say, "Because I want to make sure that the next generation won't witness a war." And damn it, I didn't make it—you did live to be initiated into war.

## The Age of Unrecorded Holocausts

The twentieth century was a very remarkable century. I want

to talk about it because you don't hear anything about history on television or in the newspapers. History is being abolished before our eyes and that's where our ignorance begins. It is that hatred of history that has produced men like the one I just quoted—men totally devoid of a sense of history.

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**The world system was relentless,  
violent, and very self-satisfied.  
In 100 years alone, from 1814 to  
1914, no less than 50 million  
people were wiped out.**

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Modern time begins with the connection that we are going to establish—in the "regions of convergence": the place where civilizations have converged, politics have often converged, historical movements have converged, and that is the area that is known as, variously, the Eastern Mediterranean, Near East, Middle East, and sometimes, Southwest Asia. Modern time begins somewhere at the start of the 16th century. If I were to put a very precise date on it, and dates are very hard to put on specific movements, I would pick 1492.

That is a most remarkable year. It was the year which witnessed the end of 750 years of Arab rule in Spain—a brilliant rule—and it was also the year when Isabel commissioned Columbus who then "discovered" America. And that voyage of "discovery" marks the beginning of the modern age, that is to say, the initiation of a world system marked by modern imperialism and the capitalist market. I don't want to dwell upon this period a great deal, I merely

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wish to remind you that it was a world system which was relentless, violent, and very self-satisfied. It was an age in which wars, conquest, and domination of one people by another were glorified. War was viewed as a quick adventure, it was viewed as a great mission, a higher mission to be carried out on people of lower reality. A young second lieutenant fighting a colonial war described it as "the great game of warfare." The man was Winston Churchill—the place northwest India, now Pakistan.

The history of these 400 years, up to the end of the nineteenth century, was a history not only of Western and capitalist expansion, but of unrecorded holocaust. This is the time when the Mayan, Inca, and Aztec civilizations were almost totally obliterated from the face of the earth.

This is when the Indian, the Chinese, the Arab, the African civilizations were subjugated. This is the time in which, in 100 years alone, from 1814 to 1914, no fewer than fifty million people were wiped out. Western historians, however, labeled this a "period of long peace."

And then total war, as had been experienced by Third World peoples, finally came

to Europe. It was a war which was fought between the colonial haves and the colonial have-nots. Germany and Italy were colonial have-not powers and they challenged the colonial haves and, with modern technology, brought total warfare to Europe. And the West called it World War and gave it a number: one.

It was the last "happy" war, the last "popular" war in the world, particularly in the Western world. It was the last time that, at the announcement of the outbreak of the war, the people of London, Paris, and Berlin went out into the streets, danced and sang and drank in celebration. It was a singing war; people sang their way to the front. And then the singing stopped as the West experienced the horrors of war.

## Covenants For Peace Betrayed

Out of that horror, for the first time in 400 years, a new hope emerged. It was a hope for peace, for universal peace, a hope that war could be abolished, a hope that at the very least the issues of war and peace would be dealt with collectively. And the Western world and its leaders responded to these yearnings for peace. With the Covenant of the League of Nations, peace became an issue in modern history. The violations of these Covenants of the League of Nations—in other words, the betrayal of our hopes at the start of this century—lie at the root of our problems, especially in the Middle East.

There were four promises embedded in the Covenant of the League of Nations; let me recall them very quickly

without going into detail. First, there was to be an end to imperial domination. No people would subjugate another, no country would subjugate another. The principle was embedded in Woodrow Wilson's fourteen Points and later in the Covenant of the League, institutionalizing a people's right to self-determination.

There was a second promise:

collective peacemaking and collective peacekeeping that justified the creation of mandates in the Middle East by the League of Nations. The combination of these two promises, of self-determination and collective peacemaking, led the League of Nations to appoint mandates for the League in the Middle East. The theory was that these mandates—Palestine, Iraq, Syria, Lebanon, etc.—would be held as an obligation by France and Britain. They would prepare the administrative ground for the exercise of the right of self-determination of Middle Eastern countries. I'll come back to that in a moment.

There was thirdly the promise that there would be no dictated peace. It was based on the premise that peace cannot endure unless it is just.



The People's State of the Union demonstration, Washington, D.C.



Finally, there was the promise that governments by themselves cannot be trusted with issues of war and peace. They must be accountable to the people and tell the truth. Conveying that truth to the public is the function of education, the university, and the media. The principle was embedded in the precept of open covenants, openly arrived at.

The League of Nations betrayed these promises. The mandates, instead of instituting self-determination and collective peacekeeping, became merely an instrument of imperial enterprise. The mandated territories were converted into colonies. One case, Palestine, was also converted into a settler colony in which the British mandatory power allowed people to come there to settle and to create a Jewish state in Palestine. In other words, the mandate system of the League of Nations, far from becoming an instrument of peace and self-determination, sowed the seeds of the discord—including the division of Kuwait and Iraq—with which we are dealing right up to the present time.

### **Knocking on Justice's Door**

The erosion of promises continued as the weak were deemed fair game for the strong. Consider the following. One day, a thin, Black, curly-haired man with a wispy beard stood in front of the League of Nations shaking his finger saying, "If you let this pass, there will be nothing left of your own beliefs or your principles." The man was Haile Selassie, heir to the throne of Ethiopia whose country had been invaded by Italy; and the big powers did nothing. Although the incident is largely forgotten, some historians mark it as more memorable than Hitler's invasion of Czechoslovakia. The post-World War I license to commit aggression was issued here. Hitler was to use it later.

Or consider how the abuse of the dispossessed for exercising the right of self-determination was ignored. Let me cite you two images. The first is the image of another fellow, bigger than Haile Selassie, with a very wispy and long beard, dressed in tattered, unremarkable clothing, standing there at the doors of the League of Nations, putting forward a petition saying, "Let our people go." He was demanding the right to self-determination for a country which had been colonized for so long, whose people had been killed for so long. "Let our people go." That was Ho Chi Minh at the doors of the League in 1919, demanding negotiations for the liberation of Indochina.

There was another man who followed him. He was rather tall, very handsome, a very Mediterranean-looking fellow with an Arab name, Mesali Haj. That Algerian was demanding the independence of Algeria. These two men, whose petitions were shelved in the archives of the League of Nations, got no hearing beyond submitting their petitions. You know the rest of the story. Algeria was occupied for another 60 years, and it ended up fighting, fighting, fighting for seven and a half years until it finally defeated France.

And Vietnam first defeated Japan, then France, and then inflicted a clear-cut first defeat on the United States.

Why am I taking you so far away from our time? Because the seeds of our present problem are old; they were sown generations ago. You will have to do a lot of work to root them out, but if you don't root them out, the costs for your children will be very high.

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**The end of the Soviet-U.S. rivalry  
will not end the pattern of warfare  
or violence because the real issue  
will remain:  
control of resources.**

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It may seem remote, that time during the Roaring Twenties when Ho Chi Minh and Mesali Haj and Haile Selassie came and were not heard. The singing, the drinking, and the dancing went on until of course another group of colonial have-nots once again challenged the colonial haves and gave us another World War and you gave it another number: two.

So we move on to World War II.

This war was more destructive because technology had advanced further, and it caused the total devastation of Europe. It saw the holocaust of the Jews and of the Gypsy peoples. It saw great empires, such as the British and the French and the Dutch, weaken. It saw new empires arise as the U.S. came to maturity as a world power. And the same old promises returned. But our peace movement was much stronger after those devastations, and the next set of promises returned in the form of the United Nations Charter in San Francisco in 1945. It was the Covenant of the League of Nations warmed over.

And then, some of the promises of the United Nations Charter were fulfilled. You see their fruits today. This time, peace was not dictated to the vanquished. A just peace was imposed on Japan, Germany, and Italy. And today, these countries remain peaceful and are not trying to take revenge for any set of indignities or humiliations. They were not given the Treaty of Versailles. In turn, they did not give us war.



## Long Peace vs. Long War

But we did get 45 years of Cold War. And that period, so we are told, has now come to an end. Let us consider for a moment what the Cold War was, and what has ended.

There were three expressions of the Cold War. There was the arms race, meaning the nuclear arms race. There were interventions, mainly by superpowers in weak countries in the superpowers' spheres of influence, or what they claimed as their areas of responsibility. And the third characteristic was that the world was described as bipolar; that is to say, the politics of the world was viewed as a function of rivalry between the United States and the Soviet Union. The costs boggle the mind. A total of \$5 trillion was spent on the arms race. A total of 21.5 million people died from interventions.

Of course, the U.S.-Soviet rivalry continued until something completely unique and unheard of in history happened: One country which was billed as a superpower suddenly decided to stop playing or had a heart attack in the middle of the ordeal. It is that heart attack or refusal to play that President Bush is describing as a great victory.

But what was the Cold War? There are two main views. Let me take those quickly and examine them in terms of the Middle East. The first view has been expressed by what I would call the "long peace" group. And the second school is what I would call the "long war" school. I belong to the "long war" school of Cold War history.

The position of the "long peace" school is that the Cold War was an East-West conflict, and that the primary characteristic of international relations was bipolarity, defined by a rivalry between two superpowers. All major international conflicts involving the U.S.—the wars in Korea and in Vietnam, the Cuban missile crisis, the confrontations in the Middle East—were functions of superpower rivalry.

The second characteristic of the "long peace" school was that this rivalry was mitigated, mediated by the existence of

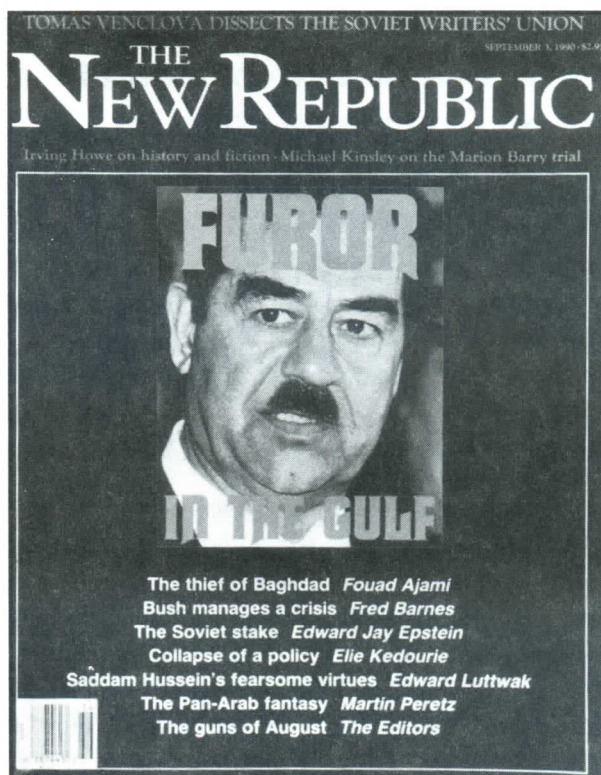
nuclear deterrence on both sides which prevented World War III, but allowed "smaller" conflicts to take place. "Smaller" means Vietnam- and Korea-like conflicts in which a lot of "gooks" died, but "real people" died in fewer numbers. With the dissolution of the Soviet Union, the end of East-West rivalry, bipolarity is finished and the U.S. emerges as the sole superpower. It remains to be seen whether it is or is not a New World Order, but for the "long peace" people, the Cold War is finished. And while it lasted, it avoided World War III. Because small wars happened, big wars didn't happen and a "long peace" reigned. That's the argument, although I'm simplifying it.

The "long war" school to which I belong views the dynamic of the Cold War somewhat differently. First, U.S.-Soviet rivalry was not the real issue, but rather merely provided the framework for Cold War politics. Second, the defining issue of Cold War politics was control over the world's resources. And thirdly, therefore, North-South relations were intrinsic and central to world politics, and especially to the policies of the Western states, and most especially the U.S. If this argument is correct, then Cold War politics—the whole East-West issue, bipolarity—was just a framework, a justificatory argument, an instrument of legitimation. If this premise is true, then it would follow that the end of the Soviet-

U.S. rivalry will not end the pattern of warfare or violence because the real issue will remain: control of resources.

The destruction of the legitimizing instrument of Western policies in North-South relations (East-West, Cold War rivalries) creates a situation of instability. We no longer know how the U.S. will be able to justify its interventions and disguise its actual intent: controlling world resources.

Since the end of the Cold War, there have been three cases which offer clues to the interventions of the future. First, there were the "low-intensity" conflicts in Nicaragua and El Salvador, which continued through the years when Gorbachev launched his reforms. Second was the U.S.



Literally "Hitlerizing" Saddam. On its September 3, 1990, cover, the *New Republic* cropped the Iraqi leader's moustache and punned "Führer."



intervention in Panama, and most recently, the war in the Gulf. In all three cases, the Soviet Union was not cited as a significant factor. In the case of Nicaragua, a host of reasons was used to justify intervention. These included the Sandinistas' allegedly undemocratic character, their alleged human rights violations, and their alleged betrayal of the revolution that overthrew Somoza. In the case of Panama, it was drugs. In the case of the Gulf, it was a new-found Hitler in Saddam Hussein and his aggression in Kuwait (which he had without doubt committed). In other words, I am suggesting to you that while the facts of intervention remain, their legitimizing instrument has been lost. I am also suggesting that if we are looking for future trouble spots, we should look for places where resources are. And no place is more important for resources today than the Middle East.

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**Baker and Bush went around the world, gun in one hand and a begging bowl in the other, and ended up making a profit. This is cold, mercenary imperialism and war profiteering.**

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#### **The Region of Convergence: The Middle East**

There are three ways of looking at the Middle East: from the U.S. vantage point, from the world's vantage point, and from that of the Middle East.

From the U.S. perspective, the problem appears relatively simple. The U.S. is a big power, and since the dissolution of the Soviet Union, it is the only major military superpower. At the same time, it is a very weakened, declining economic power. Did you notice something about President Bush's State of the Union Address? After the first five minutes of muscle-flexing talk about victory, he spent the next 45 minutes on how to solve America's economic, educational, and social crisis. He put a lot of band-aids here and there, but he came up with no answer at all — a fact acknowledged by the media.

The incredible symbolism of the Gulf War was the extraordinary military power of the United States coupled with its financial vulnerability. The war pulverized Iraq, and Kuwait on the side. Pulverized it! And you saw this extraordinary technology on television. The diplomatic efforts of James Baker and President Bush were devoted to raising the money to do it. They went around the world, gun in one hand and a begging bowl in the other.

But I have good news for the American people. They ended up with a profit of \$12 to \$14 billion more than they actually spent in the war. This is cold, mercenary imperialism and war profiteering.

But there is another side to the story. I went to a pizza joint one day, and the poor guy who worked there came over and I asked him, "What happened to the other fellow?" He said, "Well, he lost his job." I said, "What happened?" He said, "Business is slow." So I asked, "Is he coming back?" He said, "Maybe, because President Bush has gone to look for jobs in Japan." You see, that's how the U.S. working class is looking at matters these days. Why am I bringing all that up? Because the U.S. sees itself as a declining economic power, and knows itself to be a strong military power. Its economic power is declining in relation, not to enemies, but to its allies — Japan, Germany, France, and others.

Therefore, the real challenge for the U.S. is to somehow find a way to stay in power by making a marriage of European and Japanese money and U.S. muscle. There is no better place for the wedding to take place than in the Middle East, because Europe and Japan — unlike the U.S. — depend on the Middle East for anywhere from 80 to 90 percent of their energy needs. If you hold these resources together, you hold Europe and Japan. You acquire a new point of leverage over old allies, because for all these 45 years, the U.S. had two leverages on Europe and Japan. One was economic and the other strategic. The strategic leverage is gone with the downfall of the Soviet Union, and the economic leverage is gone with the decline of the United States economically.

Therefore, it should be obvious that the U.S. has to establish an almost monopolistic control over that region. Keep this in mind as I continue. The Middle East has become once again, for the third time in this century, an area where interests of power, strategic interests, economic interests, and military interests are converging, and there will be a concentration of U.S. attention there. With whom does the United States want to rule the Middle East? That question poses a serious problem, because the U.S. public is not quite willing to occupy another place, police it, shoot, and be shot at. Therefore they are looking for allies who can police the region. Israel is clearly an ally, and Israel is keen to serve that purpose.

Israel is the second strongest military power in the world, but it is by far the weakest among the developed economies of the world. Because its power is totally derivative, U.S. policy makers think it is dependable. Hence,



Israel has been armed with nuclear weapons. It is now the third largest nuclear power in the world. In his new book, *The Samson Option*, Seymour Hersh reported that Israel has the best available delivery capabilities, so that by 1982 or 1983, it was targeting the Soviet Union itself.

The U.S. knows, however, that Israel can't really do the policing job in the Middle East unless it is accepted by its clients in the Middle East. Saudi Arabia, United Arab Emirates can't publicly accept Israel as a legitimate state as long as the Israelis don't make some sort of peace with the Palestinians, the Syrians, and the Lebanese, whose territories they are occupying.

The problem, then, is to somehow find formulas whereby a peace can be made between Israel and the Arabs that will be acceptable to the oil-producing states of the region. They are now having a lot of difficulty finding that formula, for only one reason: The Arabs have thrown in the towel. That's the absolute truth. They are willing to negotiate on anything, including autonomy. The Palestinians have even given up the idea of an independent state and say they will live with autonomy.

But the Israelis are not willing to give even that. They say they will grant autonomy, but it will apply to individuals, not to the territories. What that means, I can't figure out. I suppose it means that the Palestinians will be free to collect their garbage, kiss their spouses, beat their children, and perhaps, eat, and defecate. But if you don't have control over your land and water and resources, then what is autonomy?

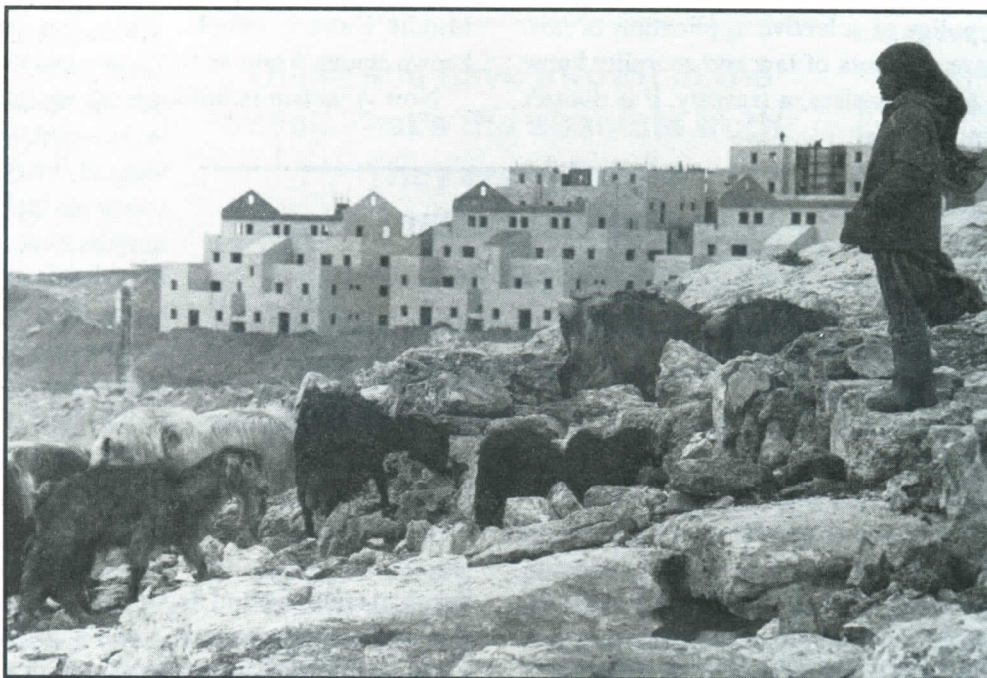
The Israeli theory is different. The Israeli theory is that force will make them acceptable to the Arabs, and it is only

a question of time. At the moment therefore, the policy dilemmas of the U.S. in the Middle East have remained unresolved by the Gulf War. The question endures: What happens next?

### Selective Nuclear Proliferation

We should be reminded that following the USSR's collapse, nuclear proliferation has increased. That, too, is characteristic of the Middle East. The world has become

totally dangerous, because you have a sudden rise in the number of nations which are known to possess some form of nuclear device and the capacity to deliver it, including several republics of the former Soviet Union. At the same time, however, there is no justification left for the U.S. to have a weapon. After all, its strategic ar-



Associated Press

Palestinian grazes sheep by newly-built Israeli settlement on the West Bank. Despite international pressure and years of struggle, the building of settlements continues.

senal was said to be defensive and the Soviet threat is gone. Therefore, at the same time as proliferation has increased the world over, there is a possibility of a program of generalized, universal arms control, if not disarmament itself. But there is nothing on the table.

There is much talk in the world about America's double standard. It is a multi-dimensional phenomenon. One set of discriminatory standards concerns U.S. behavior. The U.S. views itself as a power above international law. It committed crimes against humanity in Vietnam, Laos, and Cambodia. It sanctioned the murder of foreign leaders. It ignored the World Court's injunction against the mining of Nicaraguan ports. Yet another discriminatory standard involves allies such as Israel which enjoy immunity from the United States, no less than they do from international laws. Thus, Israel has been entirely exempt from human rights



laws, or anti-terrorism laws, or anti-proliferation laws which Washington is so quick to invoke in other places around the world.

The United States has a very strange policy on nuclear proliferation: "Those we like can proliferate and those we do not like must not proliferate." The result is that U.S. laws against nonproliferation are not being applied to the biggest single violator, *i.e.*, Israel. But Pakistan is being embargoed, North Korea is being threatened, Iran is being monitored and threatened, Brazil is being pressured. So in other words, it's a policy of selective application of law. Those of you who are students of law and morality know that law in itself is totally useless, a travesty, if it doesn't follow that basic, fundamental principle of law—equality of enforcement. Without that, law is just a piece of paper.

In its support for Israel, the United States is pursuing a discriminatory policy of partial application of its laws and its policy of nonproliferation. Increasingly, it is seen as a policy especially designed to deny a nuclear option to any Muslim country, so that the world of Islam as a whole will remain subject to the terrorism of Israel. That's how people perceive it, and that perception, of course, will produce its own reactions, which brings me to my third point.

#### **Arabism vs. Islam**

This feeling that the West is lining up against the Islamic world is feeding into the Islamic movements, and before we go into understanding how it feeds into them, I want to make a very general comment which has not been understood widely in this country. Every civilization has its own specificity. The peculiarity of the Arab, Middle Eastern civilization has been that its dynamics have been defined by the contradictory pulls of universalistic tendencies and particularistic desires. That is to say, throughout the last four or five thousand years of history, the people of the Middle East have been pulled by universalism on the one hand, and particularism on the other.

You will notice that we are all loyal to and members of tribes. We maintain specific ties to our villages; we give names to ourselves by our cities. In other words, there are particularistic ties of tribe, of city, of guild, that bind this

people. At the same time, this people has always had a yearning to get out of this particularistic prison to reach out to a larger, bigger identity. Historically, Islam provided the universal ties. Family, city, village, tribe, provided the particularistic ties, and whenever there is a harmonious linkage between particularism and universalism in this civilization, this civilization has prospered. When there is a dissonance between the two, this civilization has had violence and difficulties—decline. In our time, the two universalist ideologies have competed for the loyalties of Middle Eastern people. There has been nationalism—known among Arabs as Arabism—and there has been Islam.

Now Arabism is unlike most nationalisms because it is not state-bound. It sought unity of the Arab states and was transnational in character. Its appeal went from Morocco to Mauritania to beyond the Gulf states. It is this secular national movement the West pinpointed as its adversary.

The last war demonstrated this dynamic. It was complicated by the fact that Saddam Hussein is a madman (which is bad enough), he is a tyrant (which is very bad enough), and he's also a truly stupid human being. But we have to recognize—and a large number of people have seen it this way—that Saddam Hussein's war and behavior were compelled in many ways by the claims of Arabism. And the extremism of U.S. behavior was compelled by the West's long war on Arabism: It defeated Abdul Nasser and then it went on to Saddam. In the process, Arabism has been discredited as an effective, functioning movement in the Middle East. Once you discredit this secular movement, it leaves room, creates a vacuum for a competitor to move in, and the competitor is moving in.

You saw the first salvos in Algeria and there is a lot more to come. I don't welcome it because I feel that we are, as a Middle Eastern people, caught between the devil and the deep blue sea—the devil of imperialism and the deep blue sea of fundamentalism.

But one thing is sure: If I were forced to choose between only these two options, I would choose the deep blue sea because it's my own territory and there is a possibility of floating. I'm saying this seriously and sadly. But this challenge is deepening; Islam is stronger today in its appeal than it was before the Gulf War.

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**We as Middle Eastern people  
are caught between  
the devil and the deep blue sea—  
the devil of imperialism  
and the deep blue sea of  
fundamentalism.**

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## Survival Is The Issue

So finally, back to the theme with which I started earlier. Do you remember the language, the promises of the Gulf War? President Bush and his secretary of state did not intervene unilaterally. They, who had repeatedly vetoed U.N. resolutions on the Middle East, went to the United Nations to get resolutions passed against Iraq. They invoked the United Nations Charter, invoked collective peacekeeping, invoked collective punishment of aggression, and declared that "U.N. Security Council resolutions are not negotiable." The "New World Order" Bush promised us would consist of respect for the U.N. Charter, the non-negotiable character of the U.N. Security Council resolutions, and not only peacekeeping, but also collective peacemaking.

And then what happened? Then you have the Middle East peace process. It's a funny process. Without going into the details, I just want to remind you of the following things. One of the parties to the conflict, the PLO, was excluded from this peace process on Israel's demand. Now, I understand this, because the Israelis, such peaceable people, claim the PLO is a "terrorist organization," but *all* of the inhabitants of Jerusalem were also excluded. This exclusion stood despite the fact that six United Nations Security Council resolutions have declared Israel's annexation of Jerusalem illegal and unacceptable under international law. So what is the meaning of the U.S. and Russia insisting on barring any representative of Jerusalem? They are engaging in violating specific Security Council resolutions. Even the U.S. government itself, which does not recognize Israel's annexation of Jerusalem, recognizes Israel's insistence that no representative of Jerusalem will sit at the peace table.

Or thirdly (something extraordinary, and I am astounded that the U.S. media have never talked about it), the United Nations has no role in this peace process because the Israelis didn't want it.

And fourthly (something absolutely extraordinary), Europe and all members of the Security Council have been excluded—even Britain and France, which have had a historic role in that region.

So where can this peace process go? What legitimacy can Saudi Arabia have from bankrolling this charade in Moscow?

Finally, I'm not really that angry just because the U.N. Charter is being violated—that is quite common. The real issue is not Palestinian human rights, the issue is not the right of self-determination anymore. The issue is Palestinian survival.

## Ending the Century in Genocide

In the last decade of the twentieth century, a systematic genocide is being committed, and we are quietly watching this madness. You think I am exaggerating. I don't use words like genocide lightly. Look at the settlements. They are mentioned frequently in the media, but no one talks about what they mean. Settlements represent a 20-year long policy of systematically denying the Palestinians—natives on that land—the four elements of life without which a people cannot survive. Those are land, water, culture, and leaders.

The Palestinians have now lost what was left of their homeland; in the West Bank and Gaza, they have lost 68 percent of the total land and they have lost control of 87 percent of the water. There is an assault on culture. Palestinian artists have gone to prison for using the colors of their flag in their paintings, and 22,000 books are banned. Their leaders have been killed, tortured, jailed, and deported, all in violation of the Geneva Conventions—all of which were enacted in reaction to the Nazi crimes. And the U.S. people, media, and Congress watch. How can we let that happen?

Settler colonialism is being practiced in the last decade of the twentieth century. But you know, I shouldn't be appealing totally to our morality. Someday your children, my children, will inherit the wind. What we need now is one big national movement that would demand a policy of nuclear disarmament that includes everybody. And this bully on the block saying "you arm" and "you disarm" will not work.

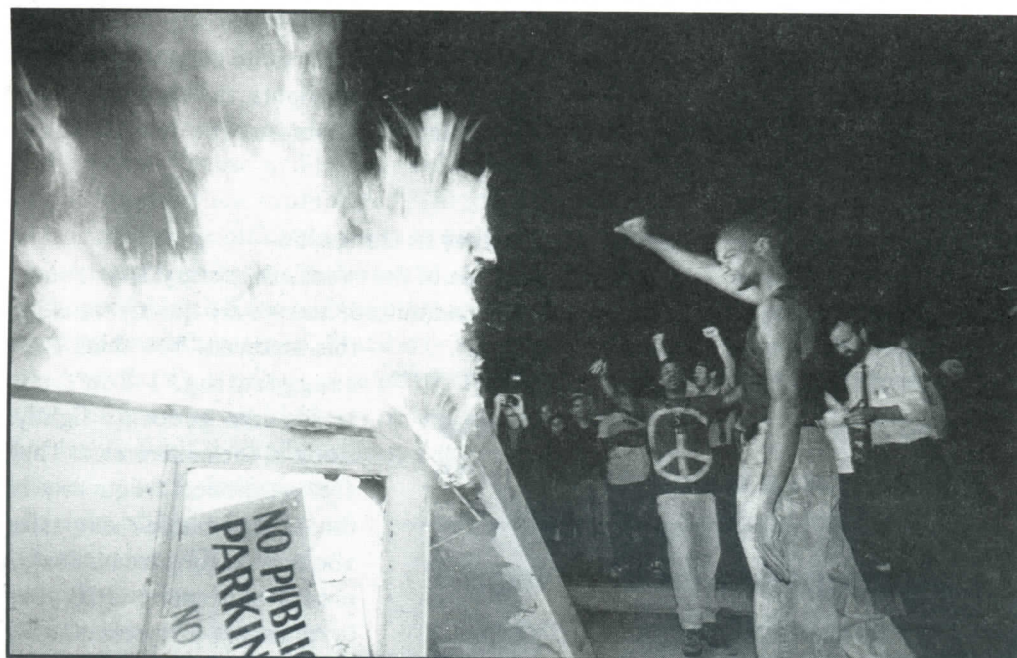
What we need is a movement that will invite the United Nations, but do it honestly, not as an instrument of a superpower but as an institution of collective peacemaking. We should have a movement that would say, "settlements stop here, torture stops here, concentration camps stop here. We cannot take it anymore." ●

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**The Arabs have thrown in the towel. That's the absolute truth.**  
**They are willing to negotiate on anything, including autonomy.**

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*What happens to a  
dream deferred?*

*Does it dry up  
like a raisin in the sun  
Or fester like a sore —  
And then run?*

*Does it stink like rotten  
meat?*

*Or crust and sugar over—*

*Maybe it just sags  
like a heavy load.*

*Or does it explode?*

— Langston Hughes

# LA: The Fire This Time

Mike Davis

**CovertAction:** What happened in Los Angeles? Was it a riot, an uprising, a rebellion, an insurrection, and why would you term it one or the other?

**Mike Davis:** I think the majority of the participants, particularly the youths who started it, see the events that began on April 29th as a rebellion. When I was at a meeting of the Crips and Bloods in Inglewood in mid-May, it was referred to as a slave rebellion. Although the term “riot” doesn’t have negative connotations for me as a labor historian, I think the wishes of the people who were the motive force should be honored.

In any case, you can’t reduce the events to a single essence—one major characteristic or identity. LA was a hybrid social revolt with three major dimensions. It was a revolutionary democratic protest characteristic of African-American history when demands for equal rights have been thwarted by the major institutions. It was also a major post-modern bread riot—an uprising of not just poor people but particularly of those strata of poor in southern

California who’ve been most savagely affected by the recession. Thirdly, it was an inter-ethnic conflict—particularly the systematic destroying and uprooting of Korean stores in the Black community.

So it was all of those things at once and issues of rage, class, and race cannot be separated out. Sometimes they coalesced, sometimes they were parallel in time and space.

**CAIB:** Is it ironic that a revolt against racism manifested itself in one of its aspects as interracial violence?

**MD:** No, it has, of course, happened before in the riots of the ’60s. When Martin Luther King came to LA in August 1965, right at the end of the first Watts rebellion, he was initially confused about the causes. But after talking to people on the street and having some pretty straightforward confrontations, he decided that it was a class rebellion: “a rebellion of the underprivileged against the privileged.” Those were exactly his words. And he acknowledged that the two targets of it were first of all the police and White institutions and secondly, White-owned stores. So in August 1965, by and large, White people themselves were scarcely attacked.

In those days the grievances that really fueled the attack on the White-owned stores were a little different than now.

Mike Davis is a labor historian and author of *City of Quartz: Excavating the Future in Los Angeles* (New York: Vintage, 1991). The interview took place in late May 1992. Photo: Ted Soqui/Impact Visuals, Los Angeles uprising.



For instance, many of the White-owned stores then were owned by Jewish-Americans — some of whom had good relations with the community.

The real target of peoples' wrath in the '60s was the credit stores, the kind of place where you'd buy a bed on time and end up paying the price of a new car. Because they lacked access to major retail centers, ghetto residents were forced into a form of debt peonage.

This time the contradictions are different. The issue centers not just on high prices (although you'll hear that), but above all on abusive treatment of Black customers. Of course, the grievance which I think lay heavier than Rodney King's beating on the hearts of many Black youths was the murder of Latasha Harlins by a Korean shopkeeper in L.A. I say murder because I can see no other word for the act of shooting her in the back of the head.

**CAIB:** In addition to the differences in targets, what other differences and similarities are there between '65 and '92? What about the racial composition, the issues, and the numbers of people involved?

**MD:** What the district attorney's office, and probably the city attorney as well, have been doing is trying to paint this as the action of a criminal fringe. They are both law-and-order Democrats who have their eyes on the attorney

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**This is the biggest domestic repression since the Nixon era. Federalized within 48 hours of the first explosion of anger, it represents a new model of urban counterinsurgency.**

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general's office in Sacramento. But they, along with all the Republican candidates in this state, as well as other born again law-and-order Democrats like Mel Levine, are echoing the 1965 McCone Commission on Watts in claiming that there are no valid reasons for taking to the streets.

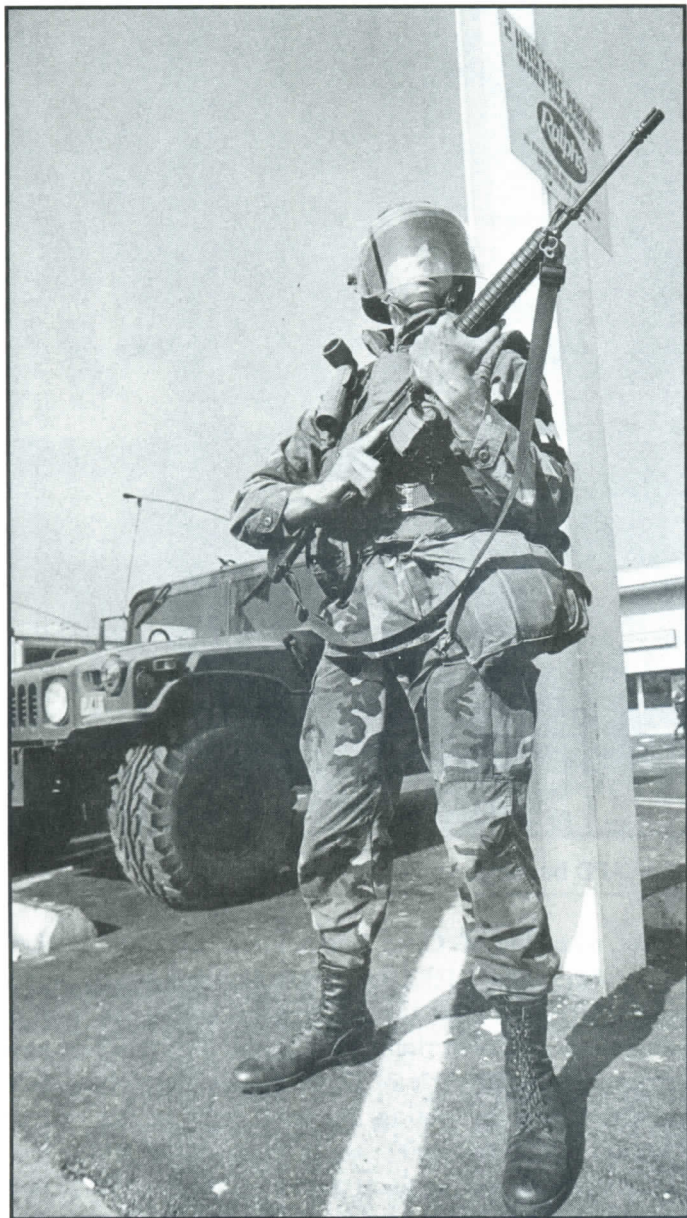


Ted Soqui/Impact Visuals, from George Holliday video  
From the video of the LAPD beating of motorist Rodney King.

Yet, after the McCone Commission came out, UCLA researchers spent a long time doing detailed surveys in the community, and what they discovered is that far from it being the action of a criminal fringe, the 1965 rebellion was extremely popular. At least 22,000 people, they found, took an active part in looting, burning, fighting the police. Another 50,000 to 60,000 people were passive bystanders in the streets cheering them on. So you had maybe 75,000 people involved. I would say that at least twice that number took part in the recent rebellion — probably with the same ratio of active participants to passive supporters.

Of the first 5,000 people arrested, 52 percent were Latino and only 39 percent Black. So it's clear, at least to the extent of the looting and some of the arson, that this was as much a Latino as a Black rebellion. And in order to understand that, you have to comprehend the severity of the current economic crisis in Los Angeles. It is an obvious linkage that the media have almost never made. Although they talk about gaps between haves and have-nots, what actually fueled this outbreak is not a general structural trend, but a specific economic condition: we are in the worst recession southern California has seen since the '30s. And the only account of it that you tend to get in the papers concerns unemployed aerospace engineers.





Ted Soqui/Impact Visuals

National Guard in action on LA streets after King verdict.

It's been a vicious, disastrous recession for the newest strata of immigrants from Mexico and Central America, which is why the worst looting outside the Black areas occurred in the largely Mexican eastern half of South Central LA, and in Central American immigrant areas like Hollywood and the MacArthur Park area.

Of course, another thing that's different from '65 is that geographically, the affected region is at least twice the area of the 1965 riot and curfew area, even extending tentacles into White middle-class areas. Undoubtedly, although you did have some opportunistic looting—yuppies in BMWs and a whole variety of people—the main force driving it was a need for consumer goods and necessities. A lot of

people couldn't buy things like milk, diapers or bread for three or four days. There was a huge power shortage and everybody's food spoiled. People who didn't want to were absolutely forced to loot.

**CAIB:** Many Central Americans who've lived with war know that when there's a chance to get food in a situation that chaotic, you need to grab it, because there's no telling how long the breakdown will continue, and in the meantime you and your family could starve.

**MD:** Absolutely. I observed the looting in several areas very carefully, and I spent hours among the looters. There was tremendous enthusiasm for athletic shoes, obviously, but particularly in the MacArthur Park area, people went for basic necessities. I saw people who looted and then watched them take a carload of food and diapers and distribute it among their neighbors in the tenement apartments of the Central American area west of downtown LA.

**CAIB:** What have been the repercussions of the uprising for Central Americans? Have there been large INS [Immigration and Naturalization Service] incursions into the neighborhoods, deportations, or any other evidence that the INS has taken advantage of the situation?

**MD:** Definitely. What's happened is absolutely terrifying. First of all, from a very early point, the repression itself was federalized and federally driven.

Mike Hernandez, the progressive Chicano councilperson representing MacArthur Park, asked very early on for police protection for Latino store owners. The response: his area was the last to get any kind of police protection. Instead, by Friday (the rebellion started on Wednesday) 1,000 INS and Border Patrol (the latter drafted from as far away as Texas) poured into the area and set up command posts at 3rd and Vermont and MacArthur Park. They've already deported nearly 700 people.

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and federally driven.**

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In my *Nation* piece [June 1, 1992, pp. 734-46], I mistakenly said that these people were accused of looting, but it now turns out that large numbers of the deportees were never charged at all. (Those against whom charges were lodged are still in custody at the INS detention center on Terminal Island and County Jail.) The roundup has broken



up families and sent terror through the Central American community. Many of those arrested were simply day laborers standing on the same corners they always stand on, people just caught on the street, even a 14-year-old mentally retarded girl who was deported to Mexico. In direct violation of Los Angeles city policy, the LAPD assisted the INS and the Border Patrol. INS agents were being taken around by the LAPD in police cars, supposedly as translators.

Very clearly, the INS and Border Patrol have used the uprising to vacuum up people in the community. More than just taking the opportunity to deport large numbers of people, they have used the situation to instill fear. It's been a reign of terror followed by political attacks not only on the Black community, but to a surprising degree on Central Americans.

If it's true that the Bush administration is divided between "softs" and "hards" on urban issues, the "hards" are really hitting on the immigration question. In LA, a number of right-wing Republicans campaigning for office have singled out the immigrants. Very early on, the Justice Department claimed that a third of those arrested were illegal immigrants. Although the figure is simply not true, it was bandied around by every right-wing political figure. Even some of the supposedly liberal Chicano leaders tried to distance themselves from the Latino looting. Despite the fact that thousands and thousands of Mexican immigrants participated, some of these leaders blamed it on Salvadorans who are "refugees" and not "real immigrants" like Mexicans.

But now, as a direct result of the backlash, the struggle of the Guatemalans (the second largest Central American



Police brutality cases have been endemic in Los Angeles for decades. In 1982, after he accidentally hit a police car, three deputies beat this man in front of his wife, children and grandparents; his head required 53 stitches.

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group in the community) to gain temporary protected status [TPS] is totally defeated. The Salvadorans, the largest group, have been given an informal one-year extension of their temporary protected status by the Bush administration. Bush sent a letter to Salvadoran President Cristiani saying: Congratulations, they can stay here for

another year and then we'll see what happens. Because the agreement is not legally binding, the 75,000 Salvadorans in the neighborhood across the street from me are now totally hostage to how the backlash develops.

Because they sense that they've become the most vulnerable scapegoats, the Central American community is rushing to register voters, to encourage people to become active in local politics and to make alliances. That is the silver lining in this huge shock to the Central American community.

**CAIB:** That leads us to ask who benefits and who loses in an uprising like LA? In '65, the Black Panther Party was formed in the wake of Watts, but it in turn was crushed by the massive government repression of COINTELPRO and other operations. Do you see patterns like that emerging?

**MD:** Of course. In a period when the majority of the Democratic Party is no longer available as a reformist instrument and New Deal liberalism is virtually dead, non-violent social disorder is about the only way that you can put the survival issues of the community on the agenda to address the continuing daily economic and literal violence.

This rebellion is going to produce very mixed results: On the good side, it has further politicized the gangs. Political consciousness always existed in the sense that members, many of whom were sympathetic to Black



OPEN SEASON ON LAPD  
 TE ALL CRIPS AND BLOODS  
 LETS UNITE AND DONT GANGBANG AND LET IT  
 BE A BLACK THING FOR THE LITTLE BLACK  
 GIRL AND THE HOMIE RODNEY KING"  
 AND EYE FOR AND EYE A TOOTH FOR A  
 TOOTH IF LAPD HURT A BLACK WILL  
 KILL TWO POW" POW" POW"

**CRIPS** TOGETHER  
**BLOODS** WE  
 STAND  
 TAKEN  
 DCH  
 A GANG  
 MEMBER

ISV"RSC"NHB"ETG"HCG"FTB"ECC  
 -E"SYL"GPS AGC BNB FIRU NHC  
 FE"CAE"RFC"VNG"PTW"CC RIDER  
 P3"NSG"

AND THE REST  
 OF THE LOCS AND BEEDOGS  
 \* BLACK POWER

05-08-92 5-12-92

TO: STATION PATROL UNITS FROM: FIRESTONE O.S.B.

SUBJECT: OFFICER SAFETY INFORMATION

DURING THE PAST WEEK, MEMBERS OF THE FPK OSS TEAM HAVE RECEIVED INFORMATION FROM 3 SEPARATE RELIABLE INFORMANT GANG BANGERS ON THREE SEPARATE OCCASIONS. ALL THREE ARE FROM DIFFERENT GANGS-(2 CRIPS AND 1 BLOOD). ALL THREE RELATE BASICALLY THE SAME INFORMATION.

THEY SAY THAT THE CRIPS AND BLOODS FROM THE HOUSING PROJECTS HAVE UNITED UNDER THE DIRECTION AND LEADERSHIP OF MUSLIMS. THERE HAVE BEEN THREE SEPARATE MEETINGS WHERE BOTH GANGS WERE IN ATTENDANCE: 8/8/92 IN THE JORDAN DOWNS, 8/6/92 IN THE IMPERIAL COURTS AND ON 8/7/92 IN THE NICKERSON GARDENS.

THIS INFO WAS CONFIRMED BY S.P.T. DEPUTIES WHO SURVEILLED ALL THREE MEETINGS. THEY SAW BLOODS AND CRIPS DRESSED IN THEIR GANG'S COLORS HANGING OUT TOGETHER. THEY NUMBERED ANYWHERE FROM 300-500. ADDITIONALLY, ON 8/8/92, AN FPK OSS UNIT STOPPED A CAR FILLED WITH 3 GRAPE STREET CRIPS DRESSED DOWN IN THEIR PURPLE GANG COLORS DRIVING OUT OF THE NICKERSON GARDENS WHICH IS A BLOOD NEIGHBORHOOD. THE GANG MEMBERS TOLD THE OSS DEPUTIES THAT THEY (CRIPS) CAN GO INTO ANY HOUSING PROJECT NOW AS THEY HAVE CALLED A TRUCE. THEY SAID THAT THEY DIDN'T KNOW ABOUT OTHER GANGS BUT ALL OF THE HOUSING PROJECT GANGS HAVE UNITED.

THE INFORMANTS STATED THAT THE PURPOSE OF THESE MEETINGS HAS BEEN TO DEVELOP STRATEGY AND TACTICS FOR KILLING COPS. THEY SAID THAT THE MUSLIMS WANT TO TARGET COPS WHEN THEY ARE MOST VULNERABLE, WHICH IS WHEN THEY ARE LEAVING THE STATION HEADED HOME. THEY PLAN TO FOLLOW A COP FROM THE STATION AND DO THEM AWAY FROM THE STATION. THE GANG'S LEADERS HOWEVER, WANT TO DO RANDOM AND SPORADIC SHIPING OF COPS IN THE FIELD. THEN, WHEN HELP ARRIVES, THEY WILL SET UP AN AMBUSH FOR THEM. STILL, OTHER GANG MEMBERS WANT TO MAKE A BIGGER STATEMENT BY OVERTAKING AND SEIZING A POLICE STATION. THEY SAY THAT THEY HAVE MORE GUNS AND MORE PEOPLE AT ANY GIVEN TIME THAN THE STATIONS HAVE INSIDE THE STATION DURING NORMAL BUSINESS HOURS.

THEY SAID THAT THE GANGS WANT TO WAIT FOR THE MILITARY TO PULL OUT AND FOR THE POLICE TO RETURN TO NORMAL OPERATIONS (ISI & CAR RESPONDING TO CALLS WITH ONLY 1 OR 2 COPS IN THE CAR) BEFORE THEY START THE "WAR". THEY SAID THAT THE MEETING SET FOR 8/12/92.

According to the LA Coalition Against Police Abuse, this document, circulated within the LAPD, was disinformation reminiscent of the FBI's COINTELPRO and was designed to undermine African-American organization and justify extreme police tactics.

nationalist ideology, understood the relentless logic of how destructive gang warfare was becoming. But until the rebellion, there was never an opportunity for the first person to take the step toward stopping the cycle.

The rebellion offered that possibility, and what we've seen since has just been astonishing. We're talking about meetings and gatherings of hundreds and hundreds of Crips and Bloods, five, six, seven hundred at a time. Recently, these have been violently broken up by the police. But, even if the truce breaks down, for most of them, being a gangbanger is no longer the thing to be. Now the thing to be is, in some sense, a liberation fighter.

Various internal groups have influenced this process of politicization. There are original veteran gang members who were politicized in prison and elsewhere and who represent a kind of post-Panther revolutionary Black politics. The Nation of Islam has also been very important (Louis Farrakhan is probably the only national figure most youths pay any attention to). It played a very constructive role in promoting gang peace. But they all know they're under attack, and they all know that provocations are being made.

CAIB: Have there been instances of infiltration of the gangs or of *agents provocateurs* fomenting trouble?

MD: One of the major establishment critiques of police conduct has been the failure of LAPD intelligence to foresee the magnitude of the rebellion or the coalescence of the gangs. Both Willie Williams, the new police chief, and

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 Now the thing to be is...  
 a liberation fighter.**

ex-FBI, ex-CIA director William Webster, head of the commission investigating LAPD conduct during the rebellion, have emphasized beefing up police intelligence. In practical terms, this strategy is not so much a matter of a romanticized policy of deep cover infiltration of the gangs, as simply a ruthless escalation of police pressure on pathetic drug users who are friends or kin of gang members.



One of the most cost-effective tactics for mass-producing snitches is the so-called "reverse buy," where police act as drug dealers in order to entrap customers, who are then offered the choice of serving hard time or becoming informants. Indeed, the "reverse buy" is a cornerstone of the attorney general's "Weed and Seed" program now being implemented in 16 different metropolitan areas, including Los Angeles, Atlanta, Chicago, and Washington, D.C. It is also, of course, morally obnoxious and indicative of a full-blown police state.

In the meantime, the LAPD and the sheriffs are doing everything possible to disrupt the gang unity process. Under various pretexts, they have attacked every mass gathering, arresting scores of youths, usually for trivial offenses. The gangs, however, have refused to be suckered into violent confrontations with the police. They are acting smart, keeping their focus on unification and peacemaking. This response, of course, only further infuriates the police, who seem to fear gang unity above all else.

An incredible amount of obvious police disinformation — much of it reminiscent of COINTELPRO — is currently

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**We shall soon see police departments with the technology to put the equivalent of an electronic bracelet on entire social groups.**

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in circulation. The sheriffs, in particular, have leaked an "intelligence report" that claims, on the authority of anonymous informants, that the Crips and Bloods are planning an assault on a police station as well as ambushes of individual cops on their way home from work. Appended to the report is a crudely drawn leaflet proclaiming: "Eye for an Eye — Let's Kill Two Cops."



courtesy of Michael Zinzun

By spraying one gang's color over another's, members of the LAPD instigate friction and possible violence among rival gangs.

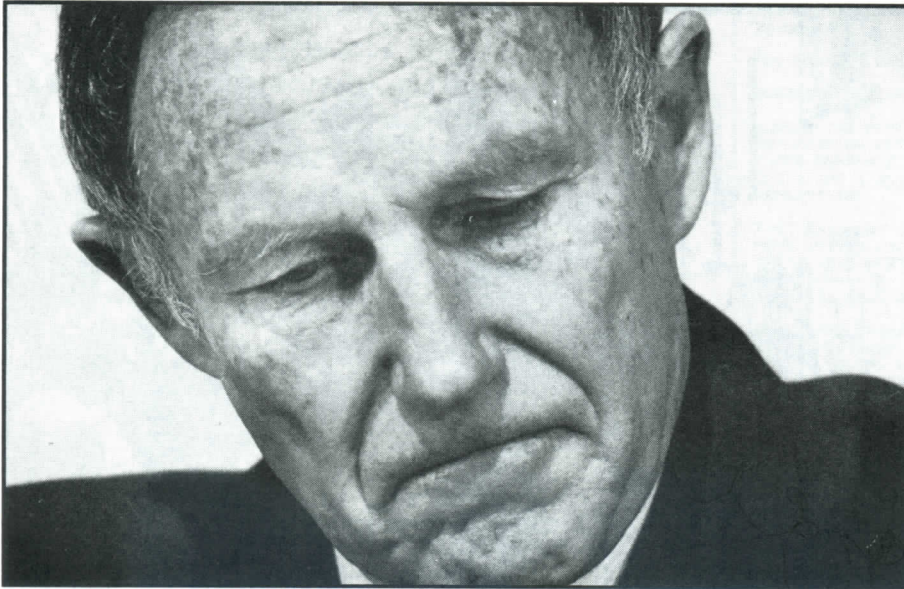
The sheriffs' document also categorically states that the Crips and Bloods are acting under "the direction and leadership of Muslims" (presumably Louis Farrakhan's Nation of Islam). This conclusion suggests that local, and perhaps federal, law enforcement agencies are exploring an all-embracing conspiracy scenario that links gangs, urban unrest, Farrakhan, and perhaps even certain Colombians and Iraqis.

**CAIB:** In LA, we saw the police and government use a high level of technology in intelligence gathering and repression techniques. What was the role of this increased sophistication, and what can we expect in the future?

**MD:** The mass arrests following the rebellion have depended upon the combined information processing capacities of the FBI and local law enforcement. In particular, the comprehensive databases on Black and Latino youth which the LAPD and sheriffs have been constructing over the past decade have been augmented by the FBI's expertise in analyzing video and photographic evidence.

It is now clear that one of the main functions of the 'anti-gang' dragnets such as the LAPD's Operation Hammer has been to create a rap sheet on virtually every young Black male in the city. Data are not simply being kept on people arrested, but rather people are being detained solely in order to generate new data.





Ted Soqui/Impact Visuals

Police Chief Daryl Gates, who will be retiring soon under pressure, has been challenged for his handling of charges of systematic police brutality and riots.

Thanks to massive street sweeps, the gang roster maintained by the LAPD and sheriffs has grown from 14,000 to 150,000 files over the last five years. This accumulation has allowed the District Attorney, Ira Reiner, to make the hyperbolic claim that 47 percent of all young Black males in LA County are active gang members. Needless to say, these files are not only employed in identifying suspects, but have also become a virtual blacklist. Under California's recent "Street Terrorism Enforcement and Prevention Act" (STEP), for instance, membership in a gang, presumably as proven by inclusion in one of these databases, can become a separate felony charge.

The large-scale nocturnal operations mounted after midnight by the police and National Guard have been based on two sources: the "We Tip" public hot lines which have supposedly generated a thousand fruitful tips on looters and arsonists, and, of course, the police information banks on gang members. In the guise of searching for stolen property, the feds have been looking for the thousands of stolen guns. They haven't been very successful in that or in finding the 400 stolen police uniforms.

In my area, at the edge of the MacArthur Park Central American community, they were sweeping through the neighborhood, knocking on doors and walking right in. They have arrested people for sitting in their living rooms and not being able to produce a sales slip for their TV or couch.

In addition, the FBI has joined with the police in making unprecedented demands that the media and private individuals surrender every single negative and every inch of video tape taken during the rebellion.

The cops, of course, have tried to impress everyone with their speedy identification of the youths supposedly responsible for the beating of the White truck driver. But the real threat of these massive new databases and information technologies is not their role in a few sensationalized instances, but their application on a macro scale in the management of criminalized populations.

In Los Angeles I think we are beginning to see a repressive context that is literally comparable to Belfast or the West Bank, where policing has been transformed into full-scale counterinsurgency (or "low-intensity warfare," as the military likes to call it), against an entire social stratum or ethnic group. This means that virtually every member of the "terrorist" population is "managed" by the police in some fashion,

whether through literal imprisonment or through new restrictions on freedom of movement and association. The effect is as if a permanent state of martial law were imposed on specific neighborhoods or sections of the city.

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or the West Bank.**

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The implications reach further than LA—emerging technologies may be used to surveil and control entire quarters of urban areas. As someone involved in land-use issues, I've been going to meetings about Geographical Information Systems or GIS. Now geographers and urban planners, as well as traffic engineers and developers, are enthralled by the imminent prospect of basing the management of complex urban systems—traffic flows, zoning, and so on—on LANDSAT satellites linked to GIS software. Since the image resolution capabilities of commercial satellite systems are now approaching the threshold of distinguishing individual automobiles, and perhaps even people and their pets, it will be possible to monitor the movements of entire populations. As one GIS expert at UCLA pointed out to me, this will quickly revolutionize the policing of inner city areas.



**CAIB:** Not long ago, the National Security Agency conducted a secret test using one of its signals intelligence satellites to track one automobile traveling all the way across the country from the East to the West Coast, day and night, through storms and all kinds of conditions.

**MD:** That's phenomenal. Of course, satellite surveillance and GIS mapping will be augmented by the increasingly common use of automatic vehicle location systems like *Lojak*, or its more sophisticated cousin *Teletrac*. In Los Angeles, and I suspect in most large cities, especially those participating in the federal "Weed and Seed" program, the courts have been utterly promiscuous in allowing the police to clandestinely tag suspects' cars with these devices. It is not far-fetched to imagine a situation in a few years where everyone on probation, or entered in one of the criminal databases, will have to submit to some form of 24-hour electronic surveillance. We shall soon see police departments with the technology to put the equivalent of an electronic bracelet on entire social groups.

As Charles Murray and other reactionary ideologues have predicted, this will abet the trend toward certain neighborhoods becoming virtual outdoor prisons.

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**It's ironic, but you can have a kinder, gentler LAPD that includes more people of color, with fairly effective systems for dealing with the more egregious abuses, and at the same time have a rapidly rising level of repression.**

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**CAIB:** How have the local and federal levels worked together and what have been the roles of the FBI and the Justice Department?

**MD:** This is the biggest domestic repression since the Nixon era and it was federalized within 48 hours of the first explosion of anger. Although the feds were called in by Mayor Tom Bradley and Governor Pete Wilson, over the head of Chief Daryl Gates, President Bush was delighted to oblige for obvious electioneering reasons. Moreover, the White House and the Justice Department have taken the initiative in making Los Angeles the exemplar of their militarized New Urban Order. Some features of the repression in LA recall the worst "assembly-line justice" that accompanied the uprisings of the 1960s, but other aspects,

particularly the enlarged federal role, represent a new model of urban counterinsurgency.

Let me deal with the more familiar features first. This response of local law enforcement has been more draconian than in 1965, both in the magnitude of arrests and in the consistency of overcharging. LA-1992, in fact, more closely resembles the aftermath of the great Detroit uprising of 1969, when local authorities threw the book, and more, at alleged rioters. As in Detroit, the city attorney and D.A. in LA have suspended plea-bargaining and gone for the maximum possible indictments, bail amounts, and sentences.

Normally, most looters, for instance, would have been charged with petty theft or misdemeanor burglary. Since the riot, however, they have been indicted for felony burglary. They now face two or three year prison sentences rather than a simple fine. (The D.A. has indicated they won't accept anything less than one year for guilty pleas). At the same time, curfew violators, many of whom are homeless people or Spanish-speaking immigrants ignorant of the curfew, have all been held on \$8,000 bail — an astronomical amount for such a petty charge. What makes this even more hypocritical is that the nominally city-wide curfew seems only to have been enforced in communities of color. I've verified that a group of city attorneys threw a wild party on the fourth night that lasted far beyond curfew. Then on Monday morning, they came into court and sanctimoniously asked the judge for 30-day sentences for hapless curfew arrestees.

However repulsive, these practices are not unfamiliar. But the federal role has added at least three new and ominous elements. First of all, we have seen the unveiling of the domestic version of the Rapid Deployment Force. We can assume, henceforth, that elite elements of the Army and Marines will be quickly moved into any large-scale urban disorder at an early stage, and not as a reluctant last-ditch measure, as when paratroopers were finally sent into Detroit in 1967.

Secondly, military deployment was accompanied by an unprecedentedly massive introduction of a thousand personnel from every branch of federal law enforcement, including marshals, FBI, DEA [Drug Enforcement Administration], Border Patrol, and the Bureau of Alcohol, Tobacco, and Firearms. On the one hand, INS and Border Patrol agents, assisted by the LAPD, swept through the streets of MacArthur Park and other immigrant Latino neighborhoods like a giant vacuum cleaner, deporting every undocumented person they could lay their hands on. Most of the six hundred to seven hundred people deported in this way were not involved and were never charged with any riot-related offense. They were simply walking the



streets or waiting at street corner day-labor markets. On the other hand, a 100-person task force of FBI and DEA agents, together with local police and sheriffs, have taken the lead in tracking down the alleged gang "ringleaders" of the uprising.

Thirdly, prosecutors from the U.S. Attorney's office, working in a special task force with the D.A., are superimposing layers of additional federal offenses on key defendants. The legal lynching of the four youths accused of attacking the truck driver and other motorists is the most vivid example so far of how the Bush administration's "weeding" of the cities will work. In this case, "interference with interstate commerce," a felony that carries a possible 20-year sentence, has been charged on the surreal grounds that the truck driver's cargo (local gravel) was being hauled to a destination where it might be mixed with out-of-state ingredients.

Moreover, at the time of this interview, we do not yet know how many RICO [Racketeering Influence and Corrupt Organizations Act] indictments may yet be returned against leading gang members. (The D.A. and U.S. Attorney's offices have indicated that there will be "many.") RICO, of course, is a contemporary version of the Criminal Syndicalism Laws of the First World War or the Alien and Sedition Acts of the early Republic: an all-embracing conspiracy statute that circumvents traditional canons of evidence and due process. As I indicated earlier, this RICO net may ultimately be cast very far and wide, as the feds try to implicate Farrakhan and others in the supposed "conspiracy."

**CAIB:** Will the recent appointment of Willie Williams to succeed Gates make a difference to LA?

**MD:** The kinder and gentler LAPD, led by Williams, will be a real rebuilding with increased emphasis on intelligence and the development of a coordinated riot and disturbance control strategy that probably will continue to be closely coordinated with the feds. Unlike in the '60s, when the National Guard marched back home, this time a staff element remains in the city. The Marines at Camp Pendleton will also remain on alert. I think that we are going to see an institutionalization of that kind of federal presence.

While the major internal contradictions about race in the LAPD will remain, I believe that Williams will be fairly effective in cleaning up the surface. The LAPD is, in a sense, in transition to being a multiracial police department. It's ironic, but you can have a kinder, gentler LAPD that includes more people of color, with fairly effective systems for dealing with the more egregious abuses, and at the same time have a rapidly rising level of repression.

**CAIB:** As FBI Director from 1978 to 1985, William Webster was involved in the COINTELPRO operations. As Director of Central Intelligence from 1985 to 1991, he ran covert operations for the CIA. What are the implications his appointment to the investigatory committee?

**MD:** In a nutshell, I would say that Webster's been brought in to focus only on why the police weren't more effective in putting down the disturbance, not on any misconduct on their part. Furthermore, he will develop far-ranging suggestions about crowd control and political intelligence, and probably set in place some system of coordination on a county-wide and state-wide level that can be copied across the country.

Webster's brief seems to center almost entirely on all the mistakes in the so-called initial deployment planning and intelligence for the riot. There are liberals in this city who were appalled by the Rodney King decision, but equally appalled that the police didn't wade in immediately and, I don't know what, shoot looters or crush demonstrations? It's become a totally hypocritical kind of discourse.

**CAIB:** Will Officer Steven Powell and his overtly racist ilk survive the new order?

**MD:** Williams has signaled his intention to purge the department. In 1991, the Christopher Commission produced its analysis of what was wrong with the LAPD. It precisely parallels the apologies of the McCone Com-

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**The FBI has joined with the police  
in making unprecedented  
demands on the media and  
private individuals  
to surrender every single  
negative and inch of video tape  
taken during the rebellion.**

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mission and concludes that if you get rid of a "criminal fringe" of 60 or 70 out-of-control, ultra-violent officers, everything will be hunky-dory. Williams, who has indicated that he's going to find ways to purge the "Powells," will get an extraordinary mandate and honeymoon period, during which time it will be much more difficult to mount any criticisms of the police.

Even now, the only criticism you hear from the White liberals in LA is that the LAPD wasn't more "competent" and overwhelming in its immediate response. It's come into



their neighborhoods and middle-class people are really scared for the first time. They don't make any distinction between poor Latinos in Hollywood looting a market and the top leadership of the Crips or Bloods.

Their exaggerated fears will ultimately override principles and considerations of justice in West Los Angeles, as it has in Simi Valley. The actuality of and potential for repression are hardly mentioned. People just don't realize the number of homes that have been illegally entered by the police at 2:00 a.m. in South Central LA. Nor do they realize that the Webster Commission and the increasing intelligence-gathering powers and repressive strategy of the police are no more likely to know boundaries in the 1990s than they were back in the 1920s or 1960s.

**CAIB:** The LAPD has a certain amount of autonomy that's fairly unusual for cities. What about the Sheriff's Department? Under whom do they operate?

**MD:** They have more autonomy. Perversely, it's partially because the sheriff is elected. Sherman Block is a liberal Jewish Republican; he's extremely smooth and politically invulnerable. Those people who live in unincorporated areas don't have access to anything like a city council person or alder. There are big sections such as East LA, Firestone, and the Willowbrook areas which look just like ordinary parts of the inner city except they're unincorporated. They're controlled by the sheriffs who have untrammelled authority over their lives.

So, the real question of police abuse and community control in LA County has been a question of the sheriffs as

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## **George Bush is going to run as the president who put the troops in LA and sent the federal prosecutors in behind them.**

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well as the LAPD, particularly if you're Latino. More of the Latino working class is actually affected by the sheriffs than they are by the LAPD.

So, it's important to remember that it is not only the police who are a problem, but the Sheriff's Department which has been even worse. It's truly more out of control and has even higher levels of brutality against people of color. Over the last two years, the sheriffs have been responsible for more than a dozen unlawful killings, several of which were virtually coldblooded assassinations.

And although the Sheriff's Department is probably more racially integrated than the LAPD, this has had

absolutely no effect in preventing avowedly White-supremacist groups from operating inside the department. Last year, for example, a judge corroborated longstanding rumors that a White racist "gang" known as the Vikings had been organized inside the Lynwood Station in a majority Black and Latino suburb. This notorious station is under lawsuit for literally scores of major abuses, ranging from murder and torture to unlawful detention and beatings.

But somehow all this blood just seems to wash off Sheriff Sherman Block's manicured hands. Unlike Chief Gates, he keeps his foot out of his mouth and cultivates a cordial relationship with the press.

Recently, Block announced his interest in next year's mayoral election. It would be the ultimate irony for Los Angeles to finally get rid of Gates as police chief only to have Sheriff Block as the next mayor.

**CAIB:** Given the potential for backlash and the current level of fear, will the events in LA have an important impact on the upcoming presidential election?

**MD:** Absolutely. George Bush is going to run as the president who put the troops in LA and sent the federal prosecutors in behind them. He's going to tell the country that only a Republican president is capable of protecting the suburbs and maintaining law and order.

"Operation Weed and Seed" (one of the scariest, most invidious slogans and programs I've ever heard of) is the new Bush urban program for the '90s. On the "seed" side, this upward distribution of wealth is just another way to implement the capital gains tax break Bush been unsuccessful in getting through Congress and to universalize enterprise zones in the inner city.

But actually, he's quietly gone further already. He's told the cities: "If you're short of money, if you want aid, sell your airport, privatize your public sector." So he's advocating for U.S. cities the same kinds of "structural adjustment" that the World Bank and the IMF are imposing in the Third World.

The "weed" part, on the other hand, includes this whole conjugation of repressive tactics that we had a taste of in the LA uprising: cultivating the use of RICO and other super-draconian federal penalties, ostensibly to remove the so-called gang leadership.

**CAIB:** Thank you.





*Without the demon of the Soviet Union to scare the U.S. people, the Bush administration is singling out a succession of lesser demons, creating a policy of permanent demonization. This policy is a natural extension of the successful Willie Horton campaign that worked so well domestically for George Bush in 1988. Now, the Willie Hortons have become international.*

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## Nuclear Threats and the New World Order

Michio Kaku

On the eve of the Gulf War, opinion polls indicated that the U.S. public was evenly split, about 45 to 45 percent, on military intervention. To tip the scales, the Bush administration unleashed a blistering torrent of accusations, branding Saddam Hussein a threat to Middle East oil, a renegade, a trampler of international law, and even a new Hitler. None of these tactics, however, proved particularly effective in rousing war fever. A sizable fraction of the U.S. people resisted administration propaganda and preferred to pursue patient negotiations, rather than to pull the trigger.

Then, the Bush administration unleashed the unsubstantiated claim that Iraq would develop the atomic bomb within one year — even though most nuclear physicists concluded it would take about ten years.<sup>1</sup> Within days, well-meaning Americans who had grave reservations about the use of bloodshed to restore a reactionary, feudal emirate, began to wave the flag and support invasion.

Given the success of the tactic, it is not surprising that the nuclear bogeyman reared its head again. Soon after the conclusion of the Gulf War, the *New York Times* raised the specter of a North Korean atomic bomb. For 40 years the situation in Korea had been relatively stable and, in fact, ignored by the media. Within weeks, however, the Bush administration created a major international crisis by focusing world attention on the alleged atomic bomb factory at Yongbyon.<sup>2</sup> Similarly, it had been known for years

that Cuba was building a Chernobyl-style reactor. After the Gulf War, however, the right-wing press ignited a fierce controversy by claiming that because Florida could be contaminated by a nuclear accident, a U.S. invasion of the island was justified.

### Proliferation Justifies Invasion

Nuclear threats, of course, have historically been at the heart of U.S. foreign policy and have proven extremely useful for justifying U.S. actions.<sup>3</sup> This time around, however, there is a new twist added to the more traditional

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*The U.S. has been providing extensive  
covert and overt support,  
including selectively  
proliferating the atomic bomb  
to close allies.*

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threats by the U.S. to unleash nuclear devastation on any nation challenging its powers.<sup>4</sup>

In the past, preventing nuclear proliferation had been a low priority for U.S. policymakers. Now, the U.S. claims the right to intervene militarily around the world to stop alleged proliferation.

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1. "Unless Stopped, Iraq Could Have A-Arms in 10 Years, Experts Say," *New York Times*, November 18, 1990, p. 1.

2. "U.S. Officials Step Up Warnings to North Korea on Nuclear Arms," *New York Times*, November 21, 1991.

3. Michio Kaku and Daniel Axelrod, *To Win a Nuclear War: The Pentagon's Secret War Plans* (Boston: South End Press, 1987).

4. As early as 1948, during the Berlin Crisis, President Truman authorized Operation Broiler, which included plans to drop 34 atomic bombs on 24 cities in the Soviet Union in a first strike by B-29 bombers. During the 1954 Vietnam crisis, President Eisenhower authorized Operation Vulture, which included using two to six 31-kiloton atomic bombs to vaporize Vietnamese troops at Dien Bien Phu. (Kaku and Axelrod, *op. cit.*).



Iraq, North Korea, and Cuba are the first beneficiaries of this new "Bush Doctrine." As we shall see, the basis for calculating the extent of the threat these nations pose is a political judgment by U.S. policy makers, not an objective assessment by scientists and military analysts.

Now that the only other superpower, the USSR, no longer exists, one might conclude there is no need to threaten the use of nuclear weapons. This is not the case.

On January 14, 1991, days before the beginning of the Gulf War, the Pentagon leaked to *Newsweek* a major study on the use of nuclear weapons against Iraq. It publicized the Pentagon's varied contingency plans to use nuclear weapons and pointedly mentioned General Norman Schwarzkopf's request for permission to use them in the Gulf. The plan called for neutron bombs to destroy enemy troops, nuclear "earth penetrators" to vaporize underground bunker positions, and hydrogen bombs detonated over Baghdad to wipe out its communications systems.<sup>5</sup> During the war itself, there were approximately 300 U.S. hydrogen bombs in the Gulf aboard U.S. ships.

This policy was further clarified by a Pentagon paper leaked to the *New York Times*<sup>6</sup> in March 1992. According to the secret draft, top priority for the future will be preventing the rise of another rival to U.S. military supremacy. It listed seven possible nations or combinations of nations which may threaten U.S. military domination of the world. A careful look at these seven possibilities, however, shows that the Pentagon is shadow boxing. Iraq, one of the contenders, for example, is devastated and has a gross national product that is one percent of the U.S. GNP. Nonetheless,

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*While the U.S. richly rewarded Israel, South Africa, and Pakistan, which all had extensive clandestine nuclear facilities, it used Iraq's primitive bomb-building efforts to justify a war.*

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the report unleashed a firestorm of protest, including diplomatically tempered outrage from some U.S. allies ranked as potential rivals. The Bush administration tried to distance itself from this report, calling it unofficial and low-level and not the basis of U.S. foreign policy.

Two and a half months later, according to the *New York Times*, the Pentagon issued its final report in which it backed away from thwarting "the emergence of a new rival

to American military supremacy"<sup>7</sup> as the primary goal for the next five years. Official policy or not, the report, which circulated among the Joint Chiefs of Staff, represents a major position within the military.

Ever eager to save the administration embarrassment, some commentators quickly labeled the report a "trial balloon" meant to test public opinion about a major defense strategy. More likely, however, it was deliberately released as a veiled warning to friends and foes alike that the U.S. will not tolerate threats to its military supremacy.

One of the key principles of Game Theory, developed by the mathematician John von Neumann for Pentagon nuclear war games, is that the enemy can be kept at bay by letting it know that you are prepared to unleash the "maximum level of violence" if necessary. The policy is like that of a tiger snarling in the forest; it knows that if the smaller animals ganged up, they would win. Through belligerent roaring and strutting, and a few well-timed bluffs, the tiger can intimidate the other animals and keep them in line without engaging in a single fight. Likewise, the Pentagon's nuclear snarl warns the rest of the world not to tangle with the U.S.

### Selective Proliferation

Although adding charges of proliferation to the vocabulary of snarls and using it as a justification for intervention is a recent phenomenon, its inclusion is simply an extension of longstanding U.S. Cold War strategy. The U.S. has consistently dispensed support, and in this case nuclear technology, to selected right-wing governments in reward for containing the Soviet Union. As Henry Kissinger once remarked, if a nation is on its way to building an atomic bomb, then why not provide certain assistance in order to influence its foreign policy.<sup>8</sup>

For decades, then, while publicly decrying the spread of nuclear weapons, the U.S. has been providing extensive covert and overt support, including selectively proliferating bomb technology to a number of its close allies. The real threat of nuclear proliferation comes not so much from Iraq and North Korea, which have only a primitive technological base, but from those countries such as Israel, South Africa, India, and Pakistan, whose nuclear weapons infrastructures are quite mature and sophisticated. Interviews in 1988 with top U.S. intelligence experts indicated that Israel had at least 100 atomic bombs, South Africa had up to 20, India 12 to 20 and Pakistan 4.<sup>9</sup> Since then, these countries have considerably modernized their nuclear production methods and accelerated bomb production.

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7. Barton Gellman, "Pentagon Abandons Goal of Thwarting U.S. Rivals," *Washington Post*, May 24, 1992, p. A1.

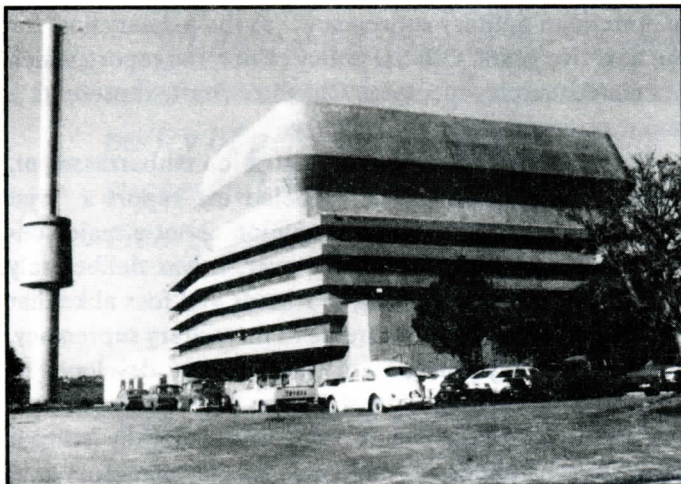
8. Seymour Hersh, *The Price of Power: Kissinger in the Nixon White House* (New York: Summit Books, 1983), p. 148.

9. "Bombs in the Basement," *Newsweek*, July 11, 1988, pp. 42-45.

5. *Newsweek*, January 14, 1991.

6. Patrick E. Tyler, "U.S. Strategy Plans Call for Insuring No Rivals Develop," *New York Times*, March 8, 1992, p. A1.





Peter Davis

South Africa's nuclear facility at Pelindaba-Valindaba.

### Double Standard

In its secret nuclear facility at Kahuta, in the hills near Rawalpindi, Pakistan, has been quietly amassing advanced nuclear technology. The U.S. gave its tacit blessing to the project largely in recognition of Pakistan's role as a strategic CIA-financed staging area for the fundamentalist rebel fight against the Soviet-backed government of Afghanistan. The Reagan administration, in fact, pressured Congress to grant exceptions to laws requiring a cutoff of aid to Pakistan because of its nuclear program, arguing that it had not yet technically assembled an atomic bomb, *i.e.*, it was "one screw turn away" from constructing a nuclear weapon. A.Q. Kahn, head of the Pakistani nuclear program, acknowledged that the U.S. was fully aware that it had the bomb. "America knows it," said the "father of the Pakistani atomic bomb" in one candid interview. "What the CIA has been saying about our possessing the bomb is correct."<sup>10</sup> In spring 1992, after years of adamant denial, Pakistan publicly admitted for the first time that it has the capability of building the atomic bomb.

While the U.S. richly rewarded Israel, South Africa, and Pakistan, which all had extensive clandestine nuclear facilities, it used Iraq's primitive bomb-building efforts to justify a war. In that conflict, the U.S. and its allies dropped 88,500 tons of high explosives (seven times the Hiroshima bomb), killed perhaps 200,000 to 300,000 people, and according to the U.N., reduced the country to a "preindustrial" state.

### Access to Fissionable Materials

An examination of the relative strengths of nuclear programs makes the double standard clear. A first step in building an atomic bomb is obtaining or purifying from natural uranium the 20 pounds of enriched uranium, or

10. *Ibid.*

uranium-235, necessary to fabricate one atomic bomb (less for a plutonium bomb). The two most common ways of obtaining weapons-grade uranium are manufacturing it domestically or buying it abroad on the open market. Using state-of-the-art production techniques, it takes approximately 1,000 ultracentrifuges operating for one year to purify enough enriched uranium to make a bomb. (Because U-235 is slightly lighter than U-238, the ultracentrifuge, by spinning natural uranium, can separate these two isotopes.) Pakistan is known to have about 14,000 ultracentrifuges, or enough, in principle, to make 10 to 15 atomic bombs per year.<sup>11</sup> Having apparently assembled its first atomic bomb in 1986, Pakistan could now have a small nuclear arsenal.

By comparison, Iraq had 26 ultracentrifuges before the war, far too few to manufacture an atomic bomb within a year.<sup>12</sup> Meanwhile, as far back as 1968, the U.S. provided South Africa with 230 pounds of enriched uranium to power its U.S.-made 20 megawatt Safari-I nuclear reactor, which operates on weapons-grade (90 percent enriched) uranium. As early as August 1973, the South African government publicly announced that it had purified a few tons of weapons-grade fuel for its nuclear reactor at Pelindaba-Valindaba. In 1975, the South African Minister of Mines, Dr. Pieter Koornhof, announced an ambitious \$4.5 billion program to build a mammoth facility capable of producing 5,000 tons of enriched uranium a year.<sup>13</sup>

In addition, the South African government also operates the huge 1,844 megawatt Koeberg I and II nuclear power plants. Theoretically, these plants are large enough to yield roughly 500 pounds of plutonium per year, which could then be extracted by chemical purification processes.

Clearly, South Africa's vast nuclear program, centered at Pelindaba-Valindaba, dwarfs the puny Iraqi program by several orders of magnitude and can generously supply both its own and Israel's need for fissionable materials.<sup>14</sup> The exact figures on South African plutonium refinement capability are unknown because Pretoria had refused to sign the Nuclear Nonproliferation Treaty (NPT) until 1991.

Iraq, by contrast, was a signatory to the NPT, allowed inspections by the International Atomic Energy Agency (IAEA) every six months, and only possessed about 50 pounds of enriched uranium. Legally obtained under strict IAEA controls and supervision, this material was appar-

11. *Ibid.* Because of breakdowns, the Pakistani ultracentrifuges most likely operate at much less efficiency, perhaps producing only enough fissionable material for one to five atomic bombs per year.

12. *New York Times*, "Unless Stopped....," *op. cit.*

13. Ronald Walters, *South Africa and the Bomb* (Lexington, Mass.: Lexington Books, 1987).

14. Seymour Hersh, *The Samson Option: Israel's Nuclear Arsenal and American Foreign Policy* (New York: Random House, 1992).



ently the basis of the Bush administration's claim—widely disputed by physicists around the world—that the Iraqis could assemble an atomic bomb within one year. In fact, only one month before the Gulf War, the IAEA had conducted its periodic inspection and stated flatly that there was no threat from this uranium.

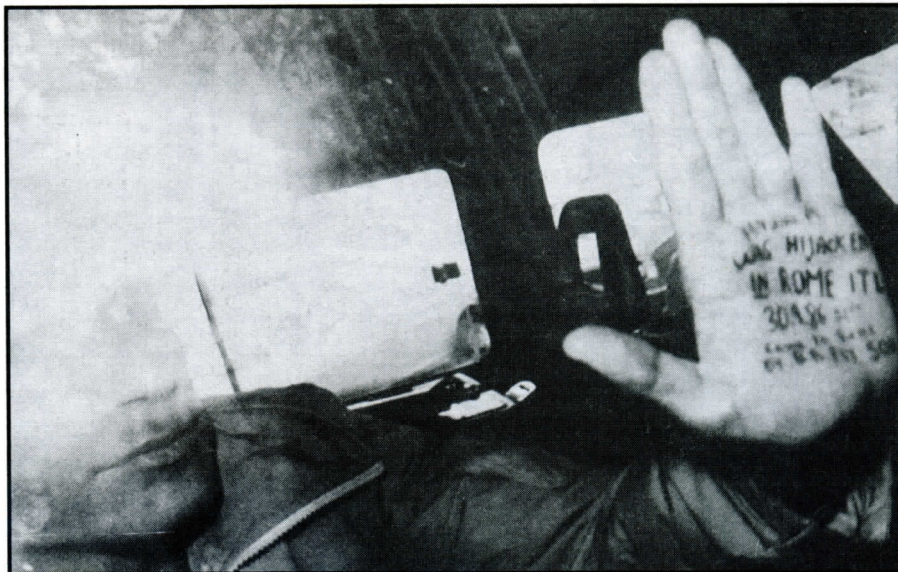
Compare the unsubstantiated charges of imminent nuclear capability launched against Iraq with the solid evidence provided six years earlier by Israeli defector Mordechai Vanunu. The nuclear technician claimed that Israel possessed possibly several hundred atomic bombs, developed at the secret Dimona plant, and even sent color photographs of the nuclear bomb cores to the London *Sunday Times*. According to Vanunu, Dimona produces 1.2 kilograms of pure plutonium per week, or enough to manufacture four to twelve atomic bombs per year. Despite this evidence, the U.S. publicly supported the convenient fiction that Israel did not possess nuclear capability.<sup>15</sup>

### Secret Testing Revealed

Even after it is assembled, an atomic bomb is effectively useless unless the technology has been tested; no country will risk its existence on a potential dud. To prevent testing without its knowledge, the U.S. launched the Vela satellite in the 1970s specifically to detect unauthorized detonations of nuclear weapons around the world.

On September 22, 1979, a storm brewed off the coast of South Africa near Prince Edward Island (1,500 miles from the Cape of Good Hope). Two Israeli Navy warships plied the rough waters. Unexpectedly, the heavy cloud cover broke and the Vela satellite detected the fingerprint “double flash” (called NUCFLASHES in Pentagon jargon).<sup>16</sup>

Apparently, the South Africans and Israelis were testing a low-yield atomic warhead that was later standardized for use by the Israeli Defense Force. Had the clouds not parted on their third test, they would have successfully evaded the Vela satellite.<sup>17</sup> As one Israeli official involved with the test said, “It was a fuckup. There was a storm and we figured it would block Vela, but there was a gap in the weather, a



World Wide Photos

Jerusalem, 1986. Former nuclear technician Mordechai Vanunu presses hand to car window as he is taken to court. It reads: “Vanunu was hijacked from Rome.”

window, and Vela got blinded by the flash.” This joint South African-Israeli test was the first and only known test by a country not in the Nuclear Club since India had tested its bomb in 1974.<sup>18</sup>

By contrast, Iraq was not only years away from getting enough enriched uranium by its ingenious (although clumsy) efforts to make a bomb, it was even further away from actual testing.

### Developing Technology and a Credible Arsenal

The recent U.N. revelations that Iraq's nuclear program was concealed and more diverse than expected do not change this basic conclusion. The new information was interesting not because it showed how advanced the project was, but because it exposed Iraq's low level of technology and high level of desperation. Unable to legally obtain ultracentrifuge technology, the country had embarked on a costly search for various alternative and antiquated methods of uranium separation.

An Iraqi defector divulged that there were three previously undisclosed nuclear sites where the Iraqis even resurrected technologies long-abandoned by the West, such as the calutron (California cyclotron). The on-site U.N. team found that only 6 to 12 of the 30 calutrons in Tarmia were usable before the war and all were destroyed by the war. Iraq's admission of one pound of low-grade uranium (unsuitable for bomb use) was consistent with the state of Iraq's unfinished calutron site. Furthermore, without high speed capacitors needed for precise electronic

15. “Revealed: The Secrets of Israel's Nuclear Arsenal,” London *Sunday Times*, October 5, 1986. See also Frank Barnaby, *The Invisible Bomb* (London: I.B. Tauris, 1989); *CAIB*, “Israel's Nuclear Arsenal,” Number 30, Summer 1988, p. 45; and Louis Toscano, *Triple Cross* (New York: Birch Lane Press, 1990).

16. The “double flash” is the fingerprint of a nuclear detonation. Only an atomic (not a chemical) bomb can generate this rapid sequence of flashes.

17. Hersch, *Samson...*, *op. cit.*, pp. 271-72.

18. *Ibid.*, p. 267.





P. Sudhakaran/UN PHOTO 159027

Electromagnetic isotope separator, a Calutron, was destroyed by the Iraqis under the provisions of U.N. Resolution 687.

detonation of the enriched uranium or plutonium, an Iraqi bomb would have been quite unusable. The U.N. found no indications that Iraq had mastered the technology of high speed capacitors.

### The Single Bomb Fallacy

Even if Iraq had been able to manufacture a bomb, a single nuclear weapon, contrary to public perception, does not constitute a credible military threat, nor does it have much military value in an armed conflict. A substantial stockpile is another matter.

Israel has perhaps the world's sixth largest nuclear arsenal, now estimated at 300 atomic bombs. During the 1973 October War, the Israelis were poised to fire their nuclear weapons at the Arabs if the battle had turned against them. After the 1973 war, the Israeli Defense Force apparently established three nuclear-capable battalions, each with 12 self-propelled 175-mm nuclear cannons. Three nuclear artillery shells were stockpiled for each weapon, making a total of 108 warheads for these nuclear cannons alone.<sup>19</sup>

Adding to its nuclear potency, only Israel, of all the nations not in the Nuclear Club, has mastered the more advanced thermonuclear hydrogen bomb technology. The pictures released by Vanunu and shown to nuclear physicists at U.S. weapons laboratories revealed that the Israelis have mastered the technology of neutron bombs—highly sophisticated “enhanced radiation” weapons which are ideal for tactical or theater nuclear warfare.

19. *Ibid.*, p. 276.

### Delivering The Bomb

Lastly, even after constructing, testing and consolidating a small arsenal of bombs, a nation must be able to deliver them. The Scud-B weapons launched by the Iraqis during the Gulf War had great psychological value, but almost no military value. Most of them broke up in mid-flight—a disaster in a war fought with nuclear weapons. Furthermore, crude atomic bombs are so large and bulky that they cannot be carried by conventional fighter bombers. By contrast, the Pakistani program is advanced enough to manufacture a lightweight atomic bomb, weighing no more than 400 pounds, that can be strapped onto the belly of a U.S. F-16 fighter bomber.<sup>20</sup> The South Africans have made their Overberg testing range available to the Israelis for tests of their Shavit (Comet) missile, which uses the Jericho-2B missile as its first two stages.<sup>21</sup> The Shavit missile launched an Israeli satellite into orbit in 1988 and can hurl a 2,000 pound bomb a distance of 1,700 miles. One top U.S. administration official, commenting on the close relationship between Israel and South Africa in developing

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*The U.S. now claims the right  
to intervene militarily  
around the world to stop  
alleged nuclear proliferation.*

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these weapons, said, “We know everything, names, dates, everything. We don’t have any evidence that it’s a plain uranium-for-missiles deal. Think of the relationship as a whole series of deals.”<sup>22</sup>

### Divide and Conquer

Puny as Iraq’s nuclear program seems in comparison to that of Pakistan, Israel, and South Africa, it could not have been built in such a short time without substantial foreign assistance.

Ironically, Iraq’s technological infrastructure was largely a creation of the West. In the early 20th century, British success in dominating the Middle East, controlling large parts of Africa, and running a global empire, relied on a

20. *Newsweek*, “Bombs in the Basement...,” *op. cit.*

21. “Israel’s Deal with the Devil?” *Newsweek*, November 6, 1989, p. 52.

22. *Newsweek*, “Bombs in the Basement...,” *op. cit.*



strategy of "divide and conquer." The British sliced up what is now Iraq, Syria, Jordan, Lebanon, and Kuwait, and much of Africa in order to pit Arabs against Arabs, Africans against Africans. The U.S., which took over as the major Middle East power after World War II, learned this lesson well. The Shah of Iran, for example, was set up by the CIA as regional "policeman of the Gulf" charged with keeping the Arab nations in line. After his overthrow, the U.S. needed a counterweight to the insufficiently tractable Iranian fundamentalists. In the interest of Middle East control, and eager to see its enemies clobber themselves, the U.S. largely sustained and then brokered the long, bloody stalemate between Iraq and Iran.

In order to neutralize Iran, which it perceived as the greater threat, the Reagan administration gave widespread military and economic support to Saddam Hussein, secretly feeding Iraq with military intelligence information on Iran's forces, in the form of satellite data.<sup>23</sup>

As long as Iraq was neutralizing Iran, Saddam was the beneficiary of the selective proliferation policy. As long as Iraq was perceived to be carrying out U.S. wishes, it was rewarded, like Pakistan, with substantial aid and trade concessions. Thus, much of the high technology eventually destroyed by Desert Storm came from the U.S. and West Germany.<sup>24</sup> The U.S. Commerce Department licensed more than \$1.5 billion in sensitive high technology for Iraq

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*Reliance on nuclear threats to maintain U.S. military supremacy may backfire by weakening the U.S. economic infrastructure.*

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before the Gulf War. About 200 major companies in the West were involved in the high technology transfer. Hewlett-Packard, Honeywell, Unisys, International Computer Systems, Rockwell, and Tektronix had lucrative trade agreements with the Iraqi Atomic Energy Commission and Saad 16, Iraq's missile research center. Honeywell even did a study for a power gasoline bomb warhead for the Iraqis.<sup>25</sup>

#### **Nuclear Threats in Korea**

Similarly, the Bush Doctrine has recast the Korean question. After three decades of relative stability and obscurity, suddenly, within weeks of the Gulf War, international attention was focused on the "nuclear threat" posed by the Yongbyon nuclear complex located 60 miles north

of Pyongyang. The irony, as the North Koreans have pointed out, is that the U.S. maintains thousands of tactical nuclear weapons around the world, with approximately 600 concentrated in the Korean area.<sup>26</sup>

The threat presented by this arsenal is real. During the Korean War, the U.S. had authorized the use of nuclear weapons in the appendix to its secret war plan, OPLAN 8-52. Recently declassified minutes of the National Security Council reveal the detailed plans by President Eisenhower and his secretary of state John Foster Dulles to exploit tactical nuclear weapons in Korea.<sup>27</sup> To pressure North Korea, President Bush vowed in September 1991 to withdraw nuclear weapons from South Korea. The pledge, as the North Koreans have again noted, is largely symbolic, since U.S. nuclear weapons based on ships, such as nuclear cruise missiles, can be fired into North Korea within minutes. An offshore nuclear missile is just as deadly as a nuclear missile based on land.

In any case, equating the U.S.-backed South Korean nuclear capabilities with those of North Korea is absurd. The North Korean nuclear program is qualitatively and quantitatively even more primitive than the Iraqi one, which in turn was quite backward by Western standards. The Iraqis, at least, had access to billions of dollars of advanced Western technology because of its war against Iran. The Soviets, by contrast, were historically much more tight-fisted about sharing this kind of advanced technology with their allies. In the late 1960s, they provided a small reactor. The North Koreans contracted with the British to build an old-fashioned, 1950s-style graphite reactor, called the Calder Hall, which was to be operated by the British Nuclear Fuels Company. This 20 to 30 megawatt reactor, tiny compared with the 1,000 megawatts common in the West, was begun in 1980 and was already obsolete when completed seven years later.

In 1985, although North Korea signed the Nuclear Non-proliferation Treaty, it has been unwilling to allow totally unrestricted inspections of its facilities. As a consequence, the U.S. began to suspect that the North Koreans were converting the civilian reactor to military purposes. At present, the case against the North Koreans is based primarily on satellite photographs, the interpretation of which is the subject of intense controversy. The U.S. asserts the photos show that the North Koreans are completing a new reactor, possibly 50 to 200 megawatts in power, and a new reprocessing plant which could extract plutonium from radioactive waste. These admittedly speculative conclusions have even created a dispute between the CIA on one side and the Pentagon and

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23 "Bush's Iraqi Blunder," *New York Times*, May 14, 1992, p. A17.

24 "Building Saddam Hussein's Bomb," *New York Times Magazine*, March 8, 1992, p. 30.

25. *Ibid.*

26. "U.S. Officials...," *New York Times*, *op. cit.*

27. Kaku and Axelrod, *op. cit.*



the State Department on the other.<sup>28</sup> Based on its claims that the North Koreans will have the atomic bomb within a few months, the CIA recommends immediate action, possibly including force. The Pentagon and State Department take a much more relaxed view, estimating that North Korea is two to five years from an atomic bomb. This appraisal allows ample time for a diplomatic solution.

There is some indication that the stalemate is breaking up. On March 14, 1992, a new agreement was signed between the two Koreas. The South Koreans agreed to drop their insistence on a rigid timetable for inspections, and the North Koreans agreed to allow a formal inspection of the Yongbyon site – possibly in June or shortly thereafter. In April, the North Koreans even released a video of the interior of the reactor site. On May 3, they promised to hand over to the IAEA a list of nuclear-related sites for inspection.<sup>29</sup>

Part of the controversy has revolved around the often quoted U.S. position that satellite photographs of the Yongbyon facility show no electrical wires emanating from the site. Reactors for peaceful rather than bomb-production purposes, the U.S. argued, would necessitate a network of transformers and cables connecting the site to the power grid. It was the North Koreans' word against the West's, until IAEA Director Hans Blix and his team reported after a May 1992 visit that they found "electric distribution grids outside two large nuclear power plants, suggesting that the plants are intended for power generation...[and] supporting North Korea's assertion that its nuclear plants are strictly for peaceful power-generation purposes."

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*The Bush administration  
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They also turned up a "a tiny quantity [of plutonium]," said Blix, "far from the amount you need for a weapon."<sup>30</sup> In fact, small quantities of plutonium are often extracted for reprocessing but are usually of a type not usable in weapons production. Despite exaggeration by the media about the Yongbyon site, the IAEA has been cautious in drawing any conclusions until a more complete inspection – expected soon – can be conducted.

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28. "2 Koreas Agree to A-Inspection by June," *New York Times*, March 15, 1992, p. 3.

29. "North Korea to Drop First Veil," *New York Times*, May 4, 1992, p. A7.

30. T. R. Reid, "N. Korean Plutonium Plant Cited," *Washington Post*, May 17, 1992, p. A25.

## Will the Bush Doctrine Backfire?

Ultimately, the Bush Doctrine may backfire in any number of ways, with a variety of dire consequences. The Bush administration is playing with nuclear fire, and it is easy to get burned.

For example, the U.S. has allowed the atomic bomb to proliferate so widely that, without anticommunism to keep these countries in line, proliferation may be out of its control. Already in the 1973 October War, the Israelis apparently threatened to unleash their atomic bomb on the Arabs unless the U.S. came to its aid. The U.S. was thus blackmailed and put on the receiving end of a nuclear threat.

Another potential nuclear flashpoint is the centuries-old feud between the Muslims in Pakistan and the Hindus in India. The recent crisis over Kashmir caused the U.S. State Department to express public alarm that the conflict would boil over into open warfare, with the distinct possibility that nuclear weapons could be used by both sides.

But perhaps most important, the reliance on nuclear threats to maintain U.S. military supremacy may backfire by weakening the domestic economic infrastructure. The clear implication of the leaked Pentagon report is that while other countries, such as Germany and Japan, may eventually pose a grave economic threat to the U.S., Washington's nuclear superiority will keep them in line and keep the U.S. on top.

This reliance on military domination is a tacit admission that U.S. economic strength will continue to deteriorate into the next century. Since 1945, U.S. control of 50 percent of the world's wealth has declined to 25 percent, and is still falling. Most of that wealth was squandered maintaining a world-spanning network of 395 foreign military bases in 35 countries at a current cost exceeding \$210 billion annually. With such a colossal military burden, this country is undergoing a remarkable de-industrialization process, which the world has not seen since turn-of-the-century England.

If the Pentagon is relying on nuclear might to keep its rising economic rivals in line, then this expensive "solution" will ultimately exacerbate the problem of economic decline by accelerating the de-industrialization of the U.S.

A journalist once asked President Reagan whether the rightwing strategy of "spending Russia into a depression" might backfire; might not the U.S. be spent into a depression instead?

In one of the few lucid moments of his presidency, Reagan answered, "Yes...but they'll bust first." For once, Ronald Reagan was correct. The Soviets indeed did bust first, but there are indications that the U.S. may be next. ●



# The U.N.: Washington's Captive Tool

Phyllis Bennis

The year 1991 was not only tumultuous, it was filled with the kind of moments when history stands still and events become part of our individual and collective memory. Where were you, what were you doing — when you saw the

first explosions over Baghdad's skies on CNN? — when you heard of the August coup in Moscow? — when you witnessed Palestinian, Arab and Israeli negotiators sitting down to talk? — when you first saw the enormous Russian flag carried through Moscow's streets or the red USSR flag lowered for the last time over the Kremlin?

The changes shook the world, economically, politically, militarily, strategically; alliances were made and broken, old enemies became new friends, and longtime allies were eyed with new suspicions.

The New World Order, however, was not the beginning of an orderly new world. The national boundary lines drawn on the world map by colonial powers in the early 20th century were suddenly fluid, changing. The center, it seemed, could not hold. It was not that nationalism had faded from the global stage; quite the contrary, new nationalisms, new xenophobias, new chauvinisms sprouted like mushrooms after a rain and — along with their virulent spores, racism and ethnic hatred — became dominant ideologies dividing small pocket-sized populations from their neighbors, often within existing states. As the old states crumbled, they formed new statelets vying for economic and political survival on a redrawn global playing field.

The events of 1991, especially the fall of the Soviet Union, and the U.S. victory in the Gulf, ended the existing framework of strategic bipolarity within which U.S.-Soviet contention and the Cold War had dominated the world since the end of World War II. Some analysts view the emerging reconfiguration as a multipolar world in which a number of political, military, and economic powers contend and cooperate in a global pattern absent a strategic center. Others, however, see a unipolar world strategically dominated by the U.S. Its command, however, is increasingly challenged by an economically powerful but still

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## **The U.N. is a major recurring instrument in Washington's orchestration of this new superpower-without-a-sparring-partner era.**

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politically uncertain Europe, and by a financially strong but militarily feeble Japan.

The U.S. view of the New World Order is clear: With or without a superpower contender, Washington must retain and consolidate its superpower status. As long as that

position is rooted in military-strategic superiority, it is not immediately threatened by economic competitors. One of the key goals of the Gulf War was to reassert the continuity of the U.S. position vis-à-vis other powers thinking of competing for the title. Regardless of the Kremlin's fall, Washington's war warned, this superpower has no intention of folding its tent and going home.

### **Reconciliation and Surrender**

The United Nations is a major recurring instrument in Washington's orchestration of this new superpower-without-a-sparring-partner era. After decades of dismissing it as a backwater of socialist bombast and rampant Third Worldism, the Bush administration started promoting the U.N. as its pet multilateral institution. U.S. favor, especially toward the Security Council, invested the world body with unprecedented status and a heady illusion of power. It began on August 2, 1990, the day Saddam Hussein's army invaded Kuwait.

As the days of the Gulf crisis turned into months, the U.S. kept the Council in virtual round-the-clock session. The illusion of U.N. centrality, however, was never transformed into a true shift in power. Relentlessly, the U.S. ratcheted up the anti-Iraq stakes from condemnation to sanctions to the ultimate prize: a U.N. declaration of war to be waged on Washington's command.

Thus, while the Gulf War was waged in the name of the U.N., Washington held the reins and rode the occasionally kicking but ultimately compliant U.N. on a road paved with administration interests. When the bombing of Baghdad began on the evening of January 16, 1991, the Council was in session at the U.N.'s New York headquarters, and its diplomats emerged from the chamber unaware of the attacks even then being launched in their name.

In the post-Cold War, post-Soviet world, the U.N. and the international credential it provided, offered the U.S. a

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M. Grant/UN PHOTO 179210

January 1992. The first summit-level meeting of the U.N. Security Council drafts a declaration asserting its central role in world peace and security.

new framework for relating to long-time friends—now competitors—such as Japan and Western Europe, and to new potential friends—once adversaries—such as the former Soviet republics. It also provided a scheme for identifying and gaining control over new adversaries in the South. These developing countries of the Third World are locked in an increasingly lopsided battle for economic justice with the powerful industrialized (and overwhelmingly white) North.

At first, it remained unclear whether the boost the U.S. gave to the United Nations' stature during the Gulf crisis was a one-time tactic, limited to gaining support for war against Iraq, or a long-range strategic shift in U.S. planning. By the fall of 1991, the "new" U.N. was in full swing. The September General Assembly session saw a succession of heads of state and foreign ministers, including George Bush, extolling the U.N.'s role in the new, post-Cold War, post-Gulf War world order.

In September, Bush pushed ahead with his efforts to effect U.S. policy through the U.N. He called for a repeal, by the end of the 1991 session, of the 1975 Assembly resolution that identified Zionism as a form of racism and racial discrimination. And by mid-November, when tensions between Israel and the U.S. were on the rise again, U.S. diplomats criss-crossed the globe, using Gulf War-tested methods of bribing and threatening other nations to win support of the repeal efforts. By mid-December, the campaigning was over, and the December 16th repeal vote (one day before Bush's deadline), surpassed even Washington's wildest expectations. Out of 149 balloting nations, 111 voted for repeal.

The boldness of the U.S. effort to overturn a longstanding U.N. policy was seen as a significant reinforcement of the new role of the U.N. as subservient to a U.S. agenda.

The original 1975 vote had been preceded by long and detailed discussion on the nature of Zionism's discriminatory practices and its origins in appropriating another people's land for use exclusively by Jews from other countries. In contrast, the repeal vote included no substantive discussion at all. Nor was there any indication that the change in votes reflected a change of opinion on the nature of Zionism. Instead, it seemed simply to manifest the increased ability of the U.S. to impose its will through bribes and threats against far-flung capitals.

### **Solidifying Power Through the Summit**

By early 1992, U.S. instigation of a high-profile Security Council summit was a further indication that the U.N. had proven itself far too valuable a weapon in

Washington's diplomatic arsenal to be tossed aside after the Gulf War. The Council itself became even more docile in January 1992, when Yemen and Cuba finished their two-year terms, and Morocco and Venezuela joined the Council—countries much more accountable to a Western agenda.

The January summit brought together the heads of state of the 15 Security Council member nations for an unprecedented discussion of the future of the United Nations. On the surface, the summit was little more than a photo op designed in part for domestic political consumption. The British ambassador, the imperial Sir David Hannay, rotating president of the Security Council for January, had insisted that the hastily called meeting of Council heads of state be held no later than January 31st. When another British diplomat was asked why it couldn't be delayed until February, when the U.S. ambassador would be presiding over the Council, he reportedly quipped, "Because our elections come before yours."

### **Peacekeepers to Peacepolicers**

Beyond the hype, the U.N. summit was designed to orchestrate and legitimate a major goal set in motion by Washington on August 2, 1990: the transformation of the world body into a credible tool for implementing U.S. policy and a more palatable surrogate for the U.S. role of global policeman. With the massive changes of 1991, old countries fell and new nationalisms rose. The U.N., however, remained at center stage through its expanding global cleanup operations. The U.N.'s apparent centrality in the Gulf War gave rise to newly prominent roles in trying to resolve civil and/or inter-ethnic wars, some of longstanding duration (El Salvador, Cambodia, Afghanistan), others new, and often of startling ferocity (Yugoslavia, Nagorno-Karabakh).



One glaring exception to this new U.N. activism demonstrated how the U.S. would use its political and financial clout to retain tight control of the U.N.'s peacekeeping mandate. In the Middle East, the U.S. Gulf victory set in motion an effort to impose a U.S.-dominated stability in the region. It required an unprecedented Arab-Israeli "peace process." Israel's adamant refusal to accept any U.N. role in the talks was adopted by the U.S. and Russian co-sponsors in Madrid. This exclusion ignored more than two decades of international consensus—formalized in dozens of U.N. resolutions, not counting those vetoed by the U.S.—calling for an international conference under U.N. auspices to resolve the Israeli-Palestinian conflict.

Thus, in the midst of previously unimagined credibility and multilateral support for U.N. involvement in international crises, the only U.N. representative present at the Madrid conference was a low-ranking observer denied any right to speak.

#### Humanitarian Intervention

Elsewhere in the world, however, where the U.S. could expect to control the direction of U.N. peacekeeping operations, the world body took on new initiatives. Indeed, the very concept of "peacekeeping," which once was predicated on obtaining the prior agreement of the country or countries involved, began to be redefined as "peacemaking." A new concept emerged on the diplomatic agenda, championed first by the French. Known in diplo-speak as "humanitarian intervention," it called for multilateral decisions—most likely by the Security Council—to legitimate foreign intervention, with or without consent of the affected nation. Surfacing in the midst of the crisis in Haiti that followed the anti-Aristide coup in the fall of 1991, the concept gained credibility as the U.N. watched the reign of terror that followed his overthrow. This context gave a certain legitimacy to the notion of multilateral involvement aimed at protecting a vulnerable civilian population. The nature of the discussion made clear that potential targets were much more likely to be those already demonized by the West: Qaddafi's Libya, Saddam Hussein's Iraq, Kim Il Sung's North Korea, Fidel Castro's Cuba, etc. The coup in Haiti, for example, was not on the agenda.

Tactical differences emerged between France and the U.S. on how best to implement future Security Council military involvement. Paris offered a contingent of French troops to be kept instantly available for peacekeeping operations, on condition that the U.N.'s Military Staff Committee (long moribund because of Cold War rivalries), be reactivated. The U.S., however, wanted no part of such a

multilateral command structure. Washington's view is shaped by its success in the Gulf War, which allowed Pentagon command structures to remain above and in control of a multilateral force answerable only to the U.S.

#### Turning the Screws On Libya

Events of early 1992 reinforced the pattern set by the Gulf War and strengthened by the Zionism resolution and the January Security Council summit. Even before the

summit, the U.S. and Britain had begun prodding the Council to endorse a harsh anti-Libya resolution. The ostensible purpose was to demand that Tripoli turn over to the U.S. and Britain two Libyan nationals accused of participation in the bombing of Pan Am Flight 103 over Lockerbie, Scotland, in 1988. The unanimous Council demand led inexorably to a sanctions resolution imposed March 31st. It called for severing civilian air travel between Libya and all other countries, an arms embargo, and large-scale cuts in Libyan diplomatic personnel around the world.

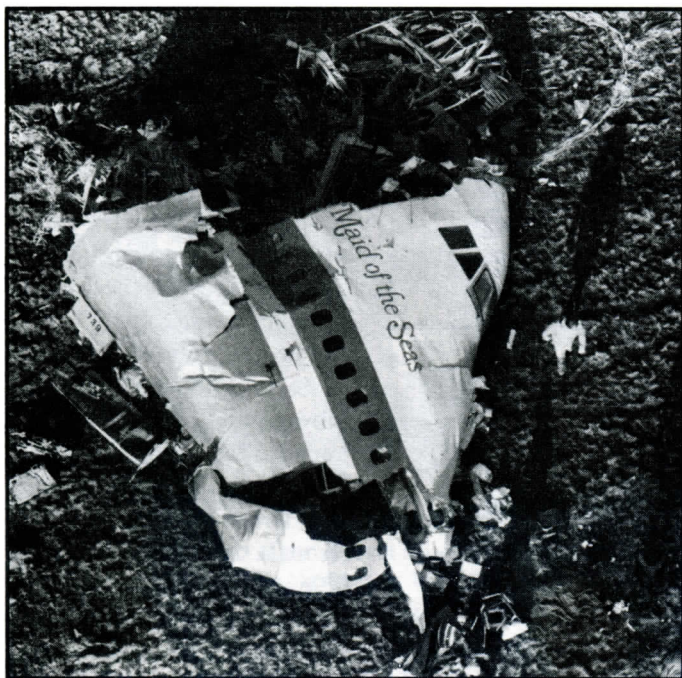
The resolution, like the one authorizing Bush's war in Iraq, provided an interim period for Libyan compliance before the sanctions would go into effect, in this case two weeks. This time, however, the U.S. failed to win the unanimous Council backing for sanctions that it had engineered in January simply to compel Libyan compliance. Only 10 of the 15 Council members supported the sanctions resolution; five non-aligned countries (Zimbabwe, India, China, Cape Verde and Morocco) abstained. Despite U.S. and British claims, evidence of Libya's involvement was far from conclusive and the push for sanctions was seen as a way of expanding Washington's police powers abroad and gaining political points for Bush in an election year. A diplomatic source referred to the sanctions resolution as aiming an elephant gun at a mosquito.

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A particularly sore point in the sanctions resolution was that the Council decision was forced through despite Libya's then pending case before the International Court of Justice (ICJ) in The Hague.<sup>1</sup> Tripoli had argued that resolution of a legal dispute such as that between Libya and the U.S. and Britain properly belonged before the Court, not the Security Council. And most of the speeches by the non-aligned countries before the Council vote reflected deep concern with the overly hasty decision by the Council to impose sanctions while the ICJ case was pending. Clearly, the heavy-handed U.S.-British tactics had struck a nerve.

1. In 1986, the court found the U.S. guilty of violating international law when the CIA illegally mined Nicaraguan harbors as part of its Contra war. The U.S. ignored the judgment. Eventually, the Chamorro government, aided to power by the U.S., dropped the case.





Wide World Photos

First blaming Syria and Iran, the U.S. then fingered Libya for the explosion of Pan Am 103 in Lockerbie and imposed sanctions.

This same effort to concentrate U.N. power in the Security Council at the expense of the other branches of the world body, such as the ICJ or especially the far more democratic General Assembly, was recognized by many in the Council. Zimbabwe's Ambassador Simbarashe Mumbengegei referred specifically to the threat to U.N. integrity posed by that concentration of power. "The drafters of the Charter of the U.N. were very clear," he said after the sanctions vote that the,

legal questions which confront the organization must first and foremost be addressed by the most qualified legal minds that we have, which is the International Court of Justice....The Security Council only consists of 15 members. There are 160 [U.N.] members who are not part of the [Council]. Therefore it would be a serious mistake to want to create a situation where 15 members can want to argue that they are much stronger as a body than the 160 who are not in that body. That would really undermine the very basis of the United Nations, which is basically democratic, [and based on] equality of states. And if the Security Council were to be seen in that light, it would undermine its authority for the rest of the members' confidence in it as an institution which can protect their interests.<sup>2</sup>

The sanctions resolution was viewed as both an example of present and a portent of expanding Western domination

of the Council. Although it was only three months since the official dismantling of the Soviet Union, there was no expectation that Russia, desperate for U.S. aid and acceptance by the North, would oppose the sanctions. Indeed, the Russian representative said not a word during the debate to explain his vote supporting sanctions.

There was some quiet unease that China did not use its veto to block the provocative sanctions. Although the Chinese ambassador denied it, reports circulated throughout the U.N. that Beijing had been subjected to intense U.S. pressure. If it prevented the anti-Libya resolution from passing, Washington had reportedly threatened to withdraw China's already-precarious Most Favored Nation (MFN) status. Apparently, the Chinese abstention allowed its coveted MFN designation to remain.

### Resentment Turns to Opposition

If the resolution demonstrated U.S. strength, it also fueled a growing, though still impotent resentment. While it is unlikely that any developing countries now serving on the Security Council could withstand the kind of no-holds-barred bribe-and-threaten scenario that led to the lopsided 13-2 vote in favor of Bush's war in the Gulf, there are signs that the power of the U.S. to dominate the world body is not without limits. The inability of London and Washington to achieve a stronger consensus within the Council for anti-Libya sanctions may portend an emerging reluctance of the countries of the South to be prodded into endorsement of the Western effort to concentrate U.N. power in the Council and away from the far more democratic Assembly.

A number of Arab delegations — including some such as Morocco, Tunisia, Egypt and others whose relations with Libya sometimes tend to be strained — were outraged at the double standard of international justice imposed by Washington. While Israel's occupation of Arab lands proceeds unchallenged, they noted, Washington and London force the world to attack Arab countries, first Iraq and now Libya, for problems of far less duration and/or seriousness. Demonstrators attacking Western embassies in Tripoli the day after the sanctions resolution identified the relevant Council members and singled out Venezuela, whose ambassador presided over the Council vote. Popular outrage across the Arab world was strong enough to revive a pre-Gulf crisis level of unanimity within the Arab League, condemning the sanctions and demanding a new effort to negotiate a solution to the Libya-U.S.-Britain crisis. Only 24 hours before the sanctions were to go into effect, the Secretary General of the Arab League, Ahmed Esmat Abdel Majid, pleaded with his U.N. counterpart — Boutros-Ghali — for "postponement of the implementation [of sanctions] in order to have the necessary time..." His plea fell on deaf ears.

2. Interview with the author, April 1, 1992.



## Enshrining the U.S. Lifestyle at the Earth Summit

Despite the current round of successful manipulations, the U.S. effort to institutionalize its domination of the Council, and the Council's domination of the U.N., may prove difficult challenges for Bush's New World Order. The breakup of existing power blocs and the emergence of new alignments will be reflected in the U.N. as they take shape on the world's diplomatic stage.

The increasingly overt division of the world along the North-South axis is already starting to show up in new alignments within the U.N. This pattern clearly separates the interests of the U.S. and its industrialized Western allies (generally including, at last, the European and Slavic republics of the former Soviet Union) from those of the developing countries of the South.

For example, the rancorous preparation work leading up to the June 1992 Earth Summit in Rio focused world attention on this chink in the U.S. armor. Washington antagonized virtually everyone involved in the Earth Summit and has been seriously isolated (even from some of its Western allies). Open U.S. disdain for environmental concerns—especially those of Third World countries struggling to balance ecological integrity with daunting development challenges—has rankled. Bush would not agree to go to Rio unless it served U.S. interests, let alone commit to provide the broad financial and political backing needed to help ensure at least a modicum of success at the summit. Gutting a pre-conference clean air agreement, and rejecting the bio-diversity treaty, the administration unapologetically refused to accept any restrictions on “the American lifestyle” in the interest of ending global warming.

At the same time, Washington withheld any significant contributions to the developing countries (such as large-scale debt relief) which could facilitate environmentally responsible development. In contrast to Washington's arrogant isolation, some of its Western competitors, such as France, gained significant new credibility in the South for their relatively (compared to those of the U.S.) far-reaching commitments to the Earth Summit process.

### Boutros-Ghali: Our Man at the U.N.

This kind of U.S. high-handedness and the opposition it engenders among the developing countries, muted though it may be, appears to be a growing example of the kind of realignment that will characterize the U.N. under the New World Order. The North-South polarity is displacing the East-West dynamic as the overt framework for U.N. debates and alliances.

The U.S. itself seems cognizant of this changing U.N. terrain and has developed strategies designed to keep the South's discontent from consolidating. Washington's backing of the new Secretary General, the Egyptian diplomat Boutros Boutros-Ghali, is one manifestation. The Egyptian diplomat was the “least unacceptable” to Washington of the candidates put forward by the Africa Group at the U.N. Reflecting Washington's own priority of strengthening the Security Council's role, he is understood to be far more accountable to a Western—especially U.S.—agenda than to the interests of Africa. The Egyptian diplomat is willing

to play a key role in winning African and Middle Eastern (read: the pro-U.S. “moderate” Arab states) support for U.S. initiatives. His five-year term will provide very good conditions for the U.S. to consolidate its political power to control and direct the U.N.

Part of that process involves closer ties between the

Secretary General and the Council. Indeed, Washington already seems to be encouraging greater involvement by Boutros-Ghali's office in implementing Council decisions. And without the once-paralyzing U.S.-Soviet contention, a Council under a U.S. thumb appears, at least for the short term, a far more realistic possibility.

Nor is opposition likely to consolidate among the once non-aligned countries of the South. The Latin American countries, for example, remain under heavy pressure from their looming Uncle Sam in the North. During the debate on anti-Libya sanctions, Venezuela's ambassador was president of the Council. When asked whether the non-aligned countries had any concerns regarding encroaching U.S. and Western control of the Council, Ambassador Diego Arria replied, “You know that we non-aligned countries on the Council met separately on this issue, and yes, we have some concerns.” Then he paused for a long moment. “But of course our concerns are the same as those of the others on the Council.”<sup>3</sup>

U.S. power and influence, although still paramount, are still far from absolute. Washington's delinquency in paying \$552 million in U.N. back dues, or its \$308 million share of the skyrocketing costs of expanded peacekeeping operations, including in Cambodia, El Salvador, and Yugoslavia, has caused increased animosity among other U.N. member states. Further, it represents a serious obstacle to the U.S. credibility needed for efforts to bend the world organization to its will.

3. Interview with the author, April 1, 1992.



## Hope for Restructuring

Some changes within the structures of the United Nations appear inevitable—although the nature of those changes is far from certain. The regional groups, which function as transmission belts to General Assembly decisions, selection of Security Council members, etc., will have to be reconfigured. Certainly Africa and Latin America will remain geographically determined. But the division between the Western and Eastern European groups, for example, no longer reflects political realities. Why should the NATO-wannabe countries of Eastern Europe function within a separate regional group? Where should the eager-for-capitalism and now independent republics of the former Soviet Union fit? And how should the countries of the Middle East be represented within the U.N. groups: divided up as they are now between Africa and Asia, or reconfigured as their own independent, potentially stronger grouping?

For years, wish lists for broadening the democracy of the international organization have circulated in the corners and corridors of the United Nations. Much of the hope for change centers on the Security Council, which holds the critical power to wage war and impose peace. The Council's origins are rooted in the successful efforts of the post-World War II allied victors to institutionalize their dominance in the world. Today, some believe, things should be changed to reflect new economic and political power relations.

Japan (currently one of the temporary two-year members of the Council) and Germany have both indicated a belief that their economic stature merits permanent inclusion in the Council. Their status might be one notch down from the "Perm Five," they say, perhaps permanent Council membership without a veto. For them, "broadening democracy" simply means increasing the participation of advanced industrialized countries. The U.S. has officially endorsed Germany's claim since 1974, but has kept the issue on a back burner out of fear of pandering to a resurgent German power.

Some reformers focus on the new post-colonial significance of the developing countries, both as economic and political powers, and as enormous population centers. They propose adding three permanent members to ensure the continuity of voices of the South. Most often mentioned are the largest and most influential of the countries of the South: Brazil, Nigeria and India.

Other, even bolder, plans are sometimes whispered, including dumping the Security Council veto altogether. The signers of the U.N. Charter, however, assured that any such dramatic changes could only be carried out if those currently holding the veto themselves agreed to divest themselves of power—an improbable scenario, to say the least.

## Despite Grumbling, U.S. Tightens Grip

None of these changes appears likely to make it on to any official U.N. agenda in the near future. Instead, the main changes emerging in the world body are now those of power, not structure. They reflect tighter U.S. control and a stronger U.S.-U.N. alliance in implementing a thoroughly Western agenda.

The only significant structural change in the New World Order U.N. came in late 1991 when officials packed up the red hammer-and-sickle Soviet flag and replaced it with the three-color banner of the Russian Republic. Russian leader Boris Yeltsin announced his intention to take over the permanent veto-wielding seat on the Security Council, and he proceeded to do just that. Not surprisingly, the U.S. State Department indicated it had no problem with its new Council counterpart.

Significantly, no one else on the Council seemed to find any problem in changing—without any official U.N. decision—the Charter's reference to the Council seat of the "Union of Soviet Socialist Republics" to that of the "Russian Federation." The founders of the U.N. did not anticipate leaving the composition of the all-powerful Security Council up for grabs. The only precedent for changing Council membership was that of China. When Chiang Kai-shek fled to Taiwan after the Chinese revolution in 1949, his government claimed China's seat in the U.N. and in the Council. It was not until the mid-1970s, and the end of China's international isolation, that the General Assembly voted to define the Charter's imprecise reference to "China" as referring to the People's Republic of China rather than the Nationalist government in Taipei. That "definition" vote did not require a Charter amendment. The recent non-decision *fait accompli* to replace the Soviet Union with Russia was far more reflective of the new unassailable power of the U.S.

The Gulf War showed the U.S. it could use the world body to implement Washington's agenda. The false U.N. consensus was cobbled together to reflect the power relations of the New World Order and gave George Bush the tool he needed to overlay a multilateral facade on a singularly unilateral war. For the future, this U.S. use and abuse of the U.N. is likely to remain a key feature of post-Cold War U.S. foreign policy.

Whether the United Nations fights that domination, collapses unwillingly beneath its power, or throws its prestige and influence to endorse the U.S.-Western effort, rests now with the countries of the South. ●

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What is secret is often squalid as well. In the dark, men were able to act contrary to the values they proclaimed in public. Paying service to democratic ends, they made league with scoundrels whose interest is anything but the survival of democracy.... Today's New Right ideologues believe in the omnipotence of the goal and the irrelevance of the deed. So their tactics are those of the enemy they hate and fear, and they award America's franchises to con men, hustlers, terrorists, racketeers, murderers and other sleazy characters who for a fee sign up for the crusade.<sup>1</sup> — Bill Moyers



## Re-Framing Dissent as Criminal Subversion

Chip Berlet

When our national security interests are perceived as threatened, secrecy becomes sacred and the ends justify the means. Since the end of World War II, the techniques of political repression recur, banal and predictive, like the musical theme that signals stalking in a grade-B thriller. Those organizations and individuals targeted for repression are portrayed as enemies of democracy; those investigating and attacking them assume the mantle of democracy's guardians.<sup>2</sup>

Because of the covert nature of the campaigns and the enormous difference in resources between government agencies and dissident/reform movements, it is often impossible to document and prove the existence of an organized campaign of political repression in its earlier stages. In case after case, however, later investigation has revealed illegal government surveillance, harassment and

public opinion manipulation, as well as media complicity. Therefore, when classic symptoms of political repression emerge, a political or social movement would be wise to consider tactics and strategies to protect its members from the negative political, emotional, and physical consequences. Members can be provided with simple, common sense techniques to prevent fears (and actual incidents) of surveillance, disinformation, and infiltration from disrupting the group and diverting it from its goals.

### Paradigm Shift

One of the earliest and most often overlooked warning signs that a campaign of political repression is underway is the "paradigm shift." In this usage, paradigm shift means a major negative change in the way the public perceives the political movement that is ultimately victimized. Paradigm shift frequently precedes more overt signs of attack, such as assaults, break-ins and surveillance. Political repression telegraphs its punches.

California Press, 1991). See also Frank Donner, *The Age of Surveillance: The Aims and Methods of America's Political Intelligence System* (New York: Alfred A. Knopf, 1980); Robert J. Goldstein, *Political Repression in Modern America, 1870 to Present*, 2nd edition (Rochester, Vt.: Schenkman Books, Inc., 1978); Murray B. Levin, *Political Hysteria in America: The Democratic Capacity for Repression* (New York: Basic Books, 1971).

Chip Berlet is an analyst for Political Research Associates in Cambridge, Mass. He wishes to thank Sheila O'Donnell, Brian Glick and Ann Mari Buitrago for the discussions which informed the thesis presented here. Some paragraphs previously appeared in *Police Misconduct and Civil Rights Law Report*, July-August 1988. Photo: J. Edgar Hoover receives medal for his outstanding contribution to freedom, 1957. Associated Press.

1. Bill Moyers, *The Secret Government: The Constitution In Crisis* (Cabin John, MD: Seven Locks Press, 1988).

2. For background, see Frank Donner, *Protectors of Privilege: Red Squads and Political Repression in Urban America* (Berkeley: University of



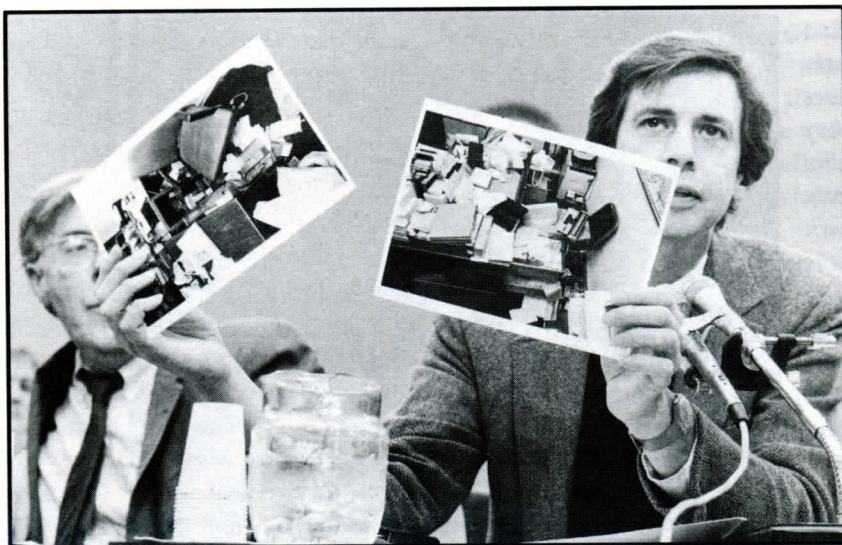
For many years the major threat to "the American way of life" was popularly believed to be communism, then generalized as leftist revolutionism, and now a vaguely defined domestic terrorism. This concept of America under attack is frequently filtered through a paranoid world view that represents what social scientists call a "subversion myth."

The perpetrators are viewed not only as criminals, but as traitors whose assault on core cultural and political values—if it succeeded—would destroy America as we know it. Dissent has been transformed from a movement for reform into a threat to national security, and extreme countermeasures are therefore justified.

### The Usefulness of the Media

The perceptual shift from dissent to criminality first goes public with unsubstantiated allegations and conclusions in the media of the reactionary and paranoid political Right. Eventually, the right-wing media attempt to re-frame<sup>3</sup> the public's perception of the dissident group as subversive or criminal spills over into more mainstream media. A growing segment of the public begins to see the targeted political movement as fundamentally at odds with mainstream society. This antagonism is portrayed as irreconcilable. The dissidents are seen as non-rational, unstable, alien, and capable of odious crimes because of their zealous mindset. Lists of potential crimes are discussed, and finally actual crimes are blamed on the political movement. Ideas that were once merely marginalized are thus criminalized while popular opposition to government is partially neutralized. In some cases, the re-framing is so successful that there is widespread popular sentiment supporting the attacks. When this process of re-framing is successful, paradigm shift has occurred.

3. The concept of the "frame-up" has been popularized in pulp crime novels and *film noir*, but few people stop to consider what it means when, with wide-eyed innocence, the person being dragged to jail proclaims, "I've been framed." The term "frame" is from the jargon, "to hang a frame" on someone, which means to select for an observer a perspective from which certain conclusions about a person, group or event seem readily apparent, logical, and even inescapable.



Rev. Gregory Brown testifies at congressional hearings on FBI break-ins. He holds photos of Salvadoran activists' D.C. offices after a 1987 break-in.

Often, derogatory information passes back and forth between government agencies and private right-wing groups through informal back-door channels, and the actual source becomes obscure. Lawsuits and declassified documents have revealed that sometimes it is the investigative agency that leaks information to the right-wing media, and in other cases such agencies rationalize probes by citing charges appearing in the right-wing press. The relationship benefits both sides. The agency is able to test public sentiment and prepare the ground for its assault, while the right-wing media furthers their political agenda and appear to generate hard investigative journalism.

tionalize probes by citing charges appearing in the right-wing press. The relationship benefits both sides. The agency is able to test public sentiment and prepare the ground for its assault, while the right-wing media furthers their political agenda and appear to generate hard investigative journalism.

### Playing Fast and Loose with the First Amendment

Re-framing of dissenters as criminal subversives is a critical process within government law enforcement and intelligence agencies. For internal and external reasons, government institutions must provide justifications for the fact that, on the surface, members of a dissident group under investigation often appear to be engaged in activity protected by the First Amendment. Agents and officers who become queasy about lapses in protecting constitutional rights, or who object to the paranoid assumptions underlying the rationalization of the investigation, are made aware that their careers will suffer unless they become team players. Sometimes, if public political conditions are favorable, a congressional committee will start a well-publicized investigation and hold hearings where the government and right-wing experts who started the process are called to testify. This forum ensures that the charges against the targeted group are distributed widely by the media, and hearing transcripts become the basis for a new wave of charges.

When the public is prepared to view the dissidents as a clear and present danger, the last stage of political repression is implemented. Government agents engage in intrusive investigative procedures and harass members of the targeted group. Suddenly, demonstrations or acts of civil disobedience are met with huge overreaction and displays



conduct or brutality); and unexplained, apparently random physical assaults, arson attacks, or robberies occur with increasing frequency. Later, government or private surveillance abuses are often discovered.

### **In Search of the Crafty Core Cadre**

Implicit in the rationalizations and justifications for political repression is a package of right-wing paranoid beliefs with roots deep in xenophobia and nativism. Two key paranoid theories could be called the theories of the "Slippery Slope" and the "Onion Ring."

#### **The Slippery Slope Theory of Subversion:**

- Global liberation movements are not prompted by a genuine response to social conditions but by outside intervention, most often by revolutionaries or communists and their proxies.
- Domestic social change movements are not fueled by a genuine response to social conditions but by outside agitators, most often revolutionaries or those under the control of revolutionaries.
- Liberalism is the crest of a slippery slope which leads downhill to the Welfare State, then Socialism, and inevitably to Communism or Totalitarianism.
- Dissent is provoked by subversion. Subversion is a terrorist movement. Terrorism is criminal.

For the true believers who advocate this view, patriotism equals unquestioning obedience to authority and undying resistance to social change. Surveillance and infiltration are justified to stop the spread of subversion. It's all a plot. Slippery Slope theorists generally believe in the Onion Ring Theory as well.

#### **The Onion Ring Theory of Subversion:**

- Subversive cadre bore into the core of all social change movements both at home and abroad.
- To uncover the cadre who are engaged in subversive criminal activity, an informant must work step-by-step from the outer onion ring of non-criminal free-speech activity through several rings of hierarchy toward the center core where the criminal activity lurks.
- Honest though naive activists are often unaware they are being manipulated, and should welcome attempts to expose the core of crafty covert criminal cadre.

Less extreme than the Slippery Slope, the Onion Ring Theory concedes that some members of radical and liberal political movements are sincere, and are not sliding into totalitarianism. Nonetheless, its advocates also justify surveillance and infiltration to stop the criminal activity at the core of groups exercising their free speech rights.

In fact, in order to ensure that at least some agents or informants succeed in penetrating to the criminality at the core, an extraordinary level of invasion becomes not only

legitimate, but essential. Onion-ringers advocate infiltrating every group, spying on each member, and tracking all persons even tangentially involved in all social change movements. Alas, for the domestic political activist, the end result of both the Slippery Slope and Onion Ring theories is the same: political surveillance and infiltration.

While courts have consistently ruled that passive monitoring of First Amendment activity is permissible, critics charge that surveillance and dossier-compiling often turn into disruption or attack — sometimes inadvertently, sometimes intentionally. As Donner explains:

The listing of individuals, whether for ultimate detention in the event of war or for clues to the source of civil disorders, masked an underlying tension between passive monitoring and barely suppressed aggression. Why wait for the future showdown? What can be done to get at these people now? This tension found an outlet in special programs directed at 'key figures' and 'top functionaries' singled out for close penetrative and continuous surveillance.<sup>4</sup>

Since agents are attempting to discover a core of criminality that, except in rare cases, does not exist, they become frustrated and redouble their efforts. This fervor is especially problematic with informants and *provocateurs* who, failing to find the sought-after criminals, may feel compelled to inflate, provoke, or invent charges of criminality to reach their assigned goal, gain status, and continue to receive pay and bonuses. The dynamic of informant abuse is discussed in the book *Undercover: Police Surveillance in America*.<sup>5</sup>

Some critics insist that without unequivocal guidelines, firm congressional oversight, and thoughtful judicial intervention, intelligence activities — domestic or foreign — almost inevitably turn toward undemocratic techniques. Other more historically informed critics point out that all of these constraints have consistently failed to deter abuse.

### **Case Study: The National Lawyers Guild**

Much of the "documentation" denouncing the National Lawyers Guild (NLG) as a communist front can be traced to a congressional report issued during the McCarthy period. This accusation was part of a coordinated campaign involving congressional committees, the FBI, right-wing groups, and mainstream periodicals. The NLG was targeted by the Right because it supported the reforms of the Roosevelt presidency, defended labor unions, and criticized erosions of civil liberties brought on by the Cold War.

4. Donner, *Age*, op. cit., p. 166.

5. Gary T. Marx, *Undercover: Police Surveillance in America* (Berkeley: Twentieth Century Fund/University of California Press, 1988); Donner, *Age*, op. cit., p. 166.



According to attorney Michael Krinsky, who represented the NLG in a lawsuit against the FBI, the FBI and the congressional committee publicly launched an investigation of the NLG and privately fed inflammatory information to right-wing and anti-communist contacts. Leaders of the American Bar Association cooperated with the Bureau in a campaign to destroy the NLG. Fred Schlafly, Phyllis's husband, was a leader in early attempts at red-baiting lawyers and legal organizations such as the Guild.

Although right-wing attacks on the NLG began soon after its formation in 1937, the public mood was such that for several years the charges didn't gain wide circulation or provoke concern. Until 1948, articles on the NLG cited in the *New York Times* index centered on substantive activities and positions of the NLG on law and legislation. Starting in 1948, however, there was a dramatic change. *Times* coverage of the NLG through the next decade focused on charges relating to subversion.<sup>6</sup>

The targeting of the Guild began in earnest when an FBI wiretap revealed that Yale Law School professor Thomas Emerson and the NLG were discussing the publication of a study criticizing as unconstitutional a variety of FBI investigative methods. The day before the NLG press conference released the report critical of the FBI, Hoover had his friend Richard Nixon—a member of the House Un-American Activities Committee—call for an investigation of the Guild as a communist front. Without waiting for hearings or an investigation, Hoover then initiated an FBI report which HUAC issued under its own name. According to Krinsky, "The FBI files reveal that HUAC's report on the NLG, which almost destroyed the Guild by labeling it [and entitling the report] 'legal bulwark of the Communist Party,' was not the product of HUAC's attempt to carry out any legislative function, but was issued by the Committee on the sole instigation of the FBI."<sup>7</sup>

The NLG fought back in court and eventually forced the government to remove it from a list of so-called "subversive" groups. By then, however, the power of the false accusation alone had nearly destroyed the NLG, with membership dropping from over 4,000 to under 600. The Guild eventually recovered, and, unlike many political and legal organizations of the period, did so with its principles

intact, having never conducted an internal purge of communists, socialists or other targeted groups.

These same techniques of political repression were expanded in the FBI's COINTELPRO (Counterintelligence program). Later documentation proved that this program was a form of institutionalized repression rather than aberrant acts by individual agents.<sup>8</sup>

The techniques and goals of COINTELPRO were eerily repeated during the 1980s in the FBI's organized campaign against CISPES (the Committee in Solidarity with the People of El Salvador).<sup>9</sup> Hundreds of offices, churches, homes, and cars of persons and groups opposing Reagan administration policies in Central America were broken into. While valuable equipment and money were untouched,

files were ransacked or stolen. Several years, hundreds of interviews (some with FBI infiltrators), and many thousands of pages of FBI files later, the robberies remain unsolved. What *Boston Globe* reporter Ross Gelbspan firmly established, however, is that the FBI repeatedly lied to Congress about the extent and purpose of Bureau investigations into the *same* network of Central America activists who were victimized by the "robberies." He also documented how in its anti-CISPES campaign, the FBI forged back-channel ties to far-right anti-communist groups in the U.S. and

to a shadowy network of government agencies and death squads in El Salvador, and how the FBI used the media.

**FBI**  
**"subversion/terrorism"**  
**investigations can never**  
**really end, because they**  
**can never really succeed**  
**in accomplishing their**  
**primary goal: proving**  
**their preconceived notion**  
**that dissent is fueled by**  
**treason.**

### Countersubversion as Paranoid Obsession

Attorney Michael Krinsky, with his experience representing the NLG, was not surprised when he learned the FBI had waged a similar five-year surveillance war against CISPES. This fruitless search for terrorists and subversives mirrored the disruptive pattern Krinsky and the National Emergency Civil Liberties Committee discovered and fought in the lawsuit against the FBI on behalf of the National Lawyers Guild. Krinsky charges that FBI "subversion/terrorism" investigations can never really end, because they can never really succeed in accomplishing the FBI's primary goal: proving the preconceived notion that

6. Conclusions arrived at by reading every article referenced under NLG in the *New York Times Index* for articles published between 1937 and 1958.

7. Interview by the author, 1987.

8. Ward Churchill, and Jim Vander Wall, *Agents of Repression: The FBI's Secret Wars Against the Black Panther Party and the American Indian Movement* (Boston: South End Press, 1988); and Churchill and Vander Wall, *COINTELPRO Papers: Documents from the FBI's Secret Wars Against Dissent in the United States* (Boston: South End Press, 1989).

9. Brian Glick, *War at Home: Covert Action Against U.S. Activists and What We Can Do About It* (Boston: South End Press, 1989); and Ross Gelbspan, *Break-Ins, Death Threats and the FBI: The Covert War Against the Central America Movement* (Boston: South End Press, 1991).



dissent is fueled by treason. Krinsky agrees with author-historian Frank Donner that the term terrorism is most frequently a device used by the FBI to justify its political mission pursued under cover of criminal investigation.

The investigative categories used to justify FBI spying on the NLG included: Front for the Communist Party, Fomenting Prison Rebellion, Front for the Weather Underground, and Violation of the Foreign Agents Registration Act. No criminal charges were ever filed against the NLG and each investigation was terminated unsuccessfully when no evidence of criminal activity was found.

A similar pattern was discovered by Ann Mari Buitrago, a file specialist from the Fund for Open Information and Accountability, who was hired by the Center for Constitutional Rights to read and analyze the FBI files on CISPES. She concluded: "The files show a long train of abuses and usurpations, pursuing invariably the same object—the destruction of the people's right to know and to assemble in order to express opposing views on public policy."<sup>10</sup>

### Crimes, Misdemeanors, and Amazing Fantasies

...[T]he FBI has kept subversion investigations running for 45 years now. They believe there is a subversive element out there trying to infiltrate and destroy our government. Infiltration is by definition covert, and therefore, to safeguard our government from this secret plot, the FBI has to know everything about everybody. The fact that the FBI never finds any evidence of this subversive infiltration merely demonstrates to the FBI how clever the subversives really are.<sup>11</sup>

In some cases, Justice Department superiors repeatedly terminate these types of investigations because they result in no evidence of wrongdoing, and only prove the non-criminal nature of the targeted group. Even then, the true believers often simply bide their time and open another investigation under a different file name. The examples of NLG and CISPES confirm the pattern. When the FBI agents could not find the non-existent KGB candygram to CISPES, they ignored their own evidence and redoubled their efforts to pursue the group. In the NLG case, Krinsky notes

The FBI investigated the NLG for over three decades, moving from one pretext to another, without being hindered by the fact that none of their suspicions proved to be based in fact. As soon as one pretext was challenged by a court or the Justice Department administrators, the FBI would abandon that pretext and embark on a supposedly new investigation using a different pretext. The FBI is still reaching into the Hoover-era bag of tricks to fight dissent. They are feeding their fantasies that the Red Menace is everywhere. It is an obsessive belief...and like all fantasies, facts do not put it to sleep.<sup>12</sup>

The process is not just a historical oddity. *Intelligence Requirements for the 1990s: Collection, Analysis, Counterintelligence, and Covert Action*<sup>13</sup> is a collection of hard-line recommendations which provides what academic Diana Reynolds calls a "blueprint for creating a virtual U.S. police state."<sup>14</sup> This shopping list for the guardians of post-constitutional America is a sequel to the equally onerous seven-volume *Intelligence Requirements for the 1980s*, which was used as a guide by the Reagan administration.<sup>15</sup>

### Environmental Examples

The occurrence of paradigm shift as a result of these practices may serve as an early indicator of political repression. If so, it is important to note that the environmental movement and the movement seeking civil rights and equality for gay men and lesbians are both experiencing paradigm shift.

As Johan Carlisle pointed out, "the two environmental groups under the heaviest fire are Earth First! and Greenpeace."<sup>16</sup> Right-wing publications have been re-framing the environmental movement for several years and current articles in mainstream media are beginning to reflect this paradigm shift.



CISPES Director Angela Sanbrano with FBI surveillance files at 1988 press conference.

12. Interview with the author, 1988.

13. Roy Godson, ed., *Intelligence Requirements for the 1990s: Collection, Analysis, Counterintelligence, and Covert Action* (Lexington, Mass.: Lexington Books/D.C. Heath, 1989).

14. Interview with author, 1990.

15. Roy Godson, ed., *Intelligence Requirements for the 1980s* (Washington, D.C.: National Strategy Information Center, Vols. 1-7, 1979-1986).

16. Johan Carlisle, "Bombs, Lies and Body Wires: Targeting the Environmental Movement," *CAIB*, Number 38 (Fall 1991), p. 28. See also Chip Berlet, "Hunting the Green Menace," *The Humanist*, July/August 1991; Chip Berlet and William K. Burke, "Corporate Fronts: Inside the Anti-Environmental Movement," *Greenpeace*, January-March 1992.

10. Interview by author, 1988.

11. *Ibid.*



For instance, *USA Today* ran opposing views on Rachel Carson's *Silent Spring* marking its 30th anniversary.<sup>17</sup> After claiming Carson's warnings about DDT were unfounded, author Patrick Cox, an associate policy analyst for the D.C.-based Competitive Enterprise Institute, then characterized Carson and the anti-toxics movement as hysterical ideologues. An analysis of Cox's polemic results in the following frame for the anti-toxics movement:

**Those who oppose pesticides and believe DDT is unsafe:**

- Reject science.
- Are afflicted with "environmental hypochondria."
- Circulate "apocalyptic, tabloid charges."
- Have "no evidence" for their "hysterical predictions."
- Use "gross manipulation" to fool the media.
- Are "unscrupulous, Luddite fundraisers."
- Suffer "knee-jerk, chemophobic rejection of pesticides."
- Create "vast and needless costs" for consumers and farmers.

Not surprisingly, the frame for pro-pesticide industry supporters is quite different.

**Those who believe global use of DDT is safe:**

- Are pro-science and pro-logic.
- Have support from the "real scientific community—the community of controlled studies, double blind experiments and peer review."
- Help U.S. consumers and farmers and save money.

The framing rhetoric is vivid: "Willing to sacrifice people to save trees."<sup>18</sup> "We are in a war with fanatics...they will go to any extreme."<sup>19</sup> "Behind the Sierra Club calendars...lies a full-fledged ideology...every bit as powerful as Marxism and every bit as dangerous to individual freedom and human happiness."<sup>20</sup> "Blinded by misinformation, fear tactics, or doomsday syndromes."<sup>21</sup> "The core of this environmental totalitarianism is anti-God."<sup>22</sup> "An ideology as pitiless and Messianic as Marxism."<sup>23</sup> "Since communism has been thoroughly discredited, it has been repackaged and relabeled and called environmentalism."<sup>24</sup> "The radical animal-rights wing of the environmental movement has a lot in common with Hitler's Nazis."<sup>25</sup>

17. *USA Today*, April 14, 1992, p. 12A.

18. Margaret Knox, "Meet the Anti-Greens: The 'Wise Use' Movement Fronts for Industry," *Progressive*, October 1991, p. 22.

19. Howard Goldenthal, "Polarizing the Public Debate to Subvert Ecology Activism," *NOW* (Toronto), July 13-19, 1989, p. 21.

20. Virginia I. Postrel, "The Green Road To Serfdom," *Reason*, April 1990, p. 22.

21. Merrill Sikorski, "Neo-Environmentalism: Balancing Protection and Development," *American Freedom Journal*, December 1988/January 1989, p. 8.

22. Edward C. Krug, "Save the Planet, Sacrifice the People: The Environmental Party's Bid for Power," *Imprimis*, Hillsdale College, Michigan, July 1991, p. 5.

23. Llewellyn H. Rockwell, Jr., "An Anti-Environmental Manifesto" *From The Right* (newsletter of Patrick J. Buchanan), Vol 1, #6, Quarterly II, 1990, p. 1.

24. Walter E. Williams, Column distributed for publication June 4, 1991, as reprinted in *Summit Journal*, July 1991, p. 3. Citing Rockwell article above.

25. *Ibid.*, p. 4.

## Official Gay Bashing

For centuries, people who have challenged the heterosexual majority have faced discrimination. Recently, however, there has been a strong wave of physical attacks on, and harassment of, those attempting to raise awareness about AIDS, or seeking to secure human rights for lesbians and gay men.<sup>26</sup> The pattern of political repression bears striking resemblance to government programs such as COINTELPRO and to tactics now documented to have been used in the past against the NLG, suspected communists, and organized protestors.

For several years, articles in the right-wing press have escalated hyperbolic rhetoric concerning homosexuals. In the early 1980s, Enrique Rueda of the Free Congress Research and Education Foundation was asked by Free Congress president Paul Weyrich "to research the social and political impact of the homosexual movement in America."<sup>27</sup>

The result was a lengthy 1982 book, *The Homosexual Network*, in which Rueda concluded that "The homosexual movement is a subset of the spectrum of American liberal movements."<sup>28</sup> Rueda was alarmed by "the extent to which it has infiltrated many national institutions."<sup>29</sup> One jacket blurb writer gushed that Rueda had revealed "the widening homosexual power-grab in our society." From civil rights to power-grab in one volume.

In 1987, Rueda joined with Michael Schwartz to co-author *Gays, AIDS and You*. The introduction warns, "The homosexual political agenda represents a radical departure from what we as Americans believe...a terrible threat—to ourselves, our children, our communities, our country...a radical, anti-family agenda."<sup>30</sup> From power-grab to terrible threat. The movement for homosexual rights, the authors suggest, is conspiratorial and different from movements involving "legitimate" minorities.

This movement is stronger, more widespread, more skillfully structured than most Americans realize. It reaches into our media, our political institutions, our schools, even into our mainline churches....And now this movement is using the AIDS crisis to pursue its political agenda. This in turn, threatens not only our values but our lives.<sup>31</sup>

26. Esther Kaplan, "Act Up Under Siege—Phone Harassment, Death Threats, Police Violence: Is the Government Out To Destroy This Group?" *Village Voice*, July 16, 1991, pp. 35-36.

27. Enrique T. Rueda, *The Homosexual Network: Private Lives and Public Policy* (Old Greenwich, Conn.: The Devin Adair Company and Free Congress Research and Education Foundation, Washington, D.C., 1982), p. 15.

28. *Ibid.*, p. 18.

29. *Ibid.*, p. 15.

30. Enrique T. Rueda & Michael Schwartz, *Gays, AIDS and You* (Old Greenwich, Conn.: The Devin Adair Company, 1987), p. 7. (Herbert Meyer, an executive assistant to William Casey at the CIA, helped edit the book.)

31. *Ibid.*, p. 8.



The back cover blurbs from the book, *Gays, AIDS and You* feature a snippet from former senator Bill Armstrong (R-Colo.). It also highlights "an urgent warning" by right-wing ideologue Beverly LaHaye, "of the necessity to reaffirm our civilization's Biblical heritage"; and an admonition by Congressman William Dannemeyer (R-Calif.) that "failure to affirm our heterosexual values not only is unhealthy, but could result in the demise of our civilization." From terrible threat to the end of civilization.

An order form for *Gays, AIDS and You* circulated by the Free Congress Foundation includes a picture of a man at a desk, his face in shadows, and the headline: "This Man Wants His 'Freedom' So Bad [sic] He's Ready To Let America Die For It." The text adds, "Our civilization stands in the path of his fulfillment as a freely promiscuous homosexual."<sup>32</sup>

Dr. Ed Rowe, author of *Homosexual Politics: Road to Ruin for America*, goes further in outlawing the targeted movement, stating that "Homosexual politics is a moral cancer eating at the fabric of America. It is an unholy, satanic crusade...this evil movement must be stopped!"<sup>33</sup> Senator Jesse Helms' introduction to Rowe's book also raises the theme of non-rational zealotry: "Homosexual politics continues in fanatical pursuit of its goal of carving out a new 'civil right' based on the sexual appetite of its adherents."<sup>34</sup>

Neo-fascist hatemonger Lyndon LaRouche was among the first on the paranoid right to move the alarm into the



Wide World Photos

ACT UP march, Kennebunkport, Maine. Militant AIDS activists face increasing harassment as they bring their demands into the political arena.

political arena. LaRouchians spawned restrictive propositions placed on the California ballot that were successfully defeated only after broad-based organizing efforts reversed early trends supporting measures that essentially called for firings and quarantines of persons with signs of AIDS. A 1985 internal telex message from LaRouche stated: "Stop gays, not AIDS." The convicted felon even obliquely suggested

murder as a tactic, writing that history would not judge harshly those persons who took baseball bats and beat to death homosexuals to stop the spread of AIDS. One 1985 pamphlet published by LaRouche's National Democratic Policy Committee was titled "AIDS is more deadly than Nuclear War," which turned out to be a repackaged attack on the International Monetary Fund and the Federal Reserve Board.<sup>35</sup>

There are dozens of books and pamphlets that marginalize and frame the lesbian and gay men's movements as threats to the American way of life, and fit the pattern for paradigm shift.<sup>36</sup>

Whether or not paradigm shift is causative, predictive or merely anecdotal, for the activist, paradigm shift should be seen as a warning signal that political repression and government intelligence abuse may soon become major factors in a group's tactical and strategic decisions. ●

35. National Democratic Policy Committee. "AIDS is more deadly than Nuclear War," Pamphlet, (Washington, D.C.: NDPC, 1985).

36. For example, see Dr. Stanley Monteith, *AIDS: The Unnecessary Epidemic—America Under Siege* (Sevierville, Tenn.: Covenant House Books, 1991); Tim LaHaye, *The Unhappy Gays* (Wheaton, Ill.: Tyndale House Publishers, 1978); David A. Noebel, *The Homosexual Revolution* (Tulsa, Okla.: American Christian College Press, 1977). See also various pamphlets and reprints from the John Birch Society, including "The Truth About AIDS," *The New American*, August 31, 1987, and "What they are not telling you about AIDS," a pamphlet reprinting articles from the January 19, 1987, issue of *The New American*.

32. Ad for *Gays, AIDS and You*, from Free Congress Foundation, circa 1988, as reproduced in Russ Bellant, *The Coors Connection* (Boston: South End Press, 1991), p. 65.

33. Dr. Ed Rowe, *Homosexual Politics: Road to Ruin for America* (Herndon, Va.: Growth Book and Tape Co. Church League of America-Washington, D.C. office, 1984), back cover.

34. *Ibid.*, p. 4.

For a large collection of primary and secondary material illustrating paradigm shift, send \$10 to: Political Research Associates, 678 Massachusetts Ave., Suite 205, Cambridge, MA 02139. Ask for: "Corporate Roots of Attacks on the Environmental Movement," or "Re-Framing the Lesbian and Gay Men's Movements as a Threat to Civilization."



# Activists Charge Corporate Goon Squad in Florida:

## Targeting Environmentalists

Sheila O'Donnell

Stephanie McGuire, a painfully shy 38-year-old with short dark hair, has lived all her life downstream from the Procter & Gamble cellulose mill on the Fenholloway River in Taylor County, Florida. On April 7, 1992, three men, identically dressed in new tree bark camouflage shirts with matching pants tucked into new black laced boots, attacked her. As they beat her, they denounced her part in a proposed lawsuit charging Procter & Gamble with pollution.

McGuire is co-manager of the isolated Fenholloway Fish Camp, set in the river swamps near the town of Perry, two miles from the Gulf of Mexico, 17 miles downstream from the P&G mill. Overlooked by the tourist and retirement boom, racially segregated Perry, population 12,000, is economically dependent on P&G as the main employer. In April 1991, concerned about mounting evidence that the Fenholloway River was becoming a toxic soup, McGuire joined a small community group, Help Our Polluted Environment (HOPE), to demand that the company instigate a clean-up of the pollution.

Until recent events forced her into a national spotlight, McGuire had worked in the background, supporting the efforts of her business partner Linda Rowland, an outspoken critic of the company. Over the last year, both women received numerous telephone calls and other harassments. They were warned that if they didn't shut up, they would have their tongues cut out. The two women also believe they were under surveillance. Rowland reports having heard prowlers in her yard at night. Last summer, five of her pheasants were killed in their pen.

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### The Attack

On the day of the attack, McGuire was alone at the camp. Between about 5:00 and 5:30 p.m., a six-foot-tall man with dark eyes and moustache, dressed in camouflage, drew up to the dock in an unmarked boat. His clothes, the

boat, and its Yamaha engine were all new. He approached McGuire, told her that he had just shot the neighbor's cow, and asked her who the owner was. Sensing something was wrong, McGuire answered quickly and headed back to her home. Suddenly, two men in ski masks jumped her from the bushes. With the man from the boat, they grabbed McGuire.

The men beat her, kicked her in the head and body, and stomped on her hand, injuring it severely; they tore her shirt off and burned

her breasts with a lighted cigar and also cut them with a straight razor. As they assaulted her, they repeatedly referred to Procter & Gamble and to McGuire's opposition to the company. They threatened to attack another activist, Joy Towles-Cummings, the founder of HOPE.

While two of the men held her on the ground, the third cut her face and neck with a straight razor. "I'm going to cut you real slow," he said, "to make it as painful as possible." Then he took polluted river water and poured it into the cut. "Now," he said, "you have something to sue us over."

When McGuire's small dog attacked the man from the boat, holding on to his face, he choked the dog until it finally loosened its hold. At that point, the three men headed back to the boat, promising to "come back to finish the job."

"One of the men stood up in the boat," recounted McGuire, "and reached for a gun. When the man at the motor goosed [the engine], he fell down, cussing. But for the moment, I thought he was going to kill me."





courtesy of HOPE

Linda Rowland (l) and Joy Towles-Cummings (r) post warning sign: "Danger, fish from Fenholloway River are contaminated with dangerous levels of organochlorines and DIOXIN, a poison that can cause cancer, birth defects and miscarriage."

### Trampling the Evidence

The assault followed months of harassing telephone calls which were reported to the FBI and the local sheriff. "They are just trying to scare you and intimidate you," the sheriff had told the women and urged them not to worry. Fellow activist Towles-Cummings said that the FBI told her they would come from Tallahassee if something happened, but when she called and told them McGuire had been attacked, she was told: "No way would the FBI be involved unless the local sheriff blew the investigation."

That, in fact, may have been what happened. When Taylor County Sheriff John Wesley Walker and his deputies arrived on the crime scene, according to neighbors, they walked and drove their trucks over the ground destroying any footprints before they eventually roped off the area. "We are still tracking leads given to us by Stephanie McGuire, but there is no crime scene evidence," said the sheriff without irony. Although the deputies failed to find the watch McGuire reported missing, she located it herself the next morning at the attack site.

From the start, Chuck Morgan, the sheriff's office investigator, asked questions which made it apparent to Rowland and McGuire that he did not believe McGuire. Rowland reports that he told her he originally thought the wounds were self-inflicted but had now apparently changed his mind.

Although Walker declined to comment on whether the attack appeared to be a professional hit, others suspect that the men involved were experienced. McGuire recalls "smelling the new" on their clothes; after she broke one man's tooth, he reached under his mask, collected the tooth and put it in his pocket, leaving no evidence.

### Company Town/Corporate Dump

Procter & Gamble has been a power in Taylor County since 1954 and is the area's largest employer in a town with an unemployment rate reaching 15 percent. One out of ten people in the county (population 19,300) works at the plant or in a dependent industry (1,000 directly and another 1,000 in related jobs). P&G pays half the *ad valorem* taxes in Taylor County, has an annual payroll of \$40 million, contributes more than \$300 million annually to Florida's economy, and owns 85 percent of the land in the county.

The plant, which sits near the Fenholloway River on 600 acres, produces 400,000 metric tons of cellulose yearly. The fiber is chemically extracted from chopped-up pine trees. The cellulose is then chlorine bleached, pressed into thick sheets, and wound onto huge rolls used in women's sanitary napkins and tampons, disposable diapers, high-grade paper, plastics, rayon, explosives, cellophane, photographic film, and even sausage casings.

Every day, the corporation legally dumps 50 million gallons of waste water into the Fenholloway River.

Because the river is classified as "industrial," it has the lowest environmental standards in Florida. State officials warn against eating fish from the river because of high dioxin levels associated with cancer in humans. The fish population is so contaminated that female fish are starting to develop male characteristics. Where the river flows into the Gulf of Mexico and for 25 square miles offshore, seagrasses, according to an EPA report, are dead.

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### Every day, P&G legally dumps 50 million gallons of waste water.

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The groundwater has been so compromised, that some people who bathe in local well water, said Towles-Cummings, can only control the resulting itching, sores and rashes with cortisone cream. "P&G," she says, "is providing 12 gallons of bottled spring water to anyone who shows up and asks for it. P&G is paying for city water to be piped out to homes on the north side of the river. It's a terrible mess," she continues. "The local media speaks of the company in glowing terms: 'How nice of the company to run water lines out.' How nice? Our wells are polluted and people have rashes and burns and sores on their scalps!"



## Company and Sheriff See No Evil

McGuire is bitterly resentful of the sheriff's refusal to tie the case to the controversy despite the history of harassment and the attackers' continuous reference to P&G.

P&G spokespeople also denied any link. John Sipple, director of P&G Cellulose's Florida operations, was asked about McGuire's statements that the attackers mentioned the planned lawsuit and threatened to teach the activist a lesson "for causing us to lose our jobs." Sipple replied: "I've heard that story. I think there's no connection to the environmental controversy over P&G....I think it's best to let the law enforcement people take care of it."<sup>1</sup> A few days later another company spokesperson, Dan Simmons, took a similar stance. "We've seen several news stories where the attackers were quoted as saying they were afraid they were going to lose their jobs," he said. "The stories implied they were P&G employees. Regardless of motive, it is a despicable incident, and we're trying to take it head on." Four days after the attack, the company offered a \$5,000 reward for the arrest and conviction of the people responsible for the attack on McGuire.

## The Prognosis: Violence, Protest, and Hope

On a daily basis, environmentalists who organize or speak against environmental degradation in this country and abroad face an escalating pattern of harassment. Increasing also is the number of major arsons, robberies, and attacks on environmental activists, especially on women—who are often on the front lines in vulnerable rural areas.

Two years ago, someone planted a bomb under the driver's seat in Judi Bari's car in northern California. After it exploded, permanently maiming Bari and injuring her companion, Darryl Cherney, the police arrested the two activists for possession of the bomb. Charges were dropped for lack of evidence, and Bari and Cherney are suing the FBI and local law enforcement for civil rights violations. Bari continues to organize, trying to bring loggers and environmentalists together to save the Redwoods.

Last spring, one or more arsonists torched the Greenpeace office in the Eureka Springs, Arkansas, home of Pat Costner, an activist who has fought the dangers of dioxin and environmental degradation. The fire destroyed her office, home and library and delayed the release of a pivotal reference, *Playing with Fire: Hazardous Waste In-*



courtesy of HOPE

One of the homes that has been abandoned, sold to P&G, or traded to P&G for other land after wells were contaminated with toxic chemicals.

cineration, which has been serving as a primary resource in fighting hazardous waste internationally.

Costner, a scientist and director of research for Greenpeace's Toxics Campaign, is undeterred. "Given the enormity of the crimes against the environment committed every day, this crime was a small one," she said. "However, if the persons responsible for this attack hoped to silence my efforts on behalf of the planet and the public, they were sadly mistaken." On May 3, 1992, Greenpeace National Executive Director Peter Bahouth called on the FBI to investigate the fire at Costner's home and library, and the destruction of her phone service in her temporary home.

The violence of these responses is linked to the perceived threat to industry posed by the environmental movement. By exposing hazards, environmentalists are instigating change in social and industrial policy, and costing industry millions in legal, public relations and cleanup costs. The corporate response is to attempt to discredit and silence the activists. Law enforcement often responds to these attacks, as it has done in the McGuire and Bari-Cherney cases, by treating the targets as if they were the criminals. It is open season on women, with both industry and government making it safe for their assailants.

These attacks have taken a tremendous toll on the lives of an ever-growing community, but they have also made the targets and their allies stronger in their commitment to defending our health and that of the planet. ●

Project HOPE and several other groups are helping organize a worldwide boycott of Procter and Gamble products. For more information, contact: PROJECT HOPE, P.O. Box 327, Salem, Fl. 32356; tel. (904) 584-4544.

1. "P&G Foe Is Attacked," *Tallahassee Democrat*, April 9, 1992, p. B1.



# The U.S. Economy: The Enemy Within

Doug Henwood



Ted Soqui/Impact Visuals

The LA uprising is one of the consequences of emphasizing military might at the expense of social and industrial policy.

After 40 years of scheming, Washington's Cold Warriors finally got their way. The USSR is gone, and the Third World is under the management of the IMF, the World Bank, and the General Agreement on Tariffs and Trade (GATT)—the three institutions created at the end of World War II to manage what would become the U.S. empire.

But it took some planning to get there.

Reading the planners' original designs is a remarkable experience in these days of their triumph. No document is more remarkable than NSC-68 (National Security Council memorandum 68), written by Paul Nitze, with Secretary of State Dean Acheson "looking over his shoulder." Each part in the neat structure of the global political economy reinforced the whole: Constant global military mobilization would stimulate the U.S. economy, lubricate global trade, bind the other capitalist powers to the U.S. in a subsidiary role, fuel the ideological crackdown on radical

thought, and eventually destroy the Soviet Union. Although the Cold Warriors got what they wished, their self-congratulatory cheers ring increasingly hollow. The artful structure has broken down and been replaced with something incoherent.

## The Failure of the Marshall Plan

In the late 1940s, the triumphs and their somber repercussions were hard to imagine. Washington had inherited the imperial role the British finally lost during the war, but there was no guarantee the U.S. could hold on to the prize. Various insurgencies, some communist, some merely nationalist, threatened the dream of a world hierarchically organized under U.S. power. With memories of the 1930s still fresh, capitalism's prestige was fairly low, and the appeal of socialism quite high in both the Third and First Worlds. Militant unions and other domestic insurgencies plagued the U.S. elite. Fears that the Depression would soon return were deepened among those who understood that the Marshall Plan had failed to revive world trade.

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Associated Press

Paul Nitze, architect of NSC-68, considers the consequences.

This view of the Marshall Plan as a failure is, of course, contrary to the myths of official history.<sup>1</sup> Acheson described the many problems with the strategy to his boss, Harry Truman, in a secret memo:

[U]nless vigorous steps are taken, the reduction and eventual termination of extraordinary foreign assistance [i.e., the Marshall Plan] will create economic problems at home and abroad of increasing severity. If this is allowed to happen, U.S. exports, including the key commodities on which our most efficient agricultural and manufacturing industries are heavily dependent, will be sharply reduced, with serious repercussions on our domestic economy. European countries, and friendly areas in the Far East and elsewhere, will be unable to obtain basic necessities which we now supply, to an extent that will threaten their political stability.... Put in its simplest terms, the problem is this: as the ERP [the European Recovery Program, the Marshall Plan's official name] is reduced, and after its termination in 1952, how can Europe and other areas of the world obtain the dollars necessary to pay for a high level of United States exports, which is essential both to their own basic needs and to the well-being of the United States economy?<sup>2</sup>

1. For more on the Marshall Plan as a failure, see Joyce and Gabriel Kolko, *The Limits of Power: The World and United States Foreign Policy, 1945-1954* (New York: Harper and Row, 1972), pp. 453-76, and Robert E. Wood, *From Marshall Plan to Debt Crisis: Foreign Aid and Development Choices in the World Economy* (Berkeley: University of California Press, 1986), pp. 60-67.

2. "Memorandum by the Secretary of State to the President," February 16, 1950, in *Foreign Relations of the United States* (FRUS), 1950, vol. I, pp. 834-35.

NSC-68 was to answer that, and many other questions.

### Military Substitutes for Industrial Policy

Short of deeply radical reform, only massive government spending could avert a second depression. But what kind of spending? A 1949 *Business Week* editorial went to the heart of the matter. "Military spending doesn't really alter the structure of the economy. It goes through the regular channels.... But the kind of welfare and public works spending that Truman plans does alter the economy. It makes new channels of its own. It creates new institutions. It redistributes income. It shifts demand from one industry to another. It changes the whole economic pattern. That's its object."<sup>3</sup>

Although Truman's domestic spending schemes proved much less dramatic and transformative than *Business Week* feared, "regular channels" were about to be flooded with a fresh military cash flow.

There was plenty of opposition from classically conservative Republicans — isolationist partisans of extremely limited government — to what was about to happen. A sustained international military buildup would threaten budgetary orthodoxy at the same time it vastly increased the scope and power of the U.S. government at home and abroad. Old-style conservatives didn't want a huge army and a permanent spy service. That's why Nitze stuffed his memo full of the kind of rhetoric that would become commonplace in political speech for the next 40 years: "the grim oligarchy of the Kremlin" running their "slave state" hell-bent on world domination against the good guys — the U.S.; the "free society" summoned to the "responsibility of world leadership."<sup>4</sup>

Aside from the old White Hats vs. Black Hats chestnut, several themes recur throughout the rambling memo. One is a variation on the comparative economists' classic formulation that the characteristic crisis of the Soviet-style economies was shortage, while that of the advanced capi-

3. "From Cold War to Cold Peace," *Business Week*, February 12, 1949, pp. 19-20. The magazine's editors ran this teaser under the title: "There's some evidence that Stalin's peace offensive is serious. Businessmen need to weigh the possible results." *BW* understood the symbiosis between capitalism and its great enemy.

4. NSC-68, pp. 239, 241.



talist economies is surplus (too many goods, not enough money in the right hands). Or, as NSC-68 put it, there were "grounds for predicting that the United States and other free nations will, within a period of a few years at most, experience a decline in economic activity of serious proportions" without government intervention.

"If a dynamic expansion of the economy were achieved," the memo suggested, "the necessary buildup could be accomplished without a decrease in the national standard of living." The arms buildup, then, could help solve, in ideologically convenient terms, the characteristic crisis of U.S.-style capitalism. But an arms buildup would hurt the USSR, which was already "being drawn upon close to the maximum possible extent"—thereby leaving it even more vulnerable to its characteristic crisis, that of chronic shortage.

This economic squeeze was one front in the strategy of containment which, rather than a doctrine of resisting expansion (the public explanation), was actually a "calculated and gradual coercion" to, as an earlier memo quoted in NSC-68 put it, "reduce the power and influence of the USSR."<sup>5</sup>

Another coercive opportunity, the memo presciently noted, was the wonderfully corrosive potential of nationalism, which could eat away at both the internal stability of the USSR and its relations with its "satellites."

### **The Threat of Domestic Unrest**

Of course the USSR wasn't the only problem facing Washington's planning elite. There was the fact that the "ideological pretensions of the Kremlin [were] another great source of strength" in what would later be called the Third World. The very existence of the Soviet Union was proof that there was more than one way to organize economic society, and the "vulnerable segments of society ...have been impressed by what has been plausibly portrayed to them as the rapid advance of the USSR from a backward society to a position of great world power." A booming U.S. economy, powered by military spending, would be a powerful antidote to the seductiveness of the USSR.

U.S. domestic unrest threatened this boom. The post-war wave of union militancy and other dangers of democracy, such as "doubts and diversities," and "the rights

and privileges that free men enjoy," were viewed as "opportunities for the Kremlin to do its evil work." The planners saw the need to "reconcil[e] order, security, the need for participation, with the requirements of freedom." These requirements as defined by the memo seemed, in fact, to be less freedom and more "sacrifice and discipline." Economic growth might take the edge off the financial costs of the military buildup, but could not repay the loss of civil liberty.

The memo winds down with a set of recommendations: "a substantial increase" in military expenditures; "a substantial increase" in military assistance programs and "some increase" in economic aid to our allies in the anti-Soviet crusade; a mass propaganda campaign, to "build and maintain confidence" on our side, and sow "mass defections" on theirs; covert economic, political, and psychological warfare; tighter internal security; and beefed-up intelligence. In the short term, it could all be financed by lower consumption and higher taxes,

but the growth it stimulated could make the process nearly painless.

### **Policy Options: Overthrow, Co-opt, or Slaughter**

Of course, much of this was propagandistic nonsense. As William Schaub, a high-level functionary in the Bureau of the Budget (of all places) noted, the Manichean picture of free vs. slave world was overdone, since it was not "true that the U.S. and its friends constitute a free world. Are the Indo-Chinese free? Can the people of the Philippines be said to be free under the corrupt Quirino government?" People are "attracted to Communism," Schaub continued, "because their governments are despotic or corrupt, or both." He noted that the USSR was far stronger relative to the U.S. before World War II than after, but "we hardly gave Russia a second thought then. What makes for the difference today? A most important difference is that today many peoples are striving actively to better themselves economically and politically and have thus accepted or are in danger of accepting the leadership of the Communist movement."<sup>6</sup>

Schaub was onto something. For the next 40 years, those striving for self-betterment would be co-opted, overthrown, or slaughtered in the name of the war on Interna-

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**Each pole of the Triad  
has collected  
a handful of countries  
to act as plantation,  
sweatshop, and mine.  
The rest of the Third World  
has essentially  
been cast adrift.**

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5. The original is NSC-20/4.

6. "Comments of the Bureau of the Budget [on NSC-68]," *FRUS*, 1950, vol. 1, pp. 300-1.





John McCabe/Impact Visuals

As the economy slides, the ranks of the poor and homeless swell. Prisoners bury the indigent in mass graves in Potter's Field, New York City.

tional Communism: Moscow, USSR, global headquarters. The beauty of NSC-68 was that it provided a rationale and a structure for a war on many fronts: against economic depression, domestic insurgency, wars of liberation in the Third World, notions of excessive independence in Western Europe and East Asia, and ultimately against the USSR—the only other political and military power that could be mentioned in the same breath as the U.S.

It worked for decades. Although you sometimes hear it argued that the U.S. economy has been laid low by perpetual war footing, this view is overdone. First, it overestimates the damage done by the military to the civilian economy—forgetting that the problem is more the absence of a civilian economic strategy than the presence of a military one. It also forgets that NSC-68 was an entirely rational response on the part of the U.S. elite to the challenges of the early 1950s: how to remake the world in the U.S. image without altering the fundamental structures *Business Week* was so concerned to protect.<sup>7</sup>

In fact, every major goal of NSC-68 was accomplished. Domestically, the Pentagon budget became the U.S. substitute for an industrial policy, and the Cold War helped gag domestic dissent. Globally, the massive

flow of military dollars overseas (not to mention procurement and base building) finally managed to jump-start the world trading system. U.S. military expenditure during the Korean war was an important early stimulus to the Japanese economy. During the Vietnam war, the Japanese benefited further.

### Capitalism on the Prowl

Things looked briefly bad for the imperium in the mid-1970s, after the defeats by Vietnam and OPEC. That's when Nitze and his neoconservative Cold War cronies formed the Committee

on the Present Danger. This group, made up of Cold Warriors and Reagan Republicans, found its first successes in Carter's rightward shifts.

The Reagan Presidency—essentially an intensified rededication to the principles of NSC-68—was its utopia. The huge military buildup was designed to intimidate and bankrupt the Soviet Union while at the same time smashing any number of Third World pests. It did both. The Pentagon helped power a mad and highly selective economic boom that massively increased the global prestige of capitalism as Soviet-style systems were failing. Multilateral institutions like the IMF, World Bank, and (more recently) the U.N.—all of which the U.S. continues to bend to its wishes—are increasingly managing global social development on their own terms. Everything in sight has been deregulated and privatized. Capital prowls the globe with a ravenous freedom it hasn't enjoyed since before World War I.

This freedom still carries many of the same risks that caused the world to blow up in 1914. As Karl Polanyi argued in *The Great Transformation*, the roots of the "cataclysm"—30 years of depression, fascism, and war—had its roots "in the utopian endeavor of economic liberalism to set up a self-regulating market system," the doctrine of invisible hands and free trade philosophised by Adam Smith and David Ricardo two hundred years

7. For a full analysis of Pentagonomics that dissents from the "depletionist" view popular among the U.S. left, see *Left Business Observer*, #45, (April 17, 1991).



ago.<sup>8</sup> Polanyi argued that the market's rule by competition is too harsh to be sustained, and that it destroys all social institutions — unions, the more benign aspects of the state (e.g., social welfare programs), and traditional (i.e., pre-market) social structures — that soften its corrosive and polarizing rule.

He also argued that the destruction of Germany in World War I wrecked the balance of power system that had kept peace for the prior half-century. We seem to be there again — social disintegration, economic slump, neofascism, border wars. The coherent world of NSC-68 is gone, leaving questions behind. Can global capitalism ever find a stimulus as reliable as the U.S. military budget? Can a multilateral New World Order ever be as stable as the hierarchical system of the Cold War? Or will capitalism's natural centrifugal and stagnationist tendencies gain the upper hand, as they did 75 years ago?

### Shoring Up the House of Capital

Certainly the hierarchy is threatened. Militarily, the U.S. is coasting on its superpower reputation, but when it comes to cash, the U.S. repeatedly comes up short. Larger military adventures now require foreign approval and foreign cash. Financial limitations have also forced Washington into a secondary role in the restructuring of the former socialist world. Although U.S. policy in large measure did in the Reds, German firms will probably make most of the profits picking over the remains.

That's not to say that the U.S. is collapsing; the world is more multipolar than that. An interesting picture of our One World Market was painted by the United Nations Centre on Transnational Corporations (UNCTC) in its first global investment report.<sup>9</sup> What the Centre calls the Triad — the U.S., Western Europe, and Japan — dominates world trade and capital flow. The three region's interactions with each other exceed their interactions with the rest of the world. Each pole of the Triad has collected around it a handful of Third World countries to act as plantation, sweatshop, and mine (though, of course, the UNCTC is too temperate to put it quite that way). The rest of the Third World has been essentially cast adrift.

Tallies by the UNCTC show a decline in the number of countries dominated by U.S. investment during the 1980s and a rise in those claimed by Europe and Japan.

8. Karl Polanyi, *The Great Transformation* (Boston: Beacon, 1957), pp. 29-30.

9. UN Centre on Transnational Corporations, *World Investment Report 1991: The Triad in Foreign Direct Investment*. There may not be a World Investment Report 1992. The U.S., with the consent of Western Europe, merged the UNCTC into a larger development department. During the 1970s, the UNCTC was a center of Third World demands for a new economic order; consequently, Reaganites deemed it a Commie swamp. During the 1980s, the Centre purged itself of all radical tendencies, and became an interesting think tank and publisher but not a threat to anything. U.N. sources told the author that Bush and his European cronies, fearing the UNCTC could rise again to challenge multinational capital, wanted it snuffed.

Despite these deep material ties, the Triad is having a hard time managing its political affairs. It may be overheated to argue, as do George Friedman and Meredith LeBard, that the U.S. and Japan may go to war someday soon, but all is not sweetness and light in the house of capital these days.<sup>10</sup> Domestically, most countries of the Triad are experiencing political crises of some sort or other — the unraveling of long-ruling parties and coalitions (Italy, Japan, Sweden), the rise of neofascist parties (Germany, France), and mass alienation from traditional politics in the face of insolvency and social decay (the U.S.).

Internationally, the global economy lacks zip and the First World faces increasing economic stagnation, social devolution, and a fascist revival. The Triad is unable to come to an agreement in the so-called Uruguay Round within the General Agreement on Tariffs and Trade (GATT) two years after the initial deadline. Meanwhile, much of the Third World is in its second decade of depression, while the First World is experiencing its first generalized economic slump in 10 years. During Reaganism's return to the principles of Ricardo and NSC-68, deregulation and privatization offered a tremendous boost to speculators' animal spirits, while big Pentagon-induced deficits provided the necessary cash. This time, however, economies lack the prospective stimulus and without an enemy to help the rich capitalist countries overlook their differences, an end to U.S. fiscal woes is hard to envision.

Having gotten what they wanted, is the Cold Warriors' triumph already turning sour? Since so many leftists around the world have been dumbstruck by capital's triumph, we'll leave it to James Buchan, a former correspondent for the *Financial Times* (London) writing in the British Tory magazine *The Spectator*, to sketch a scenario for our glorious post-socialist future:

[F]or all its manifold virtues capitalist society is not perfect. To ensure its own smooth operation, capitalism tends to shift rather heavy burdens onto working people and the physical environment of cities, villages and wilderness. Social relations under capitalism seem unnecessarily fraught, particularly at the dividing lines of sex, colour and community. As far as I can see... capitalism is making a slum of the planet. Capitalism is also, if I remember rightly, exceptionally prone to crisis."<sup>11</sup>

Buchan remembers rightly. ●

10. George Friedman and Meredith LeBard, *The Coming War with Japan* (New York: St. Martin's, 1991).

11. James Buchan, "All off to the market," *The Spectator*, December 21-28, 1991, quoted in Robin Blackburn, "The ruins of Westminster," *New Left Review*, 191 (January/February 1992), p. 8.



Bush family members have been involved in a pattern of "incredible" deals over the last decade. George "Jr.," Prescott, Jr., Jeb, and Neil each have cashed in on their family name. But the Bushes have gone beyond profiting from their name; they have done deals with shady partners from the netherworld of covert operations and organized crime. Considering George Herbert Walker Bush's past as CIA director, the Bushes' links to spooks and mobsters is hardly surprising. What is surprising, is that they have gotten away with it for so long.

## The Family That Preys Together

Jack Colhoun

### George Jr.'s BCCI Connection

"This is an incredible deal, unbelievable for this small company," energy analyst Charles Strain told *Forbes* magazine, describing the oil production sharing agreement the Harken Energy Corporation signed in January 1990 with Bahrain.<sup>1</sup>

Under the terms of the deal, Harken was given the exclusive right to explore for gas and oil off the shores of the Gulf island nation. If gas or oil were found in waters near two of the world's largest gas and oil fields, Harken would have exclusive marketing and transportation rights for the energy resources. Truly an "incredible deal" for a company that had never drilled an offshore well.

Strain failed to point out, however, the one fact that puts the Harken deal in focus: George Bush, Jr., the eldest son of George and Barbara Bush of 1600 Pennsylvania Avenue, Washington, DC, is a member of Harken's board of directors, a consultant, and a stockholder in the Texas-based company. In light of this connection, the deal makes more sense.

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1. Toni Mack, "Fuel for Fantasy," *Forbes*, September 3, 1990. For the Harken deal with Bahrain, see also Jack Colhoun, "Ex-Bush Aide Turns to Stumping for Kuwait....While Jr. Reaps Oil Windfall," (New York) *Guardian*, December 12, 1990, and Jack Colhoun, "Bush Brood's Bargains With BCCI," (New York) *Guardian*, May 13, 1992.

The involvement of Junior—George Walker Bush's childhood nickname—with Harken is a walking conflict of interest. His relationship to President Bush, rather than any business acumen, made him a valuable asset for Harken, the Republican Party benefactors, Middle East oil sheikhs and covert operators who played a part in Harken's Bahrain deal.

In fact, Junior's track record as an oilman is pretty dismal. He began his career in Midland, Texas, in the mid-1970s when he founded Arbusto Energy, Inc. When oil prices dropped in the early 1980s, Arbusto fell upon hard times. Junior was only rescued from business failure when his company was purchased by Spectrum 7 Energy Corporation, a small oil firm owned by William DeWitt and Mercer Reynolds. As part of the September 1984 deal, Bush became Spectrum 7's president and was given a 13.6 percent share in the company's stock. Oil prices stayed

low and within two years, Spectrum 7 was in trouble.<sup>2</sup>

In the six months before Spectrum 7 was acquired by Harken in 1986, it had lost \$400,000. In the buyout deal, George "Jr." and his partners were given more than \$2 million worth of Harken stock for the 180-well operation. Made a director and hired as a "consultant" to Harken,

2. Stephen Hedges, "The Color of Money: The President's Eldest Son and his Ties to a Troubled Texas Firm," *U.S. News & World Report*, March 16, 1992.

### LOOTERS' SCORECARD

L.A. Rioters

\$785,000,000

Bush family

\$2,700,000,000

Village Voice, May 19, 1992, cover.



Junior received another \$600,000 of Harken stock, and has been paid between \$42,000 and \$120,000 a year since 1986.<sup>3</sup>

Junior's value to Harken soon became apparent when the company needed an infusion of cash in the spring of 1987. Junior and other Harken officials met with Jackson Stephens, head of Stephens, Inc., a large investment bank in Little Rock, Arkansas (Stephens made a \$100,000 contribution to the Reagan-Bush campaign in 1980 and gave another \$100,000 to the Bush dinner committee in 1990.)<sup>4</sup>

In 1987, Stephens made arrangements with Union Bank of Switzerland (UBS) to provide \$25 million to Harken in return for a stock interest in Harken. As part of the Stephens-brokered deal, Sheikh Abdullah Bakhsh, a Saudi real estate tycoon and financier, joined Harken's board as a major investor.<sup>5</sup> Stephens, UBS, and Bakhsh each have ties to the scandal-ridden Bank of Credit and Commerce International (BCCI).

It was Stephens who suggested in the late 1970s that BCCI purchase what became First American Bankshares in Washington, D.C. BCCI later acquired First American's predecessor, Financial General Bankshares. At the time of the Harken investment, UBS was a joint-venture partner with BCCI in a bank in Geneva, Switzerland. Bakhsh has been an investment partner in Saudi Arabia with Gaith Pharoan, identified by the U.S. Federal Reserve Board as a "front man" for BCCI's secret acquisitions of U.S. banks.<sup>6</sup>

Stephens, Inc. played a role in the Harken deal with Bahrain as well. Former Stephens bankers David and Mike Edwards contacted Michael Ameen, the former chief of Mobil Oil's Middle East operations, when Bahrain broke off 1989 talks with Amoco for a gas and oil exploration contract. The Edwardses recommended Harken for the job and urged Ameen to get in touch with Bahrain, which he did.<sup>7</sup>

"In the midst of Harken's talks with Bahrain, Ameen—simultaneously working as a State Department consultant—briefed the incoming U.S. ambassador in Bahrain, Charles Hostler," the *Wall Street Journal* noted, adding that Hostler, a San Diego real estate investor, was a \$100,000 contributor to the Republican Party. Hostler claimed he never discussed Harken with the Bahrainis.<sup>8</sup>

Harken lacked sufficient financing to explore off the coast of Bahrain so it brought in Bass Enterprises Production Company of Fort Worth, Texas, as a partner. The Bass

family contributed more than \$200,000 to the Republican Party in the late 1980s and early 1990s.<sup>9</sup>

On June 22, 1990, George Jr. sold two-thirds of his Harken stock for \$848,560—a cool 200 percent profit. The move was well timed. One week after Junior sold his stock, Harken announced a \$23.2 million loss in quarterly earnings and Harken stock dropped sharply, losing 60 percent of its value over the next six months. On August 2, 1990, Iraqi troops moved into Kuwait and 541,000 U.S. forces were deployed to the Gulf.<sup>10</sup>

"There is substantial evidence to suggest that Bush knew Harken was in dire straits in the weeks before he sold the \$848,560 of Harken stock," asserted *U.S. News & World Report*. The magazine noted Harken appointed Junior to a "fairness

committee" to study possible economic restructuring of the company. Junior worked closely with financial advisers from Smith Barney, Harris Upham & Company, who concluded "only drastic action could save Harken."<sup>11</sup>

George "Jr." also violated Securities and Exchange Commission (SEC) regulations which require "insider" stock deals to be reported promptly, in Bush's case by July 10, 1990. He didn't file the stock sale with the SEC until the first week of March 1991.<sup>12</sup>

Meanwhile, a cloak-and-dagger aura surrounds Junior's business dealings. James Bath, a Texas entrepreneur who



Associated Press

**George "Jr.":** Violated SEC regulations; connected to BCCI; linked to suspect offshore money and aircraft transfers to Middle East.

3. *Ibid.*; and Jonathan Beaty and S. G. Gwynne, "A Mysterious Mover of Money and Planes," *Time*, October 28, 1991.

4. Thomas Petzinger, Jr., Peter Truell, and Jill Abramson, "How Oil Firm Linked to a Son of Bush Won Bahrain Drilling Pact," *Wall Street Journal*, December 6, 1991.

5. *Ibid.*

6. *Ibid.*

7. David Armstrong, "Oil in the Family: George W. Bush and His Slippery Friends," *The Texas Observer*, July 12, 1991; *Wall Street Journal*, December 6, 1991; and *Time*, October 28, 1991.

8. Petzinger, *op. cit.*; see also Kurt Abraham, "Harken Energy Enters Bahrain," *World Oil*, April 1990.

9. Petzinger, *op. cit.*, and Armstrong, *op. cit.*

10. *U.S. News & World Report*, March 16, 1992; Keith Bradsher, "Article Questions Sale of Stock by Bush Son," *New York Times*, March 9, 1992.

11. Hedges, *op. cit.*

12. "Bush's Son Misses Deadline For Reporting 'Internal Sale,'" *Wall Street Journal*, April 4, 1991.



invested \$50,000 in Arbusto Energy, may be a business cutout for the CIA. Bath also acted as an investment "adviser" to Saudi Arabian oil sheikhs, linked to the outlaw BCCI, which also has ties to the CIA.<sup>13</sup>

Bill White, a former Bath partner, claims that Bath has "national security" connections. White, a United States Naval Academy graduate and former fighter pilot, charges that Bath developed a network of off-shore companies to camouflage the movement of money and aircraft between Texas and the Middle East, especially Saudi Arabia.<sup>14</sup>

Alan Quasha, a Harken director and former chair of the company, is the son of attorney William Quasha, who defended figures in the Nugan Hand Bank scandal in Australia. Closed in 1980, Nugan Hand was not only tied to drug-money laundering and U.S. intelligence and military circles, but also to the CIA's covert backing for a "constitutional coup" in Australia that caused the fall of Prime Minister Gough Whitlam.<sup>15</sup>

The Harken deal with Bahrain raises another troubling question: Did the Bahrainis and the BCCI-linked Saudi oil sheikhs use the production sharing agreement with Harken to curry favor with the Bush administration and influence U.S. policy in the Middle East?

Talat Othman's sudden rise to prominence in Bush administration foreign policy circles is a case in point.

Othman, who sits on the Harken board as Sheikh Bakhsh's representative, didn't have access to President Bush before Harken's Bahrain agreement.

"But since August 1990, the Palestinian-born Chicago investor has attended three White House meetings with President Bush to discuss Middle East policy," the *Wall Street Journal* pointed out. "His name was added by the White House to a select list of 15 Arab-Americans chosen to meet with President Bush, [then White House Chief of Staff John] Sununu and National Security Adviser Brent Scowcroft in the White House two days after Iraq's August 1990 invasion of Kuwait."<sup>16</sup>

13. Petzinger, *op. cit.*; and Beaty, *op. cit.*

14. Beaty, *op. cit.*

15. *Texas Observer*, July 12, 1991; Jonathan Kwitny, *The Crimes of Patriots: A True Tale of Dope, Dirty Money, and the CIA* (New York: W. W. Norton), pp. 36-7, 126-42, 358.

16. Petzinger, *op. cit.*

## Prescott's Big Asian Adventure

Prescott Bush, Jr., the president's older brother, also has a knack for nailing down "incredible deal[s]." Prescott took advantage of his brother's first presidential visit abroad in February 1989 to schedule a business trip to the same countries—China, Japan and South Korea.<sup>17</sup>

Prescott arrived in Tokyo February 14, 1989, ten days before President Bush's stop in Japan, to drum up business for Prescott Bush Resources Ltd., a real estate and development consulting company. Prescott said he was dealing with four Japanese companies wanting to do business in the U.S.

From Japan, Prescott went to China, where he had a joint partnership with Akoi Corporation to develop an \$18 million golf course and resort near Shanghai. Prescott had introduced the Tokyo-based Akoi to Chinese officials in 1988. With a 30 percent stake in the project, Prescott used his China connections to pave the way for capital-rich Akoi. Akoi had run into business obstacles in China because of lingering Chinese resentment over Japan's brutal occupation of China in the 1930s and 1940s.<sup>18</sup>

Some of Prescott's most controversial business deals have been with Asset Management International Financing & Settlement Ltd., a Wall Street investment firm which has been in bankruptcy proceedings since fall 1991. Prescott was hired by Asset Manage-

ment, which paid him a \$250,000 fee for consulting in its joint venture with China to set up its internal communications network. Asset Management enlisted Prescott's services soon after President Bush imposed economic sanctions in June 1989 in response to Beijing's brutal crackdown on anti-government demonstrators in Tiananmen Square.<sup>19</sup>

17. Margaret Shapiro, "Bush Brother Does Business in Asia Before President's Trip," *Washington Post*, February 15, 1989.

18. Douglas Frantz and Jim Mann, "Bush's Brother Linked to Firm in Panama Deal," *Los Angeles Times*, December 30, 1989; Adi Ignatius, "Well-Connected Americans Return to China," *Asian Wall Street Journal*, September 18, 1989; Masayoshi Kanabayashi and Jill Abramson, "Bush Kin, Japanese Gangster May Be Linked," *Asian Wall Street Journal*, June 10, 1991; and Kyodo News Service, May 13, 1988.

19. *Asian Wall Street Journal*, September 18, 1989; *Los Angeles Times*, December 30, 1989; and Peter Gosselin and Stephen Kurkjian, "Bush Ties Scrutinized in Brother's Ventures," *Boston Globe*, February 4, 1990.



UPI/Bettmann

**Prescott Jr.:** Front man for Japanese Mafia; part of Reagan-Bush spy ring linked to October Surprise; profited when brother George lifted part of U.S. sanctions on China; organized aid to anti-Sandinistas in possible violation of Boland Amendment.



Under the sanctions, United States export licenses were suspended for \$300 million worth of Hughes Aircraft satellites, a key component of Asset Management's joint venture with the Chinese government. The satellites would beam television programming to broadcasters in China and provide telecommunications links for the country's far-flung provinces. In November 1989, Congress passed additional sanctions specifically barring the export of U.S. satellites to China unless the president found the sale "in the national interest."<sup>20</sup>

On December 19, 1989, President Bush lifted the sanctions that blocked the satellite deal, citing "the national interest." Two months earlier, the Bush administration had granted Hughes Aircraft "preliminary licenses" to exchange data with Chinese officials to ensure that the satellites met the technical specifications of the Long March rockets which would launch them into space.<sup>21</sup>

Meanwhile, Prescott was hard at work in the summer of 1989 as middleman in the takeover of Asset Management by West Tsusho, a Tokyo-based investment firm linked to one of Japan's biggest mob syndicates. Prescott, as head of Prescott Bush & Co., received a \$250,000 "finder's fee" from West Tsusho when the deal was closed and was promised an annual retainer of \$250,000 over the next three years as a "consultant." Asset Management, however, went bankrupt in March 1991. In May 1992, West Tsusho filed a \$2.5 million lawsuit against Prescott claiming that he reneged on his promise to protect the mob-linked firm's \$5 million investment in Asset Management.<sup>22</sup>

According to Japanese police, West Tsusho is controlled by the Inagawakai branch of the *Yakuza*, the Japanese equivalent of the Mafia crime syndicate. By the mid-1980s, the *Yakuza* were buying up real estate and investments in Japan and overseas to launder their ill-gotten profits from

drug sales, prostitution, gambling and extortion. *Yakuza's* annual income is estimated at \$10 billion.<sup>23</sup>

Like George Jr., Prescott combined business with secret operations. He offered his services to the covert operations of the Reagan-Bush campaign in 1980, and later to the Reagan administration.

A September 3, 1980, letter from Prescott to James Baker indicates Prescott was part of the Reagan-Bush campaign's secret surveillance of the Carter administration's efforts to obtain release of U.S. hostages held in Iran. Prior to inauguration, the Reagan-Bush campaign recruited retired military and intelligence officers to monitor

activities of the CIA, the Defense Department, the National Security Council, the State Department, and the White House. This operation later became known as the "October Surprise."<sup>24</sup>

"Herb Cohen—the guy that offered help on the Iranian hostage situation—called me yesterday afternoon," Prescott wrote in a letter designated "PRIVATE AND CONFIDENTIAL." "Herb has a couple of reliable sources on the National Security Council, about whom the

[Carter] administration does not know, who can keep him posted on developments."

Prescott continued, "He cannot come out now and say that Carter is going to do something on Iran in October because he said everything is a contingency plan that is loose and fluid from day to day.... Herb says, however, that if he and others in the administration who really care about the country and cannot stand to see Carter playing politics with the hostages, see Carter making a move to politicize the release of the hostages, he and they will come out at that time and expose him."<sup>25</sup>

Prescott's covert associations continued while his younger brother was vice president. He appears to have aided the Reagan administration's clandestine support of the Nicaraguan Contras. In the 1980s, he served on the advisory board of *Americares*, the U.S.-based relief organization with ties to prominent right-wing Republicans

**Like George "Jr.," Prescott combined business with secret operations. He offered his services to the Reagan-Bush campaign's secret surveillance of the Carter administration's efforts to obtain release of U.S. hostages held in Iran.**

20. Jim Mann and Douglas Frantz, "Firm That Employs Bush's Brother Stands to Benefit from China Deal," *Los Angeles Times*, December 13, 1989; and Milton Mueller, "Don't Sanction China's Satellite," *Wall Street Journal*, November 24, 1989.

21. David Hoffman and Ann Devroy, "Bush Rejects New Sanctions For China, Clears Satellites," *Washington Post*, December 20, 1989; Andrew Rosenthal, "President Waives Some China Curbs," *New York Times*, December 20, 1989; George Lardner, Jr., "U.S. Began Lifting Business, Military Sanctions on China Months Ago," *Washington Post*, December 12, 1989; and John Burgess, "Bush Act Heats Up Feud in U.S. Space Industry," *Washington Post*, December 21, 1989.

22. Jack Colhoun, "Prescott Bush and the Gangsters," *Lies Of Our Times*, April 1992; and Robert J. McCartney, "Japanese Company Sues Bush Brother," *Washington Post*, June 16, 1992, p. C1.

23. "Bush's Brother Dealt With Japanese Underworld Boss," *Kyodo News Service*, June 7, 1991; Leslie Helm, "Bush Brother Was a Consultant to Company Under Scrutiny in Japan," *Los Angeles Times*, June 11, 1991; Kathleen Day and Paul Bluestein, "Bush Brother Said to Aid Firm Ties to Japan Mob," *Washington Post*, June 11, 1991; and Yumiko Ono and Clay Chandler, "Mobster's Death Robs Authorities of Key Witness in Japan Scandals," *Wall Street Journal*, September 6, 1991.

24. Gary Sick, *October Surprise: America's Hostages in Iran and the Election of Ronald Reagan* (New York: Times Books, 1991), pp. 23-24, 26-28, 33-36, 137, 170. See also, Jack Colhoun, "Hostages Push Probe of 'October Surprise,'" (New York) *Guardian*, June 26, 1991.



and the intelligence community.<sup>26</sup> Bush's other son, Marvin, also helped the family's pet charity and accompanied a flight of medical supplies to Nicaragua three days after Chamorro's inauguration.

An undisclosed amount of the \$680,000 in Americares aid to Honduras was delivered to Nicaraguan Miskito Indian guerrillas. Based in Honduras, they were aligned with the CIA-funded Contras, according to Roberto Alejos, a Guatemalan sugar and coffee grower who coordinated the Americares project in Honduras. In 1960, Alejos had permitted the CIA to use his plantations to train right-wing Cubans in preparation for the Bay of Pigs invasion of Cuba.

In 1985 and 1986, after Congress cut off U.S. aid to the Contras, Americares donated more than \$100,000 worth of newsprint to the pro-Contra newspaper *La Prensa* in Managua. Americares supplied \$291,383 in food and medicine and \$5,750 in cash to Mario Calero, New Orleans-based quartermaster and arms purchaser for the Contras, and brother of Contra leader Adolfo Calero. In this same period, groups associated with Lt. Col. Oliver North's off-the-shelf Contra arms network provided covert support for *La Prensa*.<sup>27</sup>

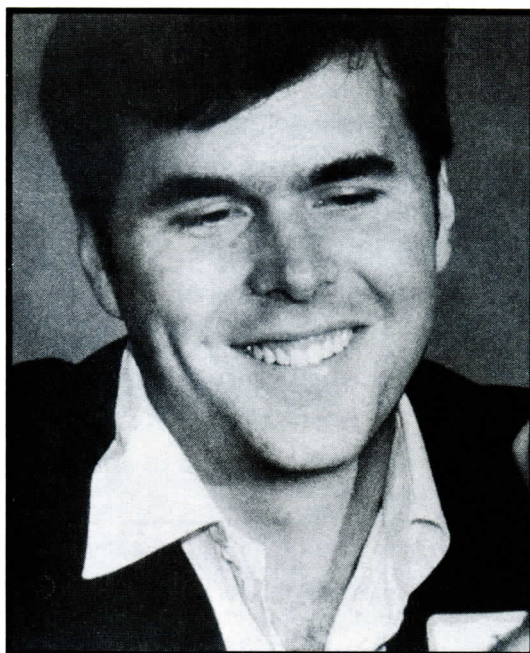
### Jeb: Liaison to Anti-Castro Right

George Herbert Walker Bush's second eldest son, John Ellis or Jeb, was also linked to clandestine schemes in support of the Contras. Soon after congressional prohibition in late 1984, Jeb helped put a right-wing Guatemalan politician, Dr. Mario Castejon, in touch with Oliver North. Jeb acted as the Reagan administration's unofficial link with the Contras and Nicaraguan exiles in Miami.

Jeb was contacted in February 1985 by a friend of Castejon, who gave him a letter from Castejon to be passed on

to then Vice President Bush. In his letter Castejon, a pediatrician and later an unsuccessful National Conservative Party presidential candidate, requested a meeting with George Bush to discuss a proposed medical aid project for the Contras. Jeb forwarded the letter to his father. In a March 3, 1985, letter, Vice President Bush expressed interest in Castejon's proposal to create an international medical brigade.

"I might suggest, if you are willing, that you consider meeting with Lt. Colonel Oliver North of the President's



Insight

**Jeb:** White House liaison to Miami Contras and right-wing anti-Castro Cuban-Americans; took contributions for Miami Republican Party from later-convicted cocaine trafficker; linked to BCCI scandal; connected to Medicare scam to direct aid to Contras; worked with Mafia-connected businessman; profited from S&L bailout; successfully lobbied Dad for release of jailed international terrorist.

National Security Council Staff at a time that would be convenient for you," Bush wrote. "My staff has been in contact with Lt. Col. North concerning your projects and I know that he would be most happy to see you. You may feel free to make arrangements to see Lt. Colonel North, if you wish, by corresponding directly with him at the White House or by contacting Philip Hughes of my staff."<sup>28</sup>

Castejon later met with North in the White House, where he also saw President Ronald Reagan. When Castejon returned to Washington for a second visit, he was introduced to members of North's secret Contra support network, including retired Maj. Gen. John Singlaub and Contra leader Adolfo Calero. Castejon also met with a group of doctors working with Rob Owen, North's liaison with the Contras.

"He [Castejon] was offering us a pipeline into Guatemala," said Henry Whaley, a former arms dealer who said he was asked by his

intelligence community connections to help Castejon. Whaley was optimistic about opening a new shipping route to the Contras through Guatemala. "If you can move Band-Aids," he reportedly said, "you can move bullets."<sup>29</sup>

With Castejon, Whaley prepared a proposal to the State Department for the purchase of medical supplies for the Contras from the Department's newly established

26. Joanne Omang, "\$14 Million in Medical Aid Funneled to Central America," *Washington Post*, December 27, 1984; Holly Sklar, *Washington's War On Nicaragua* (Boston: South End Press, 1988), pp. 239-41; and Russ W. Baker, "A Thousand Points of Light: Americares, George Bush's Favorite Charity Dispenses Bitter Medicine Around the World," *Village Voice*, January 8, 1991.

27. John Spicer Nichols, "La Prensa: The CIA Connection," *Columbia Journalism Review*, July-August 1988.

28. George Bush's March 3, 1985, letter to Castejon is reprinted in Jim McGee and James Savage, "Bush Sent Doctor to North Network," *Miami Herald*, March 15, 1987. Other material on Castejon is also drawn from this article.

29. *Ibid.*; see also Peter Kilborn, "Bush Referred Guatemalan to North on Contra Aid," *New York Times*, March 16, 1987.



Nicaraguan Humanitarian Assistance Office. The document included requests for mobile field hospitals and light aircraft to evacuate wounded Contra guerrillas. Congress approved \$27 million in "humanitarian" aid to the Contras in 1985.

The Castejon proposal was hand-delivered to TGS International Limited in the Virginia suburbs of Washington. Whaley said he sent the report to TGS so it would be "quietly" forwarded to the CIA. TGS International is owned by Ted Shackley, who was CIA Associate Deputy Director of Operations when Bush Sr. headed the Agency in 1976-77.

Jeb had another Contra connection in his involvement with Miguel Recarey, Jr., a right-wing Cuban who headed the International Medical Centers (IMC) in Miami. In 1985 and 1986, Recarey and his associates gave more than \$25,000 in contributions to political action committees controlled by then Vice President Bush. In 1986, Recarey hired Jeb, a real estate developer, to find a new headquarters for IMC. Jeb was paid a \$75,000 fee, even though he never located a new building.

In September 1984, two months after IMC's \$2,000 contribution to the Dade County Republican Party, which was headed by Jeb, the vice president's son contacted several top HHS (Department of Health and Human Services) officials on behalf of IMC. "Contrary to rumors, [Recarey] was a good community citizen and a good supporter of the Republican Party," one official of the HHC remembered Jeb telling him in late 1984. Jeb successfully sought an HHS waiver of a rule so that IMC could receive more than 50 percent of its income from Medicare.<sup>30</sup>

Leon Weinstein, an HHS Medicare fraud inspector, worked on an audit of IMC in 1986; he has charged that IMC used Medicare funds to treat wounded Contras at its hospital.<sup>31</sup> The transaction was arranged by IMC official José Basulto, a right-wing Cuban trained by the CIA, who arranged for Contras to receive treatment in Miami. Basulto

to was praised for his commitment by Felix Rodriguez: "He has been active for a decade in supporting the Nicaraguan freedom fighters ever since the Sandinistas took power, and is constantly organizing Contra support among Miami's Cuban community. He has even been to Contra camps in Central America, helping to dispense humanitarian aid."<sup>32</sup>

At the same time as Recarey was providing medical assistance to the Contras, he was embezzling Medicare funds. IMC, one of the largest health maintenance organizations in the United States, received \$30 million a month for its Medicare patients, clearing \$1 billion in federal monies from 1981 to 1987. While he headed IMC, Recarey's personal wealth jumped from \$1 million to \$100 million, U.S. investigators believe.<sup>33</sup>

"IMC is the classic case of embezzlement of government funds," according to Robert Teich, the head of the Drug Enforcement Administration's Office on Labor Racketeering in Miami. Reich described IMC's skimming Medicare funds as a "bust-out" where money was "drained out the back door." A Florida state investigator concluded in a 1982 report that some federal funds IMC received "are being put in banks outside the country."<sup>34</sup>

Recarey's links to the Mafia also raised eyebrows in Washington. "As far back as the 1960s, he had ties with reputed racketeers who had operated out of pre-Castro Cuba and who later forged an anti-Castro alliance with the CIA," the *Wall Street Journal* reported. The *Journal* added that the late Santos Trafficante, Jr., the Mafia boss of Florida, "helped out when Recarey needed business financing." Trafficante, a major drug trafficker, joined a failed CIA effort to assassinate Cuban President Fidel Castro in the early 1960s.<sup>35</sup>



Wide World Photos  
Pres. Bush's youngest son, Marvin, with American shipment to be sent to Nicaragua, 1990.

30. Carl Cannon, "Democrats Question Bush Family Deals," *Miami Herald*, April 26, 1992; and Sydney Freedberg, "Paid to Treat Elderly, IMC Moved in World of Spying and Politics," *Wall Street Journal*, August 9, 1988.

31. Freedberg, *op. cit.*; and Jefferson Morley, "See No Evil," *Spin Magazine*, March 1991.

32. Basulto — and Rodriguez who was linked to Bush and Oliver North's Contra arms network — have been comrades-in-arms since their days in the CIA, Brigade 2506, and the clandestine U.S. war against Cuba. (Felix I. Rodriguez and John Weisman, *Shadow Warrior: The CIA Hero of a Hundred Unknown Battles* (New York: Simon and Schuster, 1989), pp. 109-11.)

33. Freedberg, *op. cit.*; and Morley, *op. cit.*

34. Freedberg, *op. cit.*

35. *Ibid.* For Trafficante's role in the CIA's assassination plots against Fidel Castro, see Arthur Schlesinger, Jr., *Robert Kennedy and His Times* (Boston: Houghton Mifflin, 1978), pp. 482-84; and Warren Hinckle and William Turner, *The Fish Is Red: The Story of the Secret War Against Castro* (New York: Harper & Row, 1981), p. 315.



Recarey's access to Republican circles was probably one reason he was able to rip-off U.S. tax dollars for so long. He hired former Reagan aide Lyn Nofziger, the public relations firm Black, Manafort, Stone and Kelly, which was close to the Reagan White House, and attorney John Sears, a former Reagan campaign manager, to look out for his interests in Washington.

Recarey fled the United States in 1987 to avoid a federal indictment for racketeering and defrauding the U.S. government. The Bush administration has made no effort to extradite him from Venezuela where he is currently living.

### Jeb Linked to Smugglers and Thieves

Jeb Bush has also been linked to Leonel Martinez, a Miami-based right-wing Cuban-American drug trafficker. Martinez, who was linked to Contra dissident Eden Pastora, was involved in efforts to smuggle more than 3,000 pounds of cocaine into Miami in 1985-86. He was arrested in 1989 and later convicted for bringing 300 kilos of cocaine into the U.S. He also reportedly arranged for the delivery of two helicopters, arms, ammunition, and clothing to Pastora's Costa Rica-based Contras.<sup>36</sup>

Federal prosecutors in Miami have a photograph of Jeb and Martinez shaking hands but won't release the photo to the public. Whether Jeb was aware of Martinez's drug trafficking activities is not known, but it is known that Leonel and his wife Margarita made a \$2,200 contribution to the Dade County Republican Party four months after Jeb became the chair of the local GOP.

It is also known that Martinez wrote \$5,000 checks to then Vice President Bush's Fund for America's Future in both December 1985 and July 1986 and made a \$2,000 contribution to the Bush for President campaign in October 1987.

Martinez's construction company gave \$6,000 in October 1986 to Bob Martinez (no relation), the GOP candidate for governor in Florida; he was governor from 1987 to 1991. At that time, Vice President Bush was serving as head of the South Florida Drug Task Force and later as chair of the National Narcotics Interdiction System, both set up to stem the flow of drugs into the U.S. While Bush was drug czar, the volume of cocaine smuggled into the U.S. tripled.<sup>37</sup>

President Bush later appointed Bob Martinez in 1991 head of the U.S. Office of National Drug Control Policy—the drug czar to succeed the controversial William Bennett.

36. The section on Leonel Martinez is based on Morley, *op. cit.*

37. See Joe Conason and John Kelly, "Bush As 'Drug Czar,'" *Village Voice*, October 11, 1988.

### Jeb Gets in on the BCCI Action

In 1988, Jeb was mentioned in a deposition taken by a Senate Foreign Relations subcommittee, chaired by Sen. John Kerry (D-Mass.), which was investigating drug money laundering operations in the U.S.

"I saw Jeb Bush two or three times over there with [Abdur] Sakhia," stated Aziz Rehman, a junior BCCI-Miami official in the 1980s. "This was all part of the bank's trying to cultivate public officials and prominent individuals."<sup>38</sup> Rehman said BCCI's practice was to "bribe" government officials in the United States.

"Jeb Bush, V.P. George Bush's son," Sakhia noted in a 1986 BCCI document, was a "name...to be remembered."<sup>39</sup>

Most of Rehman's testimony focused on his role in BCCI-Miami's money laundering operation. Rehman said it was his job, in the mid-1980s, to chauffeur and entertain BCCI-Miami's big clients when they came to the city from the Caribbean and Latin America. Rehman described how he deposited large amounts of cash for these clients, ranging from \$100,000 to \$2 million, in other Miami banks at which BCCI-Miami had accounts. To disguise the money trail, BCCI transferred the cash electronically from Miami to BCCI banks in Panama and the Grand Cayman Islands.

Jeb's name also shows up in a September 1987 BCCI document written by Amjad Awan, then a senior BCCI-Miami official. The memorandum planned a BCCI breakfast meeting with a senior level delegation from the People's Republic of China and high Florida state government officials, including Secretary of Commerce Jeb Bush. Among the Chinese delegation was Ge Zhong Xue, Deputy Division Chief of the Ministry of Public Security, a top police official.<sup>40</sup>

Meanwhile, Jeb and his business partner Armando Codina profited handsomely when the Bush administration bailed out Broward Federal Savings and Loan in Sunrise, Florida, which went belly up in 1988. The Federal Deposit Insurance Corporation (FDIC) absorbed \$285 million in bad loans, including a \$4.6 million loan by the Bush-Codina partnership. According to the deal struck by federal regulators, the Bush-Codina partnership wrote a check for \$505,000 to the FDIC, and the government paid off the remaining \$4.1 million of the loan for an office building on which Jeb and Codina defaulted. As a result of the bailout, the Bush-Codina partnership retained posses-

38. Deposition of Aziz Rehman, October 24, 1988, included in "Drugs, Law Enforcement and Foreign Policy: The Cartel, Haiti and Central America," Part 4, Hearings before the Subcommittee on Terrorism, Narcotics and International Operations, pp. 630, 644.

39. *Wall Street Journal*, December 6, 1991.

40. BCCI: Latin America & Caribbean Regional Office, memorandum, September 11, 1987, From: Mr. A. Awan. Subject: Chinese Delegation Breakfast.



sion of its office building at 1390 Brickell Avenue in Miami's posh financial district.<sup>41</sup>

Currently, Jeb is involved in a number of joint ventures with Codina, a Miami real estate developer who is also a leader of the right-wing Cuban American National Foundation (CANF). The Brickell Avenue office building is owned by IntrAmerica Investments. Jeb was listed in business documents in 1985 and in 1986 as the president of IntrAmerica Investments, and the building is managed by one of Jeb's real estate companies. Codina owns 80 percent of the building, while Jeb owns the remaining 20 percent.

Jeb has acted as the Reagan and Bush administration's liaison with the politically influential Cuban exile community in South Florida. Jorge Mas Canosa, president of CANF, succinctly described Jeb's role as the ultra-right Cuban-American community's liaison with the White House: "He is one of us."<sup>42</sup>

#### Jeb Asks Dad To Free Terrorist

As a link to that powerful and wealthy South Florida community, Jeb has been a tireless supporter of some of the most reactionary Cuban-American political causes — from promoting CANF projects like Radio and TV Martí, to lobbying for the release of anti-Castro terrorist Orlando Bosch from a Miami jail. TV propaganda broadcasts into Cuba, considered by legal experts a violation of the International Telecommunications Convention, are fully subsidized by U.S. taxpayers.<sup>43</sup>

Anti-Castro terrorist Orlando Bosch was paroled in 1990 after Jeb lobbied the Bush administration for his release from prison in Miami. Bosch had been jailed in 1988 for jumping bail on a 1968 conviction for shooting a bazooka at a Polish freighter in the Miami harbor. He is better known as the mastermind of the explosion of a Cuban commercial airliner over Barbados on October 5, 1976, in which 73 passengers were killed. A U.S. District Court judge revealed in 1988 that secret U.S. documents concluded Bosch was a leader of the Coordination of United Revolutionary Organizations (CORU), which was

responsible for more than 50 anti-Castro bombings in Cuba and elsewhere in the Western Hemisphere.<sup>44</sup>

The Cuban government filed an order for his extradition in May 1992.

#### "Tell Him...The Vice President's Son" Called

"There was no conflict of interest," third Bush son Neil told reporters after the Office of Thrift Supervision (OTS) in Washington issued a notice of intent in January 1990 to hold a hearing on the failure of Silverado Banking Savings and Loan. Neil had been a member of Silverado's board of directors from 1985 to 1988.<sup>45</sup> Federal regulators shut down Silverado shortly after George Bush was elected president in 1988. The federal bailout cost U.S. taxpayers \$1 billion.

Neil was responding to charges made in an OTS report that he had "breached his fiduciary duty" to Silverado by engaging in unethical business deals while a board member of the Denver savings and loan. The report documented that Neil personally profited from questionable Silverado loans to his business partners, Ken Good and Bill Walters. Good and Walters later defaulted on \$132 million in loans to Silverado,

leaving the taxpayers to pick up the tab.<sup>46</sup>

The OTS report alleged that Neil failed to disclose his business connections to Good and Walters when he voted to approve a \$900,000 line of credit to Good International, Inc. Neil got Silverado to write a letter of recommendation to authorities in Argentina, where Good International, in partnership with Neil's JNB Exploration Company, was exploring for gas and oil. Good also gave the President's third son a \$100,000 loan to invest in the commodities market, which Bush was never required to repay.<sup>47</sup>

44. Mike McQueen, "U.S. Says Bosch Has Longtime Ties to Terror Groups," *Miami Herald*, July 18, 1990; James LeMoine, "Cuban Linked to Terror Bombings Is Freed by Government in Miami," *New York Times*, July 18, 1990; and Jack Colhoun, "Plane-Bombing Pair Tied to Bush and Heir," (New York) *Guardian*, May 20, 1992.

45. Neil Bush quoted in Steven Wilmsen, *Silverado: Neil Bush and the Savings and Loan Scandal* (Washington, D.C.: National Press Books, 1991), p. 195.

46. Office of Thrift Supervision, "Notice of Intent to Prohibit and Notice of Hearing: In The Matter of Michael Wise, James Metz, Neil Bush and Russell Murray," January 1990; Stephen Pizzo, "The First Family," *Mother Jones*, March/April 1992; and Jack Colhoun, "Bush Son Weds Mob, CIA At Silverado S&L," (New York) *Guardian*, July 4, 1990.

47. Robert Rosenblatt, "Bush's Son Defends Role at S&L, Explains Loan Ties," *Los Angeles Times*, May 24, 1990.

**Neil personally profited from questionable Silverado loans. When the bank went belly up, the taxpayers picked up the \$132 million tab. The federal bailout of Silverado cost \$1 billion.**

41. Jeff Gerth, "A Savings and Loan Bailout, and Bush's Son Jeb," *New York Times*, October 14, 1990; and Sharon LaFraniere, "S and L Bailout Involved Jeb Bush Partnership," *Washington Post*, October 15, 1990.

42. Julia Preston and Joe Pichirallo, "Bay of Pigs Survivors Find Common Cause With Contras," *Washington Post*, October 26, 1986.

43. Jack Colhoun, "U.S. Rattles Electronic Sabre At Cuba," (New York) *Guardian*, June 27, 1990.



Neil failed to inform Silverado that Walters had contributed \$150,000 to the initial capitalization of JNB Exploration, or that Walters' Cherry Creek National Bank in Denver extended a \$1.5 million line of credit to JNB Exploration. Neil put up a paltry \$100 in start-up funds in 1983 when he founded JNB Exploration, but over the next five years was paid \$550,000 in salary drawn from the Cherry Creek National Bank line of credit.<sup>48</sup>

Neil brought few business skills to his job at JNB Exploration but he was adept at cashing in on his family name.

"Tell him Neil Bush called," Neil once told the secretary of a wealthy Denver oil entrepreneur. "You know, the vice president's son."<sup>49</sup>

"Neil knew people because of his name," acknowledged Evans Nash, one of Neil's partners at JNB Exploration. "He's the one that got us going. He's the one that made it happen for us."<sup>50</sup>

When Neil left JNB Exploration in 1989, the company had yet to discover a profitable gas or oil well.

#### Neil: The Sensitive One

Neil's business partners also included shady characters with ties to the world of covert operations. In 1985, Good received an \$86 million loan from the Dallas Western Savings Association, which was tied to Robert Corson, a Texas developer and reputed CIA operative, and Herman Beebe, Sr., a convicted Mafia associate of Louisiana mob boss Carlos Marcello.<sup>51</sup>

Neil profited from the Western Savings loan to Good, because the loan helped Good buy Gulfstream Land and Development, a Florida real estate company. Good made Neil a board member of one of Gulfstream's subsidiaries in 1988. Bush was paid \$100,000 a year to attend occasional Gulfstream board meetings before it went out of business in 1990.<sup>52</sup>

48. Pizzo, *op. cit.*

49. Neil Bush quoted in Wilmsen, *op. cit.*, p. 70.

50. *Ibid.*

51. Pete Brewton, "The Suspicious Trail of Denver S&L Failure," *Houston Post*, March 11, 1990; David Armstrong, "The Great S&L Robbery: Spookmaster Pete Brewton Tells All," *Texas Observer*, April 5, 1991; and Rebecca Sims, "The CIA and Financial Institutions," *CAIB*, Number 35 (Fall 1990), p. 48.

52. Pizzo, *op. cit.*; and Michael Selz, "Ken Good: What Me Worry?" *Florida Trend*, January 1989.

Investigative reporter Pete Brewton identified Corson as a CIA operative in a long *Houston Post* series on CIA links to organized crime and failed savings and loans. "One former CIA operative told the *Post* that Corson frequently acted as 'a mule' for the agency, meaning he would carry large sums of money from country to country," Brewton wrote.<sup>53</sup>


Corson's Vision Banc Savings in Kingsville, Texas, loaned about \$20 million to Mike Atkinson, a Corson associate, for a Florida land deal put together by Lawrence Freeman. Freeman, who laundered money for Santos Trafficante, Jr., was also tied to veteran CIA operative Paul Helliwell. In the Bahamas, Helliwell set up Castle Bank and Trust Ltd., which was the CIA's primary financial front in Latin America and the Caribbean during the 1960s and 1970s. Castle laundered funds for the Agency's covert operations against Cuba.<sup>54</sup>

Walters had ties to Richard Rossmiller, a Beebe associate. In the mid-1970s, Walters was a part-owner with Rossmiller, of Peoples State Bank in Marshall, Texas, at the same time as Rossmiller was doing business with Beebe.<sup>55</sup>

Wayne Reeder, another Beebe associate, a big borrower from Silverado, defaulted on a \$14 million loan. Reeder was involved in an unsuccessful arms deal with the Contras. Reeder accompanied his partner, John Nichols, in 1981 to a weapons demonstration attended by Contra leaders Eden Pastora and Raul Arana, both of whom were interested in buying military equipment from Nichols.

"Among the equipment were night vision goggles ... and light machine guns," according to the book, *Inside Job: The Looting of America's Savings and Loans*. "Nichols ... had a plan in the early 1980s to build a munitions plant on the Cabezon Indian Reservation near Palm Springs, Califor-

# JAIL



## Neil Bush

The \$500 billion bailout of the savings and loan industry will cost every child, woman and man over \$2,000. These crimes were committed by the rich, for the rich and **THEY SHOULD PAY.**

for more information, call 637-8900 A JNB Production

**Poster boy Neil:** Member of S&L board whose failure cost taxpayers \$1 billion; business partner of men tied to Mafia and CIA.

53. Pete Brewton, "S&L Probe has Possible CIA Links," *Houston Post*, February 4, 1990, p. 1.

54. Armstrong, "S&L Robbery," *op. cit.* For Castle Bank, see Kwitny, *Crimes of Patriots*, *op. cit.*, pp. 46, 294-95; and "S.E.C. and I.R.S. Knuckle Under to C.I.A. Pressures," *CAIB* Number 9 (June 1980), p. 28.

55. Brewton, "Suspicious Trail," *op. cit.*; and Armstrong, "S&L Robbery," *op. cit.*



nia, in partnership with Wackenhut, the Florida security firm. [But] the plan fell through."<sup>56</sup>

There was another Silverado-Contra connection, however, that didn't fall through. E. Trine Starnes, Jr., the third largest Silverado borrower, was a major donor to the National Endowment for the Preservation of Liberty (NEPL), directed by Carl "Spitz" Channell, which was a part of Oliver North's Contra funding and arms support network. A NEPL document, "Top 25 Contributors as of October 3, 1986," showed Starnes contributed \$30,000 to NEPL's Central America Freedom Program. Starnes closed a deal with Silverado on September 30, 1986, for three business loans totaling \$77.5 million, on which Starnes later defaulted.<sup>57</sup>

The Central America Freedom Program was a propaganda effort in conjunction with the Reagan administration's campaign in 1986 to win congressional support for resuming arms aid to the Contras. When the administration wooed potential NEPL donors, Starnes was invited to a January 30, 1986, White House briefing, which included Reagan, National Security Adviser John Poindexter, White House Chief of Staff Donald Regan and Assistant Secretary of State Elliott Abrams. Congress resumed U.S. arms aid to the Contras in mid-1986.

In a final ironic Silverado-Contra connection, NEPL banked at the Palmer National Bank in Washington, a bank with ties to Vice President Bush and Herman Beebe. Palmer National was also linked to North's Contra arms network.

Palmer National was established in 1983 by Stefan Halper and Harvey McClean, Jr., two former aides in Bush's unsuccessful presidential campaign in 1980. Halper, who had links to the intelligence community, became deputy director of the State Department's Bureau of Politico-Military Affairs in the Reagan administration. McClean was a Beebe associate. Beebe supplied the majority of the capitalization for the start-up of Palmer National.<sup>58</sup>

"Palmer National lent money to individuals and organizations that were involved in covert aid to the Nicaraguan Contra rebels," Brewton wrote in the *Houston Post*. "Money was channeled through Palmer National to a Swiss bank account used by . . . North to provide military assistance to the Contras."<sup>59</sup>

56. Stephen Pizzo, Mary Fricker, and Paul Muolo, *Inside Job: The Looting of America's Savings and Loans* (New York: McGraw-Hill, 1989), p. 304.

57. Jack Colhoun, "Contra Backer Dipped Into S&L's Deep Pockets," (New York) *Guardian*, October 31, 1990.

58. Pete Brewton, "D.C. Bank Swept Up in Intrigue," *Houston Post*, June 10, 1990.

59. *Ibid.*

## Bushed Out

George Herbert Walker Bush is the first former CIA director to serve as president. The implications for U.S. politics of Bush's move from CIA headquarters to the White House are profound and chilling, but seldom the subject of mainstream political discussion. The corruption of the Bush family, however, is a good introduction.

The Bushes' shadowy business partners come straight out of the world in which the CIA thrives — the netherworld of secret wars and covert operators, drug runners, mafiosi and crooked entrepreneurs out to make a fast buck. What Bush family members lack in business acumen, they make up for by cashing in on their blood ties to the former Director of Central Intelligence who became president. In return for throwing business their way, the Bushes give their partners political access, legitimacy, and perhaps protection. The big loser in the deal is the democratic process. ●

## Think Tank Begun In Cuba

Ask the Cuban people if they think the Cold War is over. Targeted by Washington's unending bluster, escalating threats and a 31-year embargo, they know from chilly experience that it continues.

A new Study Center for International Security and Intelligence Activities (CINA 2000) will evaluate the national security policies and priorities in the Americas and the corresponding intelligence-gathering activities of various agencies, especially the U.S.

CINA will also investigate the role of the U.S. intelligence apparatus in formulating and executing U.S. government policy — whether by U.S. agencies or through other states and agencies — and focus on the effects on Cuba and the rest of Latin America.

CINA 2000 was launched in February 1992 as a non-governmental, non-profit, interdisciplinary project. It will maintain a computer data bank providing information to Cuban and international researchers, organize conferences, promote exchanges, and publish an English-language newsletter: *desclasificado* (declassified).

For information: CINA 2000, Calle 21 esq. O, 4to piso, Vedado, Havana 4. Cuba, Tel.: 33-3186.



# In the Company of Friends

Anthony L. Kimery

"I don't think there's ever been a vice president...as much involved at the highest level in our policy-making and our decisions than George," said President Reagan in March 1985.<sup>1</sup> At the 1988 Republican national convention, in response to the Democrats' taunt, "Where was George," during Iran-Contra, Reagan said, "George played a major role in everything we've accomplished ....George was there."

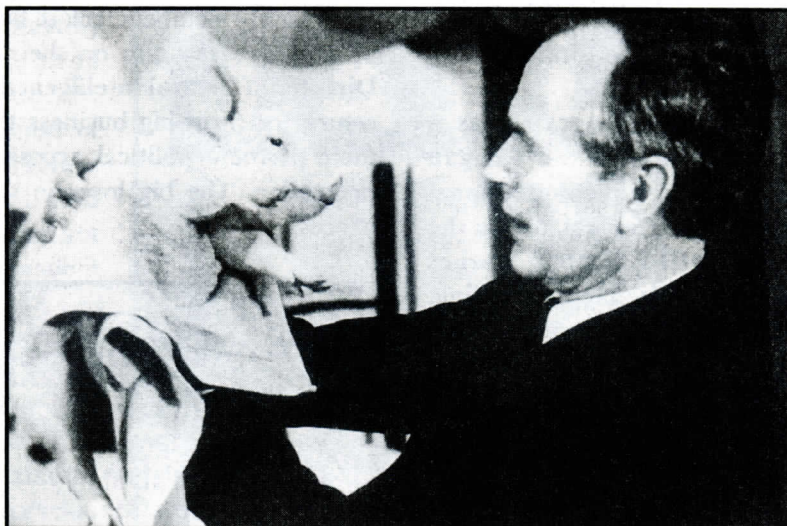
Bush's most important contribution was to national security policy, a role for which he was uniquely qualified. Recipient of his own special daily CIA/national security briefings, he was a prominent, some say guiding, member of the National Security Council (NSC)—home to most of the Iran-Contra plotting and off-the-shelf secret operations. He also chaired crucial sub-national security policy groups which gave birth to Iran-Contra's more heinous rogueries.<sup>2</sup> The question raised by all this access and intimacy is not so much how integral Bush was to formulating and carrying out the national security policies that allowed for crimes such as Iran-Contra. Rather, the question that needs to be answered is why he is such an important player at all.

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Anthony L. Kimery is a free-lance investigative journalist whose work has appeared in various publications. He is presently working on a book about George Bush and the CIA.

1. Jack W. Germond and Jules Witcover, *Whose Broad Stripes and Bright Stars* (New York: Warner Books, 1989), pp. 67, 381.

2. Chair of the Task Force on Combatting Terrorism, which dealt regularly with North and Casey; member of NSC; member of National Security Planning Group; Chair of Special Situations Group, whose sub-Crisis Pre-Planning Group conceived of the illegal *quid pro quo* with Honduras. (NSC and White House documents declassified for North's trial.)



J.L. Atlan/Sygma

Throughout his career, Bush's relationship to the CIA has reflected his hands-on approach and close association to the world of covert operations.

On the surface, Bush's rise within policy and intelligence circles—from a moderately successful Texas businessman to moderately successful political player, to director of the CIA, to an unusually involved vice president—seems unlikely.

If, however, he had a longer, more intimate relationship with the CIA than the public record indicates, much about Bush's spectacular career would be explained. While not

conclusive, there is a growing body of evidence that for almost half a century, Bush has been a Company man. That evidence is worth examining.

### The Early Years: Waltzing with Spooks

Bush's most important ties to the intelligence community were likely knotted at Yale, which he attended from 1945 to 1948. During these formative years for both Bush and the Cold War, the CIA recruited vigorously and almost exclusively at the elite Ivy.<sup>3</sup> Yale was so intimately intertwined with the U.S. spy community that it "influenced the CIA more than any other institution," wrote historian Robin W. Winks.<sup>4</sup> All the recruits did not enter the Agency itself. Many Yale graduates going to work for multinational corporations were routinely recruited to provide intelligence, particularly from behind the Iron Curtain.

The CIA's full-time salaried headhunter at Yale was crew coach Allen "Skip" Waltz, a former naval intelligence

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3. Robin W. Winks, *Cloak and Gown: Scholars in the Secret War, 1939-1961* (New York: William Morrow, 1987), Chapter 1.

4. *Ibid.*, p. 35.



officer who had a good view of Bush.<sup>5</sup> As a member of Yale's Undergraduate Athletic Association and Undergraduate Board of Deacons, Bush had to have worked closely with Waltz on the university's athletic programs from which the coach picked most of the men he steered to the CIA. It is inconceivable Waltz didn't try to recruit Bush, say former Agency officials recruited at Yale.<sup>6</sup>

But it wasn't just Bush's scholastic achievements that made him desirable as a prospective spy. His father, Prescott, Sr., probably also had a part in the CIA's interest in young George.<sup>7</sup> A managing partner of Brown Brothers Harriman and major benefactor of Yale, Prescott had been an Army Intelligence operative in World War I. He also ardently supported Eisenhower's covert Cold War policies and was a close friend of William Casey, an OSS veteran who went on to head the CIA from 1981 until his death in 1985. Given these connections, it was not surprising that the job awaiting his son upon graduation in 1948 was with a CIA-linked company headed by a close friend who was also on good terms with top people in the Agency.

#### Oiling the Company Machine

Bush started his career as a salesman for International Derrick and Equipment Company (IDECO), a subsidiary of Houston-based Dresser Industries. This global engineering and construction conglomerate had routinely served as a CIA cover.<sup>8</sup> Bush's job, peddling IDECO's services, including behind the Iron Curtain, was a curious

**Among the meticulous pages of the address book the Count carried until his alleged suicide, is an entry for "George Bush."**

responsibility, considering Bush's inexperience in either the oil industry or international relations.

Dresser Industries, longtime Chairman of the Board Henry Neil Mallon, the "surrogate uncle" and "father-confessor" to Prescott's children, personally offered Bush the IDECO job.<sup>9</sup> Mallon was a friend to numerous ranking Cold War era intelligence officials, including Allen Dul-



Associated Press

DeMohrenschildt with his wife holding photos of Kennedys. He was linked to both CIA covert operations and to Bush.

les—an OSS veteran and groundfloor official of the CIA. (Dulles headed the Agency from 1953 until 1961 when he was sacked by President Kennedy in the wake of the Bay of Pigs disaster.) Mallon steered prospective candidates for spy work to Dulles and often provided cover employment to CIA operatives.<sup>10</sup> Prescott and Mallon were also Yale classmates and initiates of Skull and Bones, the infamous secret Yale fraternity that was a fertile CIA recruiting ground during the Cold War.<sup>11</sup> George joined Skull and Bones his junior year.

Another particularly important operative with whom Mallon was well acquainted would also eventually work with George Bush. George DeMohrenschildt, a Russian Count whose family fled Russia after the Bolshevik revolution, had been part of a spy network Dulles ran inside Hitler's intelligence organization.<sup>12</sup>

5. *Ibid.*, pp. 51-54.

6. Consensus of several former senior CIA officials who are familiar with the Agency's recruiting practices and procedures. Interviews in 1990-91.

7. Author's interviews with a number of former CIA officials and operatives, 1990-91.

8. Author's interviews in 1990-91 with two individuals who were CIA Operations Directorate field officers at the time, one of whom knew Bush and claims to have worked for Dresser as his cover.

9. Donnie Radcliffe, *Simply Barbara Bush: A Portrait of America's Candid First Lady*, (New York: Warner Books, 1989), pp. 103-4; and Nicholas King, *George Bush: A Biography* (New York: Dodd-Mead, 1980), p. 43.

10. March 25, 1953, letter from Prescott Bush to President Eisenhower's national security adviser.

11. Howard Frazier, ed., *Uncloaking the CIA* (New York: The Free Press, 1978), p. 148.

12. DeMohrenschildt, better known as Lee Harvey Oswald's best friend, allegedly killed himself on March 29, 1977, after learning that the House Select Committee on Assassinations had sent investigator Gaeton Fonzi to talk to him. Fonzi wanted to interview the Count about omissions in his 1964 testimony to the Warren Commission. (DeMohrenschildt's Warren Commission testimony: Vol. 11, pp. 134-35, 138, Commission Exhibits 1403, 1667, 3100, 3116; and author's interview with former senior CIA Operations Directorate officials, 1990-91.)



Following the defeat of Nazi Germany, DeMohrenschildt appears to have been submerged as a deep cover CIA "asset," operating under the guise of a consulting petroleum geologist specializing in making deals between U.S. oil companies and the East-bloc nations to which he was remarkably well-connected.<sup>13</sup> Mallon personally introduced the Count to Bush at about the same time Mallon handed Bush the highly sensitive responsibility of negotiating East-bloc deals. The officials with whom Bush dealt had detailed knowledge of Soviet-bloc oil and gas production and exploration and drilling capabilities, as well as strategic exploration and production plans outside the USSR. Bush convivially wheeled and dealt with the communists' petroleum experts without the slightest grimace by U.S. authorities. In fact, when a Yugoslavian oil industry official came to the U.S. in 1948 to talk to Dresser Industries, the State Department barely flinched and he went straight to neophyte salesman George Bush in Midland, Texas.<sup>14</sup>

**"It's inconceivable then that the CIA didn't debrief Bush after each and every meeting [he had with the East's representatives]."**

—Victor Marchetti, former CIA officer.

Driven by a Cold War policy of covertly thwarting expansion of the Soviet petroleum industry wherever possible, the CIA was desperate for accurate intelligence on the USSR's oil and gas production activities. "It's inconceivable then that the CIA didn't debrief Bush after each and every meeting [he had with the East's representatives]," explained Victor Marchetti, a former ranking CIA officer and Soviet specialist during the 1950s. "Businessmen with dealings like [Bush had] were routinely debriefed," Marchetti said.<sup>15</sup>

For decades, the CIA relied heavily on debriefings of U.S. businesspeople—some of whom were turned into full-fledged agents—for valuable intelligence tidbits. That Bush was one of those recruited to spy, is a possibility Marchetti and other ex-CIA officials find consistent with the normal Company functioning. And it would certainly go far in explaining Bush's relationship with the mysterious Count DeMohrenschildt. A degreed petroleum geologist, the Count could have explained precisely what information

Bush needed to look for to help the CIA fill its intelligence gaps. Later a CIA spy in Yugoslavia, DeMohrenschildt may have been Bush's "handler"—his briefer and debriefer. "Bush had all the characteristics of being a spook," said a retired CIA operative who says he worked for Dresser as a cover and who knew the future president.<sup>16</sup>

The possibility that deep cover operative DeMohrenschildt's relationship to Bush was that of fellow intelligence gatherer is further strengthened by DeMohrenschildt's continuing association with Bush, and by the apparently secret turn in their relationship at about the time CIA operations against Fidel Castro began.

Neatly typewritten among the meticulous pages of the telephone and address book the Count carried with him until his alleged suicide, is an entry for "George Bush."

It includes his nickname, "Poppy," and his home address and telephone number in Midland, Texas, where Bush and his family lived from 1953 until he moved the offices of Zapata Off-Shore Oil Company to Houston in 1959. Curiously, the two of them continued to meet secretly in Houston.<sup>17</sup> DeMohrenschildt made no new entry for Bush's residence in Houston. There was only an "X" marked through the old address.<sup>18</sup> In his testimony to the Warren Commission, DeMohrenschildt acknowledged having made frequent trips to Houston beginning in the late 1950s for which he gave only vague explanations.<sup>19</sup> Although there is no proof, it is possible that one reason for his stealth was the continued meetings with Bush. By the early 1960s, Bush was regularly servicing the CIA in Latin America. "I know [Bush] was involved [with the CIA] in the Caribbean," said an ex-CIA agent.<sup>20</sup>

### Zapata Zaps Mexico

It was around this time, in the late 1950s, that Bush expanded his business dealings in Mexico. The counter-revolutionary, anti-nationalization policies enforced by the CIA in the incendiary Mexico-Caribbean-Central America region certainly worked to Bush's financial advantage. Following Castro's successful revolution in 1959, his government took over all oil and gas enterprises in Cuba and nationalized the industry—a blow to U.S. oil companies which had just begun to tap into Cuba's oil reservoirs.<sup>21</sup>

16. Author's interview, 1989.

17. Author's interviews with several former senior CIA Operations Directorate officials, 1990-91.

18. DeMohrenschildt's address book.

19. Warren Commission testimony, *op. cit.*

20. Joseph McBride, "George Bush, CIA Operative," *The Nation*, July 16-23, 1988, pp. 41-42.

21. DeMohrenschildt was very well connected to oil executives linked to the intelligence community, such as Jean de Menil, president of the Schlumberger Company, through which ammunition was funneled to the anti-Castro Cubans employed by the CIA. Jim Garrison, *On The Trail of the Assassins: My Investigation and Prosecution of the Murder of President Kennedy* (New York: Warner, 1990), pp. 45, 61, 209, 367.

13. Anthony Summers, *Conspiracy* (New York: McGraw Hill, 1981), pp. 222-28, 248-49; Robert Groden and Harrison Livingstone, *High Treason, The Assassination of President Kennedy: What Really Happened* (New York: Berkeley, 1990), pp. 299-305. Volumes I-IV; DeMohrenschildt testimony before Warren Commission, *op. cit.*

14. Richard Ben Cramer, "How He Got Here," *Esquire*, June 1991, pp. 128-34; and King, *op. cit.*, pp. 47-51.

15. Author's interview, 1991.



Fearing that the desire to control their own industries would spread to other Third World countries, the CIA went to bat for big oil amalgamations which were worried about the security of their investments in the region's considerable oil and natural gas resources. The Agency began assembling a paramilitary force to invade Cuba and overthrow Castro. Again, there was a neat mesh between CIA policy objectives and Bush business interests in the region. In the summer of 1959, Bush was principal owner of Zapata Off-Shore Oil Company, which he had spun off from Zapata Petroleum—a company he helped found six years earlier.

Veteran CIA operatives in the war against Castro say Bush not only let the CIA use Zapata as a front for running some of its operations (including the use of several off-shore drilling platforms), but assert that Bush personally served as a conduit through which the Agency disbursed money for contracted services.<sup>22</sup>

Lending themselves this way to the CIA was a classical segue for many businesspeople in the 1950s and early 1960s who had wet their feet spying for the CIA behind the Iron Curtain. The Agency recruited scores of conservative businesspeople to volunteer their companies as "fronts" for hiding the impending invasion against Castro.<sup>23</sup>

A number of veteran Cold Warriors, none of whom knows one another, are adamant in their respective claims that Bush worked for the Agency during this period. They tell similar disturbing stories about Bush having dirtied his hands "doing the Company's bidding," as one put it. This allegation is buttressed by the internal records of a secret alumnus of former back alley operations who confirms that contract mercenaries were indeed employed by Zapata.<sup>24</sup>

### PEMEX: Oiling the CIA and Greasing Bush's Palm

The Agency-industry fear—that they might lose control of oil reserves in their "backyard"—was well-founded. On the heels of Castro's nationalization, Mexico, a country of more strategic and economic importance to the U.S. than Cuba, also moved to nationalize its oil industry. Concurrently, Mexico embarked on a massive economic expansion program which relied heavily on wooing foreign credits. One country which offered tantalizing loans and oil drilling expertise was the Soviet Union.<sup>25</sup> The CIA was concerned



Barron's

PEMEX head Diaz Serrano, later convicted of fraud, was a business associate of Bush and an ally of the CIA.

that the Soviets would establish a foothold in Mexico's oil industry. The U.S. oilmen were worried that they would lose their profitable domination of Mexico's oil industry and, unable to stop the nationalization, they rushed in to snare lucrative business arrangements with PEMEX, Mexico's new state-owned oil monopoly.

While most bid overtly for contracts, some oilmen worked closely with the large Mexico City CIA station. One corporation which benefited from the considerable leverage the CIA held over certain Mexican officials running PEMEX, was Bush's Zapata Off-Shore Oil Company. By 1960, Agency assets had helped Bush erect the foundation for a secret and illegal oil drilling partnership on Mexican soil.<sup>26</sup> In 1959, working through high-level officials of Dresser Industries, Bush teamed up with ranking Mexican officials whose offices were cooperating closely with the CIA Chief of Station in Mexico City. The office of Minister of Government Luis Echeverria Alvarez, which oversaw Mexico's oil interests and supervised the Direc-

26. Meanwhile, Bush's friend, George DeMohrenschildt, also was in the middle of the CIA's scheme to ensure that U.S. oil companies had the advantage in Mexico and that U.S. dominance was not jeopardized by the Soviets. DeMohrenschildt wine and dined PEMEX officials on behalf of Texas Eastern Corporation, a subsidiary of the Houston-based Brown & Root Company, a multinational engineering, construction, and oil conglomerate that had a lucrative natural gas contract with Mexico. Like Dresser, Brown & Root had also long served as a cover for the CIA, and was part of the powerful oil clique which would later throw money at the political ambitions of Richard Nixon and George Bush. (Author's interviews with several former CIA Operations Directorate officials, 1990-91; and DeMohrenschildt's Warren Commission testimony, *op. cit.*)

22. Author's interviews with several former senior CIA Operations Directorate officials, 1990-91.

23. Warren Hinckle and William Turner, *The Fish is Red: The Story of the Secret War Against Castro* (New York: Harper and Row, 1981).

24. American Legion Generals Ward and Chennault China Post No. 1 internal papers and membership lists; and author's interviews with several former senior CIA Operations Directorate officials, 1990-91.

25. "PEMEX Booming Bureau With Big Plans," *Oil And Gas Journal*, March 21, 1960, pp. 91-2; "Pemex Plans Careful Drilling Program for Northeast Mexico," *Oil and Gas Journal*, March 30, 1960, pp. 134-35.



torate of Federal Security (his country's equivalent of the CIA) was particularly helpful. In the summer of 1959, circumventing Mexican laws requiring drilling contracts be held by Mexican nationals, Bush and his Mexican front men created Permargo Company.<sup>27</sup>

Although on paper the company appeared to be Mexican-owned, Bush and his associates camouflaged Zapata's 50 percent ownership of Permargo. The company, which pioneered in deploying mobile deep sea oil drilling platforms, was virtually alone in the Caribbean Sea and off the shores of South America.<sup>28</sup>

Bush engineered the deal without telling any Zapata Off-Shore stockholders.<sup>29</sup> He worked through Jorge Diaz Serrano, a prominent citizen many Mexicans believed would be their country's next president. Less known were his close ties to the CIA's station in Mexico City.<sup>30</sup> Diaz Serrano went on to take control of Permargo when Bush was elected to Congress in 1966. Ten years later Diaz Serrano, too, appeared to give up his interest in Permargo when he moved into a government job — head of PEMEX. In fact, he maintained his financial interest in Permargo and established a cozy and profitable relationship for PEMEX with the CIA and U.S. oil companies. After his high-profile incompetence and corruption were exposed, Diaz Serrano was charged with overseeing the theft of billions of dollars in oil and cash and was convicted in 1983 of defrauding the Mexican government of \$58 million. Sentenced to ten years, he was released after five.<sup>31</sup>

At that point, U.S. relations with the increasingly anti-U.S. Mexican government and, consequently, with PEMEX, deteriorated rapidly, destroying the good relations Bush had cultivated when he led the CIA in 1976.<sup>32</sup>

### Naming Names

Were it not for the inadvertent discovery of a now nearly 30-year-old document that names "George Bush" as a CIA employee, these ex-spooks' stories would be nothing more than just that — stories. But it is precisely because of these

tales that an official document indicating Bush worked for the CIA cannot be ignored. The smoking paper was among the nearly 100,000 pages of FBI documents on Kennedy's assassination that the FBI released in 1977 and 1978 in response to lawsuits under the Freedom of Information Act. It sat undiscovered for almost a decade until author Joseph McBride stumbled across it and reported its existence in the *The Nation* in July 1988.<sup>33</sup>

On November 29, 1963, FBI Director J. Edgar Hoover wrote to the director of the State Department's Bureau of Intelligence and Research (whose staff traditionally included CIA officers). The document summarized oral briefings given on the day after Kennedy's murder to "Mr. George Bush of the Central Intelligence Agency and Captain William Edwards of the Defense Intelligence Agency by Mr. W. T. Forsyth of the Bureau." It responded to State Department concern that "some misguided anti-Castro group might capitalize on the present situation and undertake an unauthorized raid against Cuba, believing that the assassination of President John F. Kennedy might herald a change in U.S. policy," Hoover wrote.<sup>34</sup> But it wasn't just the State Department which was concerned. The CIA had reason to be worried that rogue Cuban exile-supported

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### The document summarized oral briefings given to "Mr. George Bush of the Central Intelligence Agency and Captain William Edwards of the Defense Intelligence Agency by Mr. W. T. Forsyth of the Bureau."

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operations might expose or impair its anti-Castro covert actions, which continued despite the Bay of Pigs disaster.

With the election only three months away, the long-standing Capitol Hill cloakroom rumor that Bush was a CIA "asset" suddenly gained credibility when *The Nation* story hit the streets. Evidence that the Republican candidate — whose relationship to the CIA's illegal arms pipeline to the Contras as Vice President was already controversial — had in fact been a CIA operative, should have sparked a political firestorm. Oddly, the furor was short-lived. Pressed by *The Nation* for a comment prior to publication, Bush laughed, shrugged his shoulders, and, according to a White House insider, told his spokesperson

27. Details on Mexico City CIA station: Philip Agee, *Inside the Company: CIA Diary* (New York: Stonehill, 1975); on Bush's involvement in creating Permargo: Jonathan Kwitny, "The Mexican Connection: A Look at an Old George Bush Business Venture," *Barron's*, September 19, 1988, pp. 8-9, 28.

28. "Why Zapata Is Working in Foreign Waters," *Oil and Gas Journal*, February 15, 1960, pp. 66-7.

29. Kwitny, *op. cit.*

30. Author's interviews with several former senior CIA Operations Directorate officials, 1990-91.

31. Kwitny, *op. cit.*, p. 28.

32. Bush had joined the CIA at about the same time as Diaz Serrano took over PEMEX. Before Bush left the Agency, assets working for Dresser had undertaken clandestine talks with Mexican officials in an effort to reinforce the good working relationship. (Private investigative report in author's possession; Guillermo X. Garcia and D. Weyerman, "DPS Agent's Killer Claims Entrapment," *Arizona Daily Star*, April 13, 1984, pp. A1, A17; Guillermo Garcia, "Ex-CIA Agent Isn't Called As Witness," *Arizona Daily Star*, April 14, 1984, pp. A1-2.)

33. McBride, "Bush...CIA," *op. cit.*

34. *Ibid.*



Stephen Hart to tell *The Nation* that it "must be another George Bush."<sup>35</sup>

When asked whether the CIA could check to see if, as Bush suggested, there had been another George Bush roaming the Langley corridors at the time, spokesperson Bill Devine replied, "Twenty-seven years ago? I doubt that very much [that we can search back]. In any event, we just have a standard policy of not confirming that anyone is involved with the CIA."<sup>36</sup>

When *The Nation* report failed to die a quick, natural death, the CIA reversed its standard policy a few days later and announced – because "the record should be clarified" – that it had identified the "George Bush" referred to in Hoover's memo. Indeed, a George William Bush was employed by the CIA at the time in question, and it was he to whom Hoover had referred. CIA spokesperson Sharron Basso added that George William Bush left the Agency in 1964 and his whereabouts were unknown. Another Agency official told the *New York Times* that "we put a lot of effort into [identifying the man Hoover named]."<sup>37</sup>

Apparently, they didn't try hard enough. George William Bush was found working for the Social Security Administration and living in Alexandria, Virginia, only a short distance from CIA headquarters. When read the memo, he responded: "Is that the other George Bush?" It was a logical assumption; George William Bush had heard that another George Bush worked for the CIA at the same time he had been "a lowly researcher and analyst." In a sworn affidavit, George William acknowledged working for the CIA at the time Kennedy was killed, but affirmed: "I am not the Mr. George Bush of the Central Intelligence Agency referred to in the memorandum."<sup>38</sup>

So, according to George William Bush, there was another George Bush working for the CIA when Kennedy was killed. The CIA won't comment, and the White House won't "give dignity to this matter with any additional comments. President Bush settled this in 1988 with his denial."<sup>39</sup>

35. *Ibid.*

36. *Ibid.*

37. "Mistaken Identity Discerned in '63 Memo On Bush," *New York Times*, July 21, 1988, p. A23.

38. Joseph McBride, "Where Was George? (cont.)," *The Nation*, August 13-20, 1988, pp. 117-18; records available at Assassination Archives and Research Center, Washington, D.C.

39. Author's interview with White House spokesperson who declined to be identified, 1991.



President Gerald Ford at Bush's swearing-in as CIA director, January 1976.

CIA

That's pretty much the sort of imperious denial Bush gave to the recurring and unanswered questions about his role in the Iran-Contra mess. In that case, too, the apparent Bush-CIA connections go back decades. There is evidence that prior to Bush's appointment as DCI in 1976, he was well-acquainted with legendary spook Theodore George "Ted" Shackley who joined the Agency in 1951. When Bush arrived on the scene at Langley, it was clear to longtime Agency insiders that there was a bond between these two men that went back many years.<sup>40</sup>

Between 1974 and 1976, a sensitive period in U.S.-Chinese relations, Bush was Ambassador in Beijing and Shackley was chief of the CIA's Far East Division. In 1976, shortly after he became DCI, without seeking advice, Bush promoted Shackley to Associate Deputy Director of Operations. In this position, he was second in command to the DDO – the third most powerful position in the CIA and one of the most pivotal in the entire government.

Aside from their Agency connection, already cemented during Bush's previous tenure in Beijing, it is hard to explain how the two men developed such a close bond.

For the previous 10 years, Shackley was Chief of Station in Vientiane and Saigon overseeing dozens of covert operations related to the Vietnam War. Before that, from 1952-59 and again during 1965-66, he worked in Germany.

40. Author's interview with former CIA Operations Directorate operative involved in the Bay of Pigs and subsequent anti-Castro operations, 1991.



In 1962, before going into the jungles of Indochina, he returned for a three-year stint stateside as Station Chief in Miami — then the largest CIA station in the world and the base of operations for the Agency's vast paramilitary operations against Castro following the Bay of Pigs disaster. "You've got ole George baby helping the Company's operation against Castro and here's Shackley in charge of the Miami station that's running that show. Now how do you think they know each other my friend?" mused a former CIA operative involved in the anti-Castro activities. "Theirs was a damn close relationship — still is."<sup>41</sup>

Under Bush's tenure as DCI at the CIA, the two men worked together. Shackley oversaw Central America operations and established the infrastructure for the Reagan White House's adventures a short time later.<sup>42</sup> The veteran agent was not only the catalyst for the notion of selling arms to Iran to free the hostages, but he was also one of the architects of "low-intensity conflict," the new name for the CIA's covert strategy in Central America.<sup>43</sup> Shackley was eventually forced out of the Agency in 1979 when an arms sales scandal involving him finally exploded. His relationship with Bush continued, and shorn of official CIA status, Shackley re-emerged in the early 1980s as an integral player in Iran-Contra. Throughout the early stages of those operations, Bush reportedly met with Shackley at Shackley's office in downtown Arlington.<sup>44</sup>

### Skeletons in the Closet

Without question, President Gerald Ford's nomination of Bush to head the CIA was a departure from precedent which some members of the House and Senate intelligence committees and their staffs greeted with suspicion. The public objection was that Bush was a partisan politician who would politicize the office. The objection whispered behind closed doors, by those who had heard that Zapata had been an Agency cover during the days of the CIA's anti-Castro exploits, was that Bush was an agent with a past to hide. A man with skeletons in his closet might be a dangerous choice to guard the nation's own collection of loudly rattling bones.<sup>45</sup> The Church Committee and Water-

gate had already cracked open the CIA door too far for some and exposed the relationship of the Watergate burglars to the Agency's anti-Castro activities, including several assassination attempts on Castro. Perhaps, however, some of Bush's supporters thought that someone who had successfully concealed his own past might be the perfect person for the job.

The appointment of Bush as Director of Central Intelligence also coincided with the Senate Intelligence Committee probe of Oswald's and Jack Ruby's connections to Cuba, the CIA, and the mob. With his own ties to those operations, Bush was now in charge of what the CIA would and wouldn't divulge. As DCI, he frustrated committee investigators' requests for specific information in the Agency's files on Oswald and Ruby and downplayed revelations about CIA involvement. Memoranda written by Bush on the intelligence committee's investigation of Oswald's and Ruby's links to the CIA and organized crime show he was especially interested in the committee's probing not only of what the CIA knew about the events in Dallas and didn't report to the Warren Commission, but to what extent, if any, the Agency was complicit in Kennedy's murder.<sup>46</sup> Clearly, as DCI, Bush knew the Agency had hidden, and was still hiding, crucial information which contradicted the Warren Commission's verdict. Yet, in the wake of the furor over the movie *JFK*, Bush commented: "I have seen no evidence that has given me any reason to believe the Warren Commission was wrong."<sup>47</sup>

"Bush was worried about something during those investigations when he was DCI, all right. He was worried it was going to be found out that he worked for the Company and was tied right into all the messes the CIA was in during the late 50s and early 60s," said "Chuck," an ex-CIA contractor and Bay of Pigs veteran who claims to have personally dealt with Bush with respect to the CIA's efforts to overthrow Castro.<sup>48</sup>

Government employees are usually pensioned off after 20 years. Strong evidence points to a 45-year record of loyal service by George Bush to the Central Intelligence Agency. A rest is long overdue. ●

41. Author's interviews with former CIA Operations Directorate operative involved in the Bay of Pigs and subsequent anti-Castro operations, 1991.

42. Affidavit of the late Col. Edward P. Cutolo, Commanding Officer, 10th Special Forces Group, March 11, 1980. According to his affidavit, which he gave to his close friends for safekeeping until his death, Col. Cutolo was involved in an unauthorized arms pipeline constructed by the CIA that got underway in Latin America when Bush was DCI.

43. Theodore G. Shackley, "The Uses of Paramilitary Covert Action in the 1980s," paper delivered at Colloquium on Covert Action, December 5-6, 1980, Washington, D.C.

44. Jim McGee and James Savage, "Bush Sent Doctor to North Network," *Miami Herald*, March 15, 1987, pp. A1, 14.

45. Author's interviews with ex-intelligence officials and congressional staffers, 1990-91.

46. From CIA memos and documents released under FOIA. One aspect of Bush's interest in Congress' probe of Ruby may have been the fact that Bush was backed financially and politically in his 1970 Senate reelection campaign by Murray W. "Dusty" Miller, then Secretary-Treasurer of the Teamsters, according to an October 13, 1970, memo from Charles Colson to H. R. Haldeman which was among Nixon's secret files released in 1987. Prior to that, Miller served Jimmy Hoffa in the South throughout the early 1960s as head of the Teamsters Southern Region Conference. Shortly before President Kennedy was assassinated, Ruby placed calls to Miller (Warren Commission testimony; David Scheim, *Contract America* (New York: Zebra, 1988), pp. 132, 268; and Robert Blakey and Richard Billings, *The Plot To Kill the President* (New York: Times Books, 1981), p. 305.

47. "Personalities," *Washington Post*, January 3, 1992, p. B3.

48. Author's interviews with former CIA Operations Directorate operative involved in the Bay of Pigs and subsequent anti-Castro operations, 1991.



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