

A Thesis

Entitled

**A Socio-Historical Analysis of U.S. State Terrorism from 1948 to 2008**

By

Chad A. Malone

Submitted as partial fulfillment of the requirements for

The Master of Arts in Sociology

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College of Graduate Studies

The University of Toledo

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An Abstract of

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This thesis is a critical examination of U.S. foreign intervention from 1948 to 2008. Using a comparative/historical analysis of seven cases—Iran, Guatemala, Indonesia, Chile, Nicaragua, Panama, and Iraq—this study finds patterns of U.S. state/state-sponsored terror and intervention. Using world-system theory and G. William Domhoff's class-domination theory of power, this study explains how and why the U.S. government, the U.S. military, the CIA, and U.S. corporations participate in economically motivated terrorist acts to support the capitalist mode of production, U.S. investments, and access to markets and natural resources. Finally, this study reveals patterns (in addition to the use of terror) that the U.S. government follows while intervening in the affairs of foreign nations.

## Dedication

This thesis is dedicated to my parents. While they may not always agree with what I say or write, they have always been supportive of my education and my goals. I am certain that I could not have accomplished as much as I have without their support. They have sacrificed their time and money so that I could have extra time to read and study instead of constantly working. For this I can never repay them. However, I plan on trying by following their advice to help others, just as they have helped me.

## Acknowledgements

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Second, I would like to recognize Dr. Dwight Haase. Dr. Haase encouraged me to extend my original ideas and theoretical frameworks, which undoubtedly made this thesis more comprehensive and meaningful. Furthermore, I must recognize his excellent editorial skills. Without his suggestions and corrections, many of my ideas might have remained unclear or confusing.

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## **ACRONYMS/ABBREVIATIONS**

9/11	September 11, 2001
AI	Amnesty International
AIFLD	American Institute for Free Labor Development
AIOC	Anglo-Iranian Oil Company
AIPAC	American Israel Public Affairs Committee
AOP	Alliance for Progress
BP	British Petroleum
CAP	United States Civil Action Program
CIA	Central Intelligence Agency
CODEHUCA	Central American Human Rights Commission
DCI	Director of Central Intelligence
DEA	United States Drug Enforcement Agency
DNI	Director of National Intelligence
DoD	Department of Defense
EHM	Economic Hit Man
FSLN	Sandinista National Liberation Front
GN	National Guard
GPO	U.S. Government Printing Office
GWOT	Global War on Terror
HRW	Human Rights Watch
IBC	Iraq Body Count
ICIUSIP	Independent Commission of Inquiry on the U.S. Invasion of Panama

ICJ	International Court of Justice/World Court
IDB	Inter-American Development Bank
IDF	International Development Foundation
ILA	Iraq Liberation Act
IMF	International Monetary Fund
INA	Iraqi National Accord
INC	Iraqi National Congress
IRCA	International Railways of Central America
ITT	International Telephone and Telegraph
MAP	United States Military Assistance Program
MI6	British Intelligence-Overseas
MIT	Massachusetts Institute of Technology
MNC	Multinational Corporation
NAM	Non-Aligned Movement
NSC	National Security Council
NSDD	National Security Decision Directive
OAS	Organization of American States
OPEC	Organization of Petroleum Exporting Countries
OPIC	Overseas Private Investment Corporation
OSS	Office of Strategic Services
PDC	Christian Democrat Party
PGT	Guatemalan Communist Party
PKI	Communist Party of Indonesia



PNI	Indonesian Nationalist Party
PN	National Party
PNAC	Project for the New American Century
PRD	Democratic Radical Party
PSI	Socialist Party of Indonesia
RCC	Revolutionary Command Council
RPKAD	Indonesian Mobile Strike Forces
SOA	School of the Americas
Socal	Standard Oil of California
SOG	Special Operations Group
Texaco	Texas Company
UFC	United Fruit Company
UN	United Nations
UNICEF	United Nations Children's Fund
UNO	National Opposition Union
UNSCOM	United Nations Special Commission
USAID	United States Agency for International Development
WHO	World Health Organization
WTC	World Trade Center
WWII	World War II

## **CHAPTER 1**

### **INTRODUCTION**

After the attacks on the World Trade Center (WTC) and the Pentagon on September 11, 2001, the United States has formally shifted its political, military, and intelligence foci toward fighting political terrorism. The collapse of the Soviet Union and “Communism” in 1989 left a vacuum of purpose in U.S. foreign policy for many years. This became even more apparent after the swift and overwhelming victory of U.S. forces over Saddam Hussein in the original Gulf War of 1991. General Colin Powell put it succinctly when he said, “I’m running out of demons. I’m running out of villains” (Lal, as cited in Foster 2006:23). The attacks on the WTC introduced a new purpose that filled this void in foreign policy. Combating terrorism<sup>1</sup>, or at least the illusion of it, became the main impetus behind the invasions of Afghanistan (October 2001) and Iraq (March 2003) by U.S. military forces and the Central Intelligence Agency<sup>2</sup> (CIA) (Waller 2003). Furthermore, we have seen a persistent and low intensity effort by U.S. forces to combat terrorism throughout the world. However, the U.S. media’s coverage of terrorist attacks and events has been rather one-sided and skewed in that most of the attention is focused upon specific groups, individuals, or a selected few countries (e.g., Iran, Iraq, Cuba,

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<sup>1</sup> It has been well established that the (Ronald) Reagan Administration promoted a similar low intensity conflict/war on terror throughout the globe for many years (Chomsky 2002:121; Jackson 2005; Jackson 2006). Consequently, combating terrorism was not really a new development in U.S. foreign policy. However, to many in the general public, fighting terrorism in the new millennium (since 9/11) represents a substantial shift from previous policies due to the formal declarations made by the (George W.) Bush Administration.

<sup>2</sup> The CIA was using spies from its Special Operations Group (SOG) to infiltrate both Afghanistan and Iraq before large-scale military forces entered either country (Waller 2003).

North Korea, and Syria) deemed as terrorists by the U.S. government. This is evidenced in the fact that many people are now aware of the names Osama bin Laden and/or al Qaeda.

In the event that terrorism is identified at the nation-state level (i.e., state-sponsored/state-supported/state terrorism), it is usually seen through the lens of the Pentagon<sup>3</sup> and the response is projected through the mouthpiece of the Western media. In rare instances, when other nations or groups manage to turn the media focus back on the United States, the accusations of state terrorism are dismissed almost instantaneously by the administration in power and the mass public. The recent proclamation by Iran, accusing the U.S. Army and the CIA of being terrorist organizations (Al Jazeera 2007), provides a perfect example of the aforementioned process and subsequent U.S. refutation. As social scientists, we should seek to avoid this “labeling game” and instead use critical analysis in an effort to compare professed ideology with empirically verifiable social conditions.

The objective of this study is twofold. The first objective is to critically analyze U.S. foreign interventions since 1948 in hopes of identifying patterns (or lack thereof) that will either support or dismiss the title “terrorist state” with reference to the United States. The second objective is to offer possible explanations as to why these interventions have taken place. By empirically testing case studies of U.S. intervention over time, we can, to a large extent, reach a conclusion about state terrorism that is based upon scientific evidence as opposed to ideology. This use of critical social science will not only avoid the labeling that usually occurs with political pundits in the media, but

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<sup>3</sup> For a recent example of how the Pentagon directly and indirectly uses the media to shape public opinion about foreign interventions, see “Behind TV Analysts, Pentagon’s Hidden Hand” (Barstow 2008).

also allow us to use epistemological grounding in scientific evidence so that more meaningful research can be performed in the area of state/state-sponsored terrorism in the future. Schmid and Jongman (2005), in their review of terrorism literature, closely follow this same line of reasoning when they state:

The research should not take a “top-down” perspective, looking at the phenomenon of terrorism through the eyes of the power holder; nor should the researcher look at terrorism from a “revolutionary” or “progressive” perspective, identifying with one “just” cause or another.... [H]e should not judge in-group and out-group by different standards. Terrorist [states and] organizations must be studied within their political context, and the study of the terrorists’ opponent and [their] (re-)actions are mandatory for a fuller understanding of the dynamics of terrorism. (P.179)

This study will apply the same approach, with regard to terrorist acts, and judge U.S. interventions since 1948 according to the guidelines that they have imposed on other nations. After establishing whether or not the title of “terrorist” state should be attached to the United States, U.S. actions will be placed into a larger geopolitical context in an effort to integrate what actions the United States has undertaken in the past and present with an explanation of why these actions may have taken place.

## **Statement of the Problem**

In general, terrorism is of sociological interest and importance to the field as a whole for three main reasons. First, terrorist acts and events disrupt the daily lives and social interactions of people in an affected society. In doing so, these terrorist acts often create a state of anomie for an entire nation, which may last for an undetermined period of time. If the terrorist event is large enough in scale, its effects may even be felt outside of the nation or region where the event took place. The second reason that terrorist acts are of sociological interest is that they often create a bond between members of an attacked group. This is important not only because of the solidarity created within the victimized group, but because of the unified backlash and retaliation it creates against the attackers. Third, and most relevant to this study, terrorism involves a power element that is also of interest to sociology. This particular element consists of a terrorist (at all levels of analysis) having the power to inflict physical and/or mental pain and distress on others in an effort to achieve a particular political goal. In all cases of terrorism that become known, the power element ultimately involves the capability of deciding who and who is not labeled a terrorist. Unlike the physical terrorist act, which can be accomplished without outside acceptance or approval, the ability to label a person or government<sup>4</sup> as “terrorist” requires access to sympathetic media sources or outright control of them. In fact, in order for a deviant label to persist, the entity applying the label to someone else must consistently reinforce its point of view. This involves the use of power.

This study will be applying the definition of a terrorist act to U.S. foreign interventions since 1948 in order to better understand and analyze the uses of power by the United States. Furthermore, this study is looking to see whether or not the use of

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<sup>4</sup> For the purposes of this study, the terms government and state will be conflated and used interchangeably.

political violence by the U.S. government could be classified as terrorism. And while many pundits and politicians use words and phrases such as “interventions,” “counterterrorism,” “overthrow,” and “necessary for the maintenance of national security” when talking about these invasions, these euphemisms describe actions that may be considered acts of political violence. Consequently, it is important for sociologists to closely inspect U.S. interventions in the internal affairs of other nations so that we can ascertain the impact that U.S. political violence has on its citizenry.

In addition to the external impacts of U.S. foreign intervention<sup>5</sup>, there is the possibility that these acts may ultimately result in “blowback.” As Chalmers Johnson explains, blowback is a CIA term that is used as a metaphor for the unintended consequences of U.S. foreign intervention (2000:xii). In its original sense, it was used to refer to the U.S. operation to overthrow the government of Mohammad Mossadeq in Iran in 1953. We can directly ascertain the relevance of blowback by looking at the most recent attacks on the World Trade Center in New York in 2001. As the Bush administration continues to progress in what it has labeled the Global War on Terror (GWOT), U.S. interventions overseas will inevitably result in more blowback that will directly affect the lives of the citizens of this country. Consequently, U.S. intervention overseas will increasingly become sociologically relevant as the lives of ordinary U.S. citizens are disrupted when blowback occurs.

The previous conclusion leads to the question of why political violence on the part of the United States has not been more closely scrutinized in American literature.

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<sup>5</sup> According to the World Health Organization (WHO), the U.S. invasion of Iraq has resulted in an estimated 151,000 Iraqi civilian deaths between March 2003 and June 2006. Actual numbers could be as low as 104,000 or as high as 223,000 civilian deaths (World Health Organization 2008). The current invasion/intervention is but one example of the effects (e.g., violent deaths) that can result from U.S. foreign interventions.

Upon performing a brief literature review, I quickly discovered that Noam Chomsky and others have been writing about U.S. terrorist acts for years. However, Chomsky has been marginalized by mainstream media, which explains why more Americans are not more informed about U.S. interventions overseas. Additionally, there are the problems of Chomsky's writing style being sociologically limited (an issue that is further addressed in the literature review section) in that it addresses shorter periods of time (10-20 years), is labeled "political" in nature<sup>6</sup>, and often conflates U.S. military and covert action with the actions of other nations. With respect to the latter criticism, it is the intent of this research to clearly distinguish between military and covert acts of terrorism while also exploring possible economic motivations of U.S. interventions.

In addition to the aforementioned sociological concerns of political violence and the creation of anomie within society, there is a facet of the "power" element that goes largely unrecognized within the majority of literature about terrorism. In this particular case, I am not referring to the label "weapon of the weak," as it relates to the power of individual terrorists or terrorist organizations. This power element of terrorism is often invoked and highly overused for propaganda purposes. Instead, I am referring to the previously mentioned ability of the U.S. government to make state-sponsored political violence appear legitimate while simultaneously declaring acts against the state illegitimate. In some instances, the government is even able to deny all responsibility for political violence because of their ability to limit access to available information and evidence. Within sociology, however, there are few who specialize in the area of state

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<sup>6</sup> For example, Geoffrey Levitt, who works in the Department of the Legal Advisor at the U.S. State Department, indicates that Chomsky's *Pirates and Emperors* (the original as opposed to the revised edition is addressed here) had a grain of truth in it, but was full of political distortions. While not officially speaking for the State Department (in fact, there is a disclaimer in his review), it is obvious that Chomsky's work is labeled as political by those who work for the U.S. government (Levitt 1988).

terrorism or point out a power structure that the state apparatuses wish to remain hidden. Alex Schmid and Albert Longman assert that there are very few American scholars who dare breach the subject of U.S. state terrorism, Michael Stohl being one of the exceptions (2005:165). From my reviews, Chomsky should be added to this list of exceptions, as should William Perdue.

There are two more points to be made about the lack of specialization in state terrorism within sociology. First, this lack of specialization has created a void in readily available quantitative data and analysis. Because governments are not always forthcoming about their transgressions until many years later (if at all), it is difficult to create a quantitative database about state-sponsored terrorist acts. Even when data do become available, coding of the material becomes difficult because there is no standardized method that can be used. This also creates a problem with comparative analyses in the future. The second point of sociological importance is that the absence of specialization in the field of state terrorism may be due to direct or indirect coercion and/or intimidation by the U.S. government. At present, funding availability largely determines the course of study of many professors/researchers within academia. Consequently, if funding is not available, there is little chance of making a career in the field.

The intent of this research is to attempt to fill the aforementioned void in research concerning U.S. foreign intervention from 1948 until the present. The research objective is to look specifically at military and covert operations carried out by the U.S. government against foreign elements. In order to establish whether or not these actions should be considered terrorist events, the purpose of the research will be to investigate



the pattern and persistency of this behavior (if any) since 1948 by attempting to answer/investigate the following questions:

1. Does U.S. foreign policy from 1948 to the present indicate a pattern of terrorist behavior on the part of the U.S. government?
2. If the former is indicated, is this pattern sufficient to label the United States as a terrorist state and/or state that lends support to terrorist organizations/individuals to achieve governmental goals?
3. If there is a pattern in military and/or covert operations, does it indicate whether these techniques are the first choices of the U.S. government? What strategies/techniques does the United States use to achieve its goal?
4. If the United States is a terrorist state, what are the possible explanations for its behavior over time?

## **Definition of Key Concepts/Terms**

1. An *act of terrorism* will be defined as follows:

An activity that—

1. Involves a violent act against others or an act dangerous to human life; and
2. appears to be intended—
  - i. to intimidate or coerce a civilian population; or
  - ii. to influence the policy of a government by intimidation or coercion; or
  - iii. to affect the conduct of a government by assassination, kidnapping, and/or mass destruction.<sup>7</sup>

(18 U.S.C. 3077)

For the purpose of this study, an act of terrorism **will not include** an act of suicide by an individual under the following conditions. It is possible for an individual to commit the act of suicide with the intent to influence the government or the public, but without actually harming or intending to harm other human life outside of his or her own. This behavior is rarely, if ever, considered an act of terrorism. Instead, this action lends itself to more of an issue of free speech in its most extreme sense (The phrase “violent act against others” in the above definition, specifically reflects this argument). Furthermore, in the case of suicide bombings the terrorist act will not be confined to that particular individual, but to the government or group that sent the individual<sup>8</sup>. The same logic will apply to the governmental use of soldiers or covert operatives; they will be seen as agents of the government, as opposed to individuals performing independent acts.

In conceptualizing the definition of terrorism in this study, the purpose is to use the same standard in defining terrorism while assessing whether or not a group, individual, or government should be considered a terrorist. Using a definition derived

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<sup>7</sup> A majority of this definition is appropriated from the *1984 Act to Combat International Terrorism*.

<sup>8</sup> While I do not expect to find widespread use of suicide bombers by the U.S. government, their exclusion follows the same line of reasoning as the following explanation. They are seen as a weapon or part of the act of a particular government committing a terrorist act.

from the *1984 Act to Combat International Terrorism* accomplishes this goal in two ways. First, it provides us with a definition that has been and continues to be operational within the U.S. Government for many years. While the components of the definition were first adopted to simultaneously combat international terrorism inside and outside of the United States, these same components have persisted and since been used in the definition of domestic terrorism according to the *USA PATRIOT Act of 2001* (Public Law 107-56, Section 802). This is an indication that the definition of terrorism used in this study is acceptable and applicable for actions that occur inside and outside of the United States. Thus, by applying a definition based upon the components of a definition of terrorism that the United States government accepts as legal, we can assess the country by the same standard that it applies to others.

**2. An *act of state terrorism* will be defined as follows:**

An activity that—

1. Meets the criteria of an ***act of terrorism***; and
2. Involves the direct or indirect use of government personnel and/or institutions/agencies; or
3. Involves the direct or indirect use of personnel and/or institutions/agencies hired (or in service of) a particular government.

Direct acknowledgement of the covert or overt acts is not a prerequisite for the classification of state terrorism. Furthermore, these acts are not limited to populations within the home country's borders; the definition applies to acts against governments (and their agents), citizens, businesses, and organizations that are based in other nations.

3. An act of *state-supported (sponsored) terrorism* will be defined as follows:

An activity that—

1. Facilitates an *act of terrorism* by those outside of government; and
2. Involves the direct or indirect use of government personnel and/or institutions/agencies; or
3. Involves the direct or indirect use of personnel and/or institutions/agencies hired (or in service of) a particular government.

For clarification, facilitation of an act of terrorism will include, but not be limited, to the following examples:

1. Providing financing (including money laundering services), transportation, weapons, supplies, training, and/or intelligence used for the purposes of committing acts of terror.
2. Providing false documentation (e.g., passports and/or internal/national identification) for the purposes of committing acts of terror.
3. Providing the use of diplomatic resources, normally reserved for those who are official diplomats, for the purposes of committing acts of terror. This includes the use of diplomatic pouches, immunity from prosecution and extradition, and the use of embassy (and other protected) grounds.
4. Concealing activities and/or resources used in the commission of acts of terror.
5. Providing asylum or refusing extradition of those who are convicted of terrorism by foreign governments. This especially applies to those individuals/groups trained for direct/indirect service of the government providing asylum.

## **CHAPTER 2**

### **LITERATURE REVIEW**

As indicated in the previous chapter, state terrorism and state-sponsored/supported terrorism are often harder to prove than acts of terror by individuals or groups. Initially, one might be tempted to assert that this is due to the fact that terrorist states and their operatives are more highly organized and effective than terrorist groups or individuals. This would not be a correct assumption in every case, but it could apply as a broad generalization about highly organized and specialized governments that employ terrorist tactics. Access to more resources, organizational structures, and legitimate authority give these governments advantages in planning tactics than are enjoyed by smaller groups. However, the most effective weaponry that governments possess is the control of the flow of information, which influences what (if any) and when information enters the mainstream media.

The point of using a combination of tactics is to achieve strategic goals, which vary according to time and situation, through direct governmental use or approval of terrorist tactics<sup>1</sup> while still maintaining legitimacy in the eyes of the public. Legitimacy can be maintained by outright denial of the use of terrorist tactics due to a lack of

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<sup>1</sup> This is not an assertion that terrorist tactics are the only means through which governments accomplish goals. Rather, it should be understood that terrorist tactics may complement or be considered a component of a repertoire of tactics such as negotiations, diplomacy, trade, and public relations.

documented evidence, confusion of the general public<sup>2</sup> by offering multiple explanations/versions of an event<sup>3</sup> through multiple media outlets, or through the hegemonic control of ideology and consciousness. The latter phrase refers to the continuous reinforcement of the nation's supposedly positive goals and values through the use of rhetoric and symbols despite performing actions that may contradict the aforementioned positive goals.

Contrary to the tactic of controlling what information is given or leaked to the media, smaller groups and individuals using terrorist tactics often seek out the attention of the media. In fact, the converse of this relationship is often true; media sources seek out and try to locate individual terrorist individuals and groups (Schmid and Jongman 2005:164). Undoubtedly, this is part of the reason that so much literature and documentation exists on individual and group terrorists while most reports of state terrorism are marginalized, underreported and/or undocumented. Combined with the other state and governmental tactics listed above, one would expect the documentation on state terrorism to be severely limited. And, with the exceptions of well publicized acts of state terror (e.g., Reign of Terror in France; the gulags of Russia; the Holocaust and other deaths attributed to the Nazis), this has been true of my review of state/state-sponsored terrorism.

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<sup>2</sup> In 2007, for example, 33% of those polled by CBS News and the *New York Times* still mistakenly thought that Saddam Hussein was personally involved in the attacks of 9/11. The percentages were well over 50% prior to the 2003 Iraq invasion (Frankovic 2007). See Kornblut and Bender (2003) and Frankovic (2007) for further clarification and evidence along these lines.

<sup>3</sup> Current Vice President Richard Cheney has blatantly and repeatedly asserted that there were direct links between Al Qaeda and Iraq/Saddam Hussein as justification for the invasion and occupation of Iraq. Not only has this version of events been repeatedly proven incorrect over the years, but it has served as a point of confusion for the general public because it adds to the multiple and often conflicting versions of events emanating from the White House. For examples of the Cheney assertions, see Kornblut and Bender (2003), Corn (2006), Nunes (2007), and Shakir (2008).

Of the literature that was located for review, the information is presented and arranged in the following two sections. The first section, entitled “State Terrorism/State-Sponsored Terrorism,” offers an introduction into the general subject of state terrorism and presents the reader with some concepts and ideas used in later sections of the literature review, findings and discussion, and conclusion. Specifically, the first section investigates some of the reasons why the literature on state terrorism tends to be sparse, explores what roles social scientists must play in reporting state terror, and reviews what the literature reveals about the use of power and labeling with regard to state terrorism. The overall purpose of this section is to explore some of the problems (e.g., lack of empirical data, documentation, and causal links) associated with trying to establish pattern of terrorist behavior, which is a main component in my first three study questions.

The second section, entitled “Approaches to U.S. Foreign Intervention and U.S. State Terror,” introduces several possible theoretical explanations—under two major subsections called “Non-Economic Explanations” and “Economic Explanations”—as to why states may intervene (and consequently use terrorism) when dealing with the affairs of other nations. Interspersed throughout the two subsections are applications of these general theories and explanations in reference to how they apply to the United States and its agents (some in more detail than others, depending on availability). Furthermore, because of overlap in sections/explanations, some sections/explanations may contain material partially covered by authors; this is unavoidable due to the complex nature of the subject itself. Overall, when combined with the findings and data in chapter four of this study, this literature helps answer the four research questions presented in the first chapter.

## **State Terrorism /State-Sponsored Terrorism**

Noam Chomsky, who is perhaps the most well known scholar in the area of U.S. state terrorism, offers an excellent general introduction to the study of political terrorism. In *Pirates and Emperors: International Terrorism in the Real World*, Chomsky (2002) introduces us to the term *terrorism* and instructs that it came about in the late 17<sup>th</sup> century, applied to the violent actions committed by the French state and the Jacobins. Thus, we learn that the term terror, or terrorist, was initially tied to the actions of the state as opposed to individuals or groups. Chomsky notes that “[w]hereas the term was once applied to emperors who molest their own subjects and the world, now it is restricted to thieves who molest the powerful...” (p.vii). From this explanation, we are left with the realization that U.S. power (as well as other powerful core nations) to control who is and is not labeled a terrorist has not always been the case; over time, the ability to label the government as a terrorist entity has steadily decreased and lost legitimacy.

The work of Alex Schmid and Albert Longman (2005) move past Chomsky’s introductory explanation of the origins of terror and addresses the issue of power as it relates to terrorism, educating us along the way as to the current lack of rigorous and scholarly research in the area of state terror. The authors demonstrate that terrorism one of the only subject areas in the social sciences where so much literature has been written on a subject that, for the most part (probably 80%), has not been rigorously researched. Schmid and Jongman conclude that most of the literature is condemnatory, narrative or prescriptive, with the latter being skewed towards recommendations on how to deal with terrorist groups and/or focusing mostly upon non-state, minority-group, and left-wing



opponents (2005:179). Furthermore, they note the marked absence of literature that focuses upon state terrorism, which they see as a much more serious problem.

Schmid and Jongman see the role of social scientists and academics as constructing and criticizing frameworks of terrorism; their role is not to intellectually support those who maintain power, even if those in power were elected democratically (2005:184-85). Furthermore, the authors criticize such actions as arbitrarily adding or deleting supposed supporters (including nations) of international terror to/from watch-lists. Their point is that we must move away from a more political and conspiratorial view of terrorism and towards a more academic investigation of the evidence.

As mentioned previously, most researchers tend to avoid research about terrorism from the past and the issue of state terrorism. In many cases, those researchers and reporters that ignore these trends have a higher likelihood of becoming victims of state violence themselves. Ultimately, the discouragement of investigations of state terrorism and abuse has a dual effect. First, it shifts media attention to terrorism from below, serving the purposes of both the small groups that seek attention and the governments that like to avoid attention. Second, it creates a void in research about terrorism from above. Unfortunately, according to Schmid and Jongman, this void is not being filled by social scientists despite the fact that it should be.

The authors continue to show how states use their power to control the label of terrorism, citing the fact that most courts are not collecting data on terror cases by the state and by reminding us that most of the statistical data on terrorism are maintained, sponsored, or paid for by the government. Thus, they have an active interest in not reporting any of their transgressions while reporting (and even exaggerating) the

transgressions of others. With the exception of Amnesty International<sup>4</sup> (AI), Schmid and Jongman indicate that there are no other global organizations that account for governmental abuses of human rights (2005:165). The authors also assert that the organization is careful in that it uses conservative numbers in order to avoid being labeled as a partisan organization. However, Schmid and Jongman's review miss recent developments with Human Rights Watch<sup>5</sup> (HRW), which has started global monitoring (until 1988, they operated as Helsinki Watch and monitored Soviet bloc countries) of human rights abuses among others (Human Rights Watch 2006a).

Overall, Schmid and Jongman, through the use of surveys and literature reviews, conclude that the systematic and empirical databases on political terrorism are still lacking and much more research has to be done; this is especially true for data collection with regard to internal state repression, domestic terrorism, and state terrorism.

As mentioned previously in the writing of Schmid and Jongman, Michael Stohl is one of the few scholars that dare breach the subject of state terrorism. Along with Raymond Duvall, Stohl approaches the subject in such a way that one is able to disconnect the emotional baggage from the word "terrorism" and perform an analytical and critical analysis. Duvall and Stohl (1983) start their analysis of state terror by reminding us of Max Weber's definition of the state; namely, it is the entity that has a

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<sup>4</sup> According to their website, AI is autonomous and independent of any political ideology, economic interest, or religion. It is democratic, self-governing, and financially self-sufficient. The overall goal of the organization is to campaign and advocate globally "so that every person may enjoy all of the human rights enshrined in the Universal Declaration of Human Rights" (Amnesty International 2008). See their main page ([www.amnesty.org](http://www.amnesty.org)) for more information.

<sup>5</sup> According to their website, HRW has many of the same goals as AI, but operates in a different manner. Like AI, HRW is fully independent of governments and funded by private individuals/foundations/organizations. Unlike AI, HRW is not a mass-membership organization and does not use member mobilization as a tool of advocacy. Instead, HRW uses shame and press attention to bring light to violations of a much broader range of practices that include (in addition to human rights) the use of landmines, the use of child soldiers, and the violations of rights of "women, children, workers, common prisoners, refugees, migrants, academics, gays and lesbians, and people living with HIV/AIDS" (Human Rights Watch 2006b).

legitimate monopoly over the use of physical force and violence within a given territory (Gerth and Mills 1946:78). Given that the state and the use of force/violence are essentially bound together, it can be conceptually problematic to speak of terrorist acts when speaking of the state (Duvall and Stohl 1983:180). The authors indicate that this problem is not insoluble and that it is indeed possible to distinguish different forms of physical violence used by the state. Duvall and Stohl point out that just because we accept Weber's definition of the state (in terms of physical violence), this does not mean that we have to relinquish the ability to distinguish between different types of physical force used by the state and its agencies. Thus, while the state or its agencies may use "legitimate violence"<sup>6</sup> by definition, this does not mean that their actions may not be terroristic in nature (p.181)

In their effort to remove the emotional baggage of the word "terrorism," Duvall and Stohl remind us that the subject at hand is serious enough that it must be dealt with directly, as opposed to accepting the labels of terrorism that are already in place. Americans, who are ingrained to believe that their government is a "neutral conflict manager or arbiter of social conflict within society," have difficulties accepting the idea of a legitimate U.S. government being a state terrorist (p.181). However, Duvall and Stohl once again allude to the fact that just because the state may have a monopoly on the legitimate uses of physical violence does not mean that they may not perform actions that are terroristic. Once you get past the emotional component that commonly stops most inquiries, one is able to analyze and critique the United States along the same lines as the

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<sup>6</sup> Duvall and Stohl note that they may not necessarily agree that state violence is legitimate. However, in this analytical exercise, the Weberian definition is let stand.

others it labels as terrorists. In short, this requires conceptually distinguishing terrorism from other acts of physical acts of violence that a state may employ<sup>7</sup>.

Perhaps the most telling and informative component of Duvall and Stohl's argument lies in a disclaimer presented before their actual analysis of some historical instances of state terror (one example being the Great Purge in Soviet society). The authors inform us that their paper is not a rigorous empirical study and that there is little reason to believe that it could be rigorous. Because state terror is often highly secretive, may have very little documentation, and/or only come to the public's attention years after it has occurred, "one must either attribute some terrorist behavior to a government on a suppositional or weak inferential basis" (p.188). And because the data were very weak in some cases, the authors chose to pursue highly documented cases in their short analyses. However, the procedural point to take away from this analysis is that it is often the case that historical data must be used to reevaluate (many times years after their occurrence) whether or not events can be construed as terrorist in nature. And while one may not have cases as well documented as the Stalinist purges or the Nazi death camps, it is my contention that it is still possible to logically infer (after reading Stohl's analysis) whether or not terrorism occurs with minimal documentation.

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<sup>7</sup> Duvall and Stohl use a different definition of terrorism than the one presented in this study. However, the point of including their analysis is not to adopt their definition of terrorism. The point is to illuminate the fact that it is conceptually possible to distinguish terroristic activities by the state or its agencies from other types of physical violence practiced by the state. Consequently, using our own definition of terrorism does not methodologically alter Duvall and Stohl's argument.

## **Approaches to U.S. Foreign Intervention and U.S. State Terror**

### **Non-Economic Explanations of U.S. Interventions**

#### *(Covert Warfare Explanation)*

Walter Laqueur (1999) introduces us to the idea of warfare by proxy, or state-sponsored terrorism, in more broad and general terms. According to Laqueur, state-sponsored terrorism is as old as military conflict itself. Practiced in empires such as Rome and Byzantium, state sponsorship of terror offered a less expensive way of waging war against its neighbors and enemies; no state or empire can afford to perpetually wage outright war due to the expense (Laqueur 1999:156). Additional reasons behind proxy warfare include offensive strategies such as weakening neighbors, which could be used to prepare for eventual invasion. At other times these terrorist tactics were used as defensive measures. These terrorist practices have persisted throughout time and still today intimidate enemies and force them to waste precious resources (especially if resources were limited initially).

Bruce Hoffman<sup>8</sup> (2006), using a similar line of argumentation as Laqueur, asserts that governments are definitely capable and have been shown to engage in illegal and clandestine activities, including the use of terror as a weapon against both foreign and domestic enemies. Hoffman asserts that “some governments have now come to embrace terrorism as a deliberate instrument of foreign policy: a cost-effective means of waging war covertly, through the use of surrogate warriors or ‘guns for hire’– terrorists” (2006:258). It was not until the 1979 seizure of the U.S. Embassy in Tehran, according to

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<sup>8</sup> Hoffman is currently a professor in the Security Studies Program at Georgetown University. Furthermore, he was the former director of the Rand Corporation’s Washington, D.C. office, is a Senior Fellow at the Combating Terrorism Center at the United States Military Center (West Point), and has worked extensively with the U.S. forces in Iraq (e.g., Baker-Hamilton Commission) and the U.S. Congress (Hoffman 2006; Georgetown N.d.).

Hoffman, that state-sponsored terrorism became fully integrated into the weapons arsenal and foreign policy apparatus of the modern state.

Hoffman explains that the use of terrorists were both inexpensive and potentially risk-free if the operations were carried out effectively. In essence, this was a way for a weaker government to anonymously attack a stronger government without fearing international sanctions or retaliation. However, his analysis follows the same line of reasoning and blame of many other “terrorologists” that follow individual or group terrorist activities. Conspicuously absent is any mention of the United States and its actions abroad, but predictably present is mention of what many label as state-sponsored terrorism by Iran in 1979 (the hostage crisis for 444 days) and in the 1980s by Syria, Iran, Iraq, and other nations in the Middle East.

What is unusual about Hoffman’s analysis of modern state-sponsored terrorism is that he shows how terrorists in many cases benefited more from these relationships than the nations sponsoring them. For example, terrorist groups that had limited capabilities in the past now had full access to the “resources of an established nation-state’s entire diplomatic, military, and intelligence apparatus.... [This translates into direct access to items such as] diplomatic pouches for the transport of weapons and explosives, false identification in the form of genuine passports, and the use of embassies and other diplomatic facilities as safe houses or staging houses” (Hoffman 2006:259). Furthermore, these terrorist groups were often paid very well and had access to some of the best training facilities that the nation had to offer. This means that in comparison to their previous conditions, terrorists operated more like well-financed commandos than unorganized, anarchist cells.

In addition to the previously listed characteristics, Hoffman notes that state-sponsored terror tends to be bloodier and more destructive than terrorism by groups that act on their own behalf (pp.261-62). Because they do not rely on the public for their support, state-sponsored terrorists can use methods and tactics that inflict maximum damage (the definition of which varies) with little worry about public backlash. State-sponsored terrorism has extensively been used to quiet dissent from those outside of a country. “Exiled opposition figures, political dissidents, human rights activists, journalists, political cartoonists, and others have been intimidated and, in some instances, murdered at the behest of various foreign governments” (Hoffman 2006:262). Once again, Libya, Iran, and Iraq are singled out as primary perpetrators of these types of events. Hoffman’s overall analysis of state-sponsored terrorism is skewed away from core nations and appears to follow the U.S. line of propaganda.

Ray Cline and Yonah Alexander (1986) argue many of the same points as Hoffman in *Terrorism as State-Sponsored Covert Warfare*, yet add the former Soviet Union to the list of state sponsors of terror. While both pieces of literature are heavily skewed away from core nation analysis (especially the United States), the work of Cline and Alexander is extraordinarily propagandistic. Their work not only fails to consider the possibility of the U. S. government, U.S. military, or the CIA as being terrorist organizations or using terrorist tactics, but also proactively defends the U.S. armed forces in asserting that they do not endorse or engage in terrorist activities (p.40). Despite this obviously biased application of who may and may not be labeled a terrorist, the underlying theory sheds some light on why the United States (or any state) may use terrorist tactics.

According to Cline and Alexander, states may opt to use terrorism, or “warfare on the cheap,” (1986:55) when they want to project military or political power; state-sponsored terrorism occurs when a state<sup>9</sup> wants to project its power into the territory of another state while escaping or with accepting responsibility and accountability (Cline and Alexander 1986:38). States may also see sponsorship of terror as reduced risk and cost-effective, especially during an era when conventional weapons and open, high-intensity conflict is expensive on many different levels. Consequently, these acts of terror fall between the opposite ends of the spectrum, the lower end being defined as diplomacy (including economic sanctions) and the upper as overt hostility (e.g., a declaration of war). In short, while the authors concede that terrorism may occur within declared wars, the authors are asserting that terrorism occurs predominantly within low-intensity conflict. Low-intensity conflict is defined as the following:

- (1) Creating a climate of discontent within the population
  - (2) Political and economic destabilization
  - (3) The distribution and/or use of hostile propaganda along with act of subversion
  - (4) Armed insurgency measures
  - (5) Armed revolution and the overthrow of state authority
- (Cline and Alexander 1986:38-45)

While all of the authors’ examples conveniently build in caveats which exclude past U.S. acts that may be construed as terrorist (e.g., the American Revolution of 1776), their basic framework and use of terrorism within low intensity conflict provides us with a plausible explanation of why states may use terrorism to fight their enemies.

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<sup>9</sup> Cline and Alexander add the possibility that more than one government may choose to work together to sponsor terrorism (1986:49).



*(Rogue Agents/Agency Explanation)*

In addition to his previous contributions mentioned in the prior section, Walter Laqueur also argues that terrorist groups have often acted within the framework of political movements, albeit in very different ways than the politicians of that same movement (1987:76). For the most part, the members of a terrorist group show disdain for the suggestions and directions of politicians who risk so much less, if anything, when compared to the terrorists. Furthermore, Laqueur asserts that terrorists often strive for complete autonomy from the political apparatus they work under due to increasingly differing goals. Despite the fact that Laqueur was characterizing particular groups and using examples from Ireland and the Middle East, we can extrapolate these observations to U.S. interventions abroad. It is clear that there are parallels between the U.S. political apparatus, the CIA, and the covert/terrorist organizations described by Laqueur.

The CIA operates as a covert agency under the direction of the Director of Central Intelligence (DCI), who ultimately reports to the newly created Director of National Intelligence (DNI) and the President of the United States. In theory, the CIA operates according to the president's direction, does not participate in assassinations, and is not involved in the policy-making process; the agency only implements policy (CIA 2007). However, the CIA's website indicates that they operate under the "guidance" of the President, the Vice President, the Secretary of State, and the Secretary of Defense (i.e., the National Security Council). Furthermore, the CIA is technically subject to oversight from the Senate Select Committee on Intelligence, the House Permanent Select Committee on Intelligence, and the American people (CIA 2007).

The previously described relationship creates at least two plausible and relevant scenarios that could account for foreign interventions or the use of terrorist tactics during foreign interventions by those in the CIA (or organizations performing similar functions). The first scenario involves rogue agents or compartments within the agency that operate outside of prescribed rules/norms established by the President and/or Congress. This could involve the use of terrorist tactics both within and outside of officially sanctioned operations. The second scenario, which seems more likely, involves the combination of the CIA purposely being allowed to operate under minimal oversight for the sake of plausible deniability (for those in the executive and legislative branches of government) and the organization taking advantage of this and trying to operate according to logic and objectives it defines as imperative.

Given the vast amounts of information that have to be dealt with on a daily basis, it seems very unlikely that either the President or Congress has time to continuously monitor the actions of the CIA and every one of its agents. While this could be attributed to mere bureaucratic growth, it is highly probable that the organization and lack of monitoring has been built into Agency so that Congress and the President are intentionally unaware of operations using terrorist tactics; there is also the possibility that the Agency has evolved or grown into this situation. However, this would not change the fact that the issue could have been solved by past oversight. Furthermore, given the history of the Agency and Presidential/Congressional oversight, it is reasonable to assume that all parties involved are aware of what is officially prescribed and what is informally accepted for CIA agent behavior. However, if the President/Congress is not made directly aware or if they purposefully avoid direct knowledge of covert and terrorist

activities, they cannot officially be held accountable to the public for preventing such tactics. And even if evidence of the use of terrorist tactics should ever arise<sup>10</sup>, the President and Congress have plausible deniability. They can assert that the agents or Agency was intervening without authorization, and can then act upon supposed rogue agents or Agency compartments. However, this does not change the fact that the mission has already been accomplished and a goal reached through terrorist tactics. The only actionable part of the process is to determine how to deal with the consequences should these CIA activities be discovered.

Overall, the idea of rogue agents using terrorist tactics is a definite possibility in explaining terrorist activity. However, if it can be shown that this activity persists over time and have formed a pattern in U.S. foreign policy and intervention, it is more likely that independent operation, terrorism, and deniability are built into and a part of the CIA and the system itself.

### *(Ideological Explanations)*

From the time soon after WWII ended until the fall of the Soviet Union in 1991, many arguments for U.S. intervention abroad were made along the ideological lines of stopping the spread of or the rolling back of the godless, freedom-hating, terrorist Soviet Union. In theory, it is possible and at least partially true that those who espoused anti-Soviet ideology believed that Soviet ideals and morals did not match those of the United

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<sup>10</sup> One problem with information is that the public can never be sure of sanitization or completeness of the information divulged. Another problem is that information is often deemed classified for many years and those who should be held accountable for terrorist actions are either dead or have lived a full life when documents are released; one could argue that any punishment they receive may not match their crimes. Finally, there is the problem of knowing that terrorist actions have even taken place and knowing where to look or ask for evidence, such as with the *Freedom of Information Act*.

States and thus had to be stopped from spreading. Furthermore, it is probable that some U.S. interventions and terrorist tactics pursued in the effort to spread liberal democracy were taken in good faith. However, the argument as a whole is a rather simplistic in that it glosses over the fact that there was a deeper, more economic nature to the confrontation than meets the eye. It also fails to recognize that there were individuals and groups within the United States that were more than willing to use ideology as a cover for their true intentions: expanding capitalism as an economic mode of production. At the root of the conflict between the Soviet Union and the United States was the battle over which mode of production would eventually spread throughout the world, who would own the means of production, and who would reap the profits from production. In both theory and in practice, communism and capitalism have to expand in order to survive. Also, communism is a mode of production that is antithetical to capitalism. Thus, when one speaks of ideology as the driving force or motivation for U.S. foreign intervention during the Cold War, it is likely that there is a short or long-term economic justification underlying and driving the issue at hand.

Another explanation that takes the prior concerns of ideology and economics and combines them with technology and necessity is the idea that covert warfare between the Soviet Union and the United States was the only acceptable method of intervention during the Cold War. After the nuclear scare of the Cuban Missile Crisis in 1962, it can be argued that the Soviet Union and the United States sought to avoid a possible nuclear catastrophe; thus, direct confrontation and conventional warfare was to be avoided. Consequently, all future conflict occurred along the lines of the use of terrorism/covert warfare and through the state-sponsorship of terror in proxy states. Given the

proliferation of nuclear weapons over time, this also presents the possibility that all future warfare may exclusively take the form of terrorism and the use of proxies or surrogate warfare.

*(Regime/Administration Specific Explanation)*

In addition to ideological leanings of specific administrations, there is the possibility that increases or decreases in U.S. foreign intervention are dependent upon particular presidents, congresses, or political parties that control power at a specific point in time. However, like ideology, it is plausible that there are other causal mechanisms working beneath the surface that can better account for interventions. For example, while one particular person or administration in power may wish to accomplish a goal, there may be structural constraints that override personal goals. The intent of this study is not to look specifically at or explore possible individual, psychological motivations; the intent is to explore outwardly observable actions and determine if they meet our definition of terrorism.

On a more general level, the idea of terrorist actions being specific to a particular administration can be easily tested by taking a longer, historical view of intervention. If the data reveal that terrorist actions were used by different administrations belonging to different political parties over time, it would be more plausible that the actions were systemic or institutional in nature.

*(Shortcoming of Non-Economic Explanations)*

Overall, the major shortcoming of non-economic explanations of state terrorism is that they fail to address underlying motivations for power and stability in U.S. society. As

will become apparent, economic explanations of terrorism provide much richer and thorough explanations as to why the United States might use terrorist tactics. While it is acknowledged that these economic explanations are not purely economic in nature—they contain elements of one another and of the previous “non-economic explanation” section—they more fully develop motivations and explanations as to why and how the United States might use terrorist tactics in protecting its economic interests.

### Economic Explanations of U.S. Intervention

There are several authors who analyze U.S. foreign interventions and ultimately include an economic rationale for U.S. actions. These authors frequently describe the United States as an empire or an imperial nation, even referencing some of the general events and cases that are mentioned in this study. Unfortunately, most of these authors (but not all) fail to compare these interventions, the events leading up to the intervention, and the aftermath of the intervention to a definition of terrorism or a terrorist act. In the event that these authors manage to characterize an intervention or the United States as a terrorist act and/or state terrorist act, respectively, they still fail to apply a consistent and methodical application of the definition of terrorism. Furthermore, these authors often fail to clearly identify on whose behalf these actions were taken or what causal mechanisms created the incentive to create terrorist attacks. Consequently, their work is often labeled (incorrectly or not) as political and inflammatory rather than scientific in nature; one of my objectives is to solve some of these problems.

Noam Chomsky (2002), introduced in the previous section, critiques the United States and its imperial role in the world, arguing that the United States uses terrorism on

behalf of the economic interests of U.S. corporate/business, government/political, media, and public relations elites. His approach to and critique of U.S. hegemony and terror (and terrorism in general) offers a plausible theoretical argument for the economic rationale for U.S. terrorism, especially when he goes into further detail about former U.S. President Ronald Reagan and Reagan Doctrine.

According to Chomsky (2002), true Reagan Doctrine consisted of the following:

- (1) Expanding the state sector of the economy.
  - (2) Transferring resources from the poor to the rich.
  - (3) Implementation of a more “activist” foreign policy.
- (P.86)

With regard to the expansion of the state sector through the Pentagon system, Chomsky is referring to the subsidization of the high technology industry (especially the defense industrial base) and the outlet of a state-guaranteed market (p.xi). This amounts to a forced-subsidy system where the public funds private interests under the guise of free enterprise (pp.117-18). Indirectly, this results in the transfer of wealth from the public to the private sector and from the poor to the rich. Finally, an activist foreign policy helps the United States maintain its control over the rest of the world. Chomsky asserts that this control is maintained through intervention, subversion, and international terrorism (xi). Because these agendas cannot be stated honestly in public, U.S. citizens must be motivated and manipulated by the media and the public relations elite.

Chomsky further asserts that if one approaches defining terrorism from a literal (based upon evidence, causes, and effects) as opposed to a propagandistic approach (using the definition as a weapon to maintain a system of power), it is clear that the Reagan Administration and the United States went much farther in their violent actions than other individual terrorists, groups, or states of the era (e.g. Iran) (p.119). During the

Reagan years, the United States “not only construct[ed] a semi-private international terrorist network, but also [constructed] an array of client and mercenary states—Argentina (under the Generals), Taiwan, South Korea, Israel, Saudi Arabia, and others—to finance and implement its terrorist operations” (Chomsky 2002:122). Of the countries mentioned, Israel receives a majority of the attention due to its role as a mercenary state of the United States; it is a valuable military asset that is economically and militarily dependent upon the United States for its survival. In short, Chomsky asserts that the United States will not allow a peace settlement between Israel and the Palestinians/Middle East countries because Israel and the occupied territory would gradually be absorbed and incorporated into the region. This, in turn, would, reduce U.S. influence and control in the region, which cannot be allowed (p.27).

Additionally, Chomsky insists that instead of calling the problems in the Middle East an Israeli/Palestinian conflict, we should instead refer to it as a U.S.-Israeli/Palestinian conflict (p.161). Because the U.S. supplied the weaponry that Israel cannot manufacture itself (e.g., Apache military helicopters) and provided training that the Israeli Defense Forces did not previously have, it is complicit in the killings and terrorist actions of the Israeli government and military (p.162). Furthermore, because of the military, planning, ideological, and diplomatic support of the United States, Chomsky asserts that the Israelis were more successful in their invasion of Lebanon in the 1980s and their overall suppression and terrorizing of the Palestinians than they otherwise would have been (p.8). Overall, Chomsky sees the United States as state sponsor/supporter of terror with regard to their ongoing relationship and support of Israel.



Overall, *Pirates and Emperors* (2002) is well researched and informative and Chomsky's characterizations of U.S. low-intensity conflict and counterterrorism as euphemisms for terrorism are also well-founded. Furthermore, his explanations of how the Western media contribute—either by actively reporting about other nations or failing to report about the United States—to U.S. terror is compelling. However, his methodological style of inquiry was problematic in that it appeared to vacillate between analyzing events based upon the definitions of international aggression (e.g., war crimes) and terrorism. Because he considers the former more heinous, harder to prove in some cases, and the line between the two indistinct, he chose to default to terrorism in the event of dispute. While this is a clever technique that avoids some direct criticism, it is not conceptually sound; moreover, the discussion about the two concepts falls in the middle of the text (pp.120-121), which leaves the reader languishing to find a concrete definition of terrorism that he or she can use in assessing the examples presented.

Additionally, Chomsky's characterization of Israel as a mercenary state that is primarily controlled and directed by the United States does not take into account other factors influencing U.S. actions, such as the "Israel Lobby"<sup>11</sup>. This is not an assertion that U.S. actions are not terrorist actions; Chomsky clearly provides evidence that they are. However, instead of being seen as a tool of U.S. foreign policy, there are critics who see Israel and the pro-Israel Lobby<sup>12</sup> as exerting extraordinary influence in shaping U.S. policies that ultimately work against U.S. interests. James Petras, in *The Power of Israel*

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<sup>11</sup> John Mearsheimer and Stephen Walt provide a thorough analysis of the subject in their book, *The Israel Lobby and U.S. Foreign Policy* (2007).

<sup>12</sup> James Petras identifies the major components of the pro-Israel Lobby as the American Israel Public Affairs Committee (AIPAC), the major Jewish organizations in the United States (e.g., Anti-Defamation League, B'nai Brith, and the American Jewish Committee), and "the nationwide, regional, and local Jewish Federations" (2006:170).

*in the United States* (2006), follows this line of reasoning and takes Chomsky to task on many of the assertions in *Pirates and Emperors* (2002) and other speeches, interviews, other books. Consequently, we are presented with another reason, in addition to Chomsky's assertions, as to why the United States may utilize terrorist actions in foreign policy.

According to Petras, the pro-Israel Lobby exerts an inordinate amount of pressure on U.S. politics and politicians. This is a direct refutation of Chomsky and his characterization of both Israel and the pro-Israel Lobby. Petras also refutes Chomsky's assertions that U.S. interests and Israeli interests generally coincide, which is to say that Israel often gets what it wants and needs because U.S. politicians have no choice but to follow the pro-Israel Lobby directions or face severe consequences. Instead of characterizing Israel as a tool of U.S. foreign policy, Petras indicates that when a cost-benefit analysis is performed, the costs of supporting Israel far outweigh the occasional benefits that are gained (2006:176). Furthermore, he proposes that it was pressure from the Israeli state and the pro-Israel Lobby, not the "Big Oil" companies or their lobbyists, who encouraged the United States to invade Iraq in 2003 and to continue to agitate Iran (p.22). Overall, Petras believes that Chomsky has a blind spot when it comes to effectively and fairly critiquing his own people despite the fact that he does an excellent (and correct) job of pointing out the terrorist actions of the United States.

Finally, along the same lines as my other criticisms of Chomsky, the author fails to clearly define who composes the U.S. corporate and governmental elites and exactly how they operate. From my perspective, it appears that Chomsky's characterization of power falls somewhere between the Weberian concept and the Marxian concept; some of

the time it is appears as if Chomsky sees rising and falling statuses for the military, governmental, and corporate power elites and at other time he reverts back to a strict economic elite analysis. While this may be due to changing times and eras, this point is not very clear to the reader. G. William Domhoff, on the other hand, provides us with a more well-defined and applicable explanation of the U.S. power elite than Chomsky.

Overall, Domhoff's class-domination theory of power<sup>13</sup> uses the term power elite in a different way than that of either Noam Chomsky or C. Wright Mills (whose definition Domhoff improved upon). Domhoff (2006) defines the power elite as:

composed of members of the upper class who have taken on leadership roles in the corporate community and the policy network, along with high-level employees in corporations and policy-network organization. More formally, the power elite consists of those people who serve as directors or trustees in profit and nonprofit institutions controlled by the corporate community through stock ownership, financial support, or involvement on the board of directors. This...definition includes the top-level employees who are asked to join the boards of the organizations that employ them<sup>14</sup>. (P. 103)

The power elite are "drawn from three overlapping networks of people and institutions: the corporate community, the social upper class and the policy-formation network" (p.105). Consequently, just being a member of any of these three groups gives you the potential to be one of the power elite<sup>15</sup>. Conversely, being a member of a group that falls outside of these three networks prevents membership in the elite. Finally, of the three

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<sup>13</sup> Unlike Mills, Domhoff uses a derivative of the Marxist conception of class power and economic dominance.

<sup>14</sup> By using this precise of a definition, Domhoff asserts that is easier to trace corporate involvement in voluntary organizations, media outlets, political parties, and different levels of government.

<sup>15</sup> To illustrate the concept of the power elite, Domhoff uses a Venn diagram with three overlapping circles. Of the three circles, the corporate community and the policy-formation organizations have thicker lines around them. The power elite is represented within the thick lines (Domhoff 2006:105). While this presents the possibility of a power elite comprised of many outside the upper class, Domhoff tells us this is not the case. Most members originate in the upper classes; those who did not are slowly assimilated into their ranks.

networks mentioned, Domhoff designates the corporate community as the most powerful comprising the power elite.

The corporate community “consists of all those profit-seeking organizations connected into a single network by overlapping directors”. Corporations are connected in many ways, including “shared ownership, long-standing patterns of supply and purchase, the use of the same legal, accounting, advertising, and public relations firms, and common (overlapping) members on the boards of directors that have final responsibility for how corporations are managed”. By looking at the publicly available interlocks of corporations, one can empirically verify degrees of cohesion among business and across institutions (Domhoff 2006:21).

Furthermore, using the interlocking Boards of Directors also serves a dual purpose; in addition to tracking cohesion among corporations it can also be used to track the interaction of social class and organizations. The Board of Directors, comprised of directors from both inside and outside the corporation, brings together class-based theory and organizational theory. The members of the Board from inside the corporation are there to look out for the interests of the organization, while the members from the outside represent the views, policies, and interests of the upper class as a whole. Together, the two groups that make up the Board develop a closeness which helps them combat anti-corporatist activists and other common enemies. This is not to say that there are not disagreements among elites (i.e., fractionalization), because conflicts may arise over particular issues or methods. The overall message to take away from this is that the corporate community is able to bridge class and organizational theory while achieving common goals and fighting any common enemies the group may have.

The policy-planning network and process, mentioned previously, forms the other component of Domhoff's power elite. In short, this process is a method of identifying and solving problems that are facing corporations. These problems are initially identified by the Board of Directors in the corporate boardrooms, social clubs frequented by the upper class, and informal discussions. Anywhere the members of the power elite commonly meet offers the occasion for discussion. However, once the conversations have ended and the problems need to be solved, foundations, think tanks, and policy discussion organizations take over the process.

These three types of organizations (i.e., foundations, think tanks, and policy discussion groups) are responsible for weighing alternatives to issues and discussing what should be the plan of action for corporations. These organizations are funded and interlocked with the corporate community, providing an empirical way to verify how the corporate community shapes public policy. As Domhoff points out, the point of forming these organizations is to produce testimony, reports, and expertise which can be used to influence and control the government. In the event that a challenge to the corporate community arises from the liberal-labor coalition or one of their experts, the same reports and expert testimony produced by the policy discussion groups, think tanks, and organizations are used to marginalize experts on the left<sup>16</sup>.

In addition to the need to control dissenting opinion from the left, Domhoff goes on to "suggest that there are four relatively distinct but overlapping processes through which the corporate community, and more generally the power elite, control the public

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<sup>16</sup> Domhoff explains that the experts on the left have been outmaneuvered by experts who are conservative. Thus, it is far easier for the corporate community to marginalize liberal opinion than it is for the experts on the left to affect corporations. Domhoff also clarifies that it more imperative for corporations to marginalize those who are liberal than it is to have to agreement among power elite. The marginalization of dissenters is of the most concern to the corporate community (Domhoff 2006:106).

agenda and then win on most issues that are taken up by the federal government” (Domhoff 2007:102). The first two are the policy-planning and special-interest processes. The former has been elaborated upon previously and the latter involves only specific corporations and business sectors pursuing short-term interests and favors. The final two processes involve opinion-shaping and candidate-selection in the political process.

Domhoff (2006) clearly states that because of uncertainty of how the government may potentially act<sup>17</sup>, the power elite and the corporate community cannot rely solely on their structural economic power, social power, and their command of experts (p.107). Consequently, they must find ways to influence the public and politicians so that corporate policies are accepted more than they are resisted. The policy that ultimately “wins” is an indicator of who has power; in most cases, it is the corporate community.

The power elite attempt to influence public opinion in many different ways. As explained previously, the policy-planning network is responsible for the publication and distribution of ideas, speakers, and solutions to problems. They can be directly marketed to discussion groups or the general public as a whole. The corporate community also uses public affairs firms to promote ideas and policies that are beneficial to the power elite. These campaigns may be directed directly at the general public or through outlets such as the mass media. Corporations also tend to control public opinion either by placing directors or owning large shares of mass media outlets, which help with their overall goals. Finally, in an effort to complement the previously mentioned actions, the corporate community also funds political candidates that they feel best represent their interests. This begins with intervention in the candidate-selection process.

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<sup>17</sup> Mills also asserted that complete control of the government by corporations was not a foregone conclusion.

Domhoff indicates that the candidate-selection process for politicians is a very individualistic process that relies upon name recognition and personal prestige. Many times, this name recognition and prestige is obtained by using money gained through campaign contributions from the power elite. Consequently, politicians who make it beyond local politics require the large amounts of money from the corporate community, and this is how the power elite exert influence on candidate selection. Combined with a winner-take-all representative democracy that encourages a two-party system, control over both Democrats and Republicans is achieved through control of the candidate-selection process.

Viewed cumulatively, we can see how the power elite use the policy-planning process, interest groups, opinion-shaping, and candidate selection to dominate almost all of the time. Domhoff (2006) defines domination as the ability of one group or class to easily carry out their objectives with little or no resistance (p.109). The corporate community, according to Domhoff, has managed to institutionalize this domination and most of its policies are accepted by the general public. This, in essence, is both the core and the end result of Domhoff's class-domination theory of power. By linking the power elite to the media, political candidates, foundations, and the government, one can see how corporations use their power and influence to promote intervention and protection of their corporate interests in foreign nations.

John Perkins, author of *Confessions of an Economic Hit Man* ([2004] 2006), also uses an economic rationale for explaining U.S. foreign intervention. Unlike Chomsky, his explanation comes from an insider's perspective and places intervention within a procession of how the United States and corporations take specific steps to control the

world in their pursuit of profit. The first step in the process involves the concept and use of an economic hit man (EHM).

EHMs, according to Perkins ([2004] 2006),

are highly paid professionals who cheat countries around the globe out of trillions of dollars. They funnel money from the World Bank, the U.S. Agency for International Development (USAID), and other foreign “aid” organizations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet’s natural resources. Their tools include fraudulent financial reports, rigged elections, payoffs, extortion, sex, and murder.

(P. xi)

From his own experience as an EHM, Perkins elaborates upon on the *corporatocracy* and their part in the process to steal from other nations. The corporatocracy—consisting of corporations, banks, and governments—use their financial and political clout to influence and shape U.S. schools, business, and media to reflect their values and goals. The corporatocracy is not conspiratorial in nature; their cohesion arises from the fact that they have shared interests (i.e., economic profit) and continuously work towards expanding and strengthening the system ([2004] 2006:xv) . Part of this process involves the training and deployment of EHMs throughout the world.

Specifically, one of the main roles of an EHM (especially Perkins) is to help justify huge international loans (using false economic forecasts and growth projections) to countries that could not afford to repay the money. The borrowed money is used to finance huge engineering and construction projects (i.e., loans to develop the infrastructure of a country), funneling money directly to corporations such as Bechtel, Halliburton, Stone & Webster, and Brown & Root ([2004] 2006:17-18). This highlights one of the more important facets of the loan conditions—countries receiving the loans are



required to use U.S. corporations for the construction of projects<sup>18</sup>. More importantly, the loan money never leaves the United States; it simply moves from a bank account in Washington, DC, to corporate offices in New York, San Francisco, or Houston (p.xx).

Perkins indicates that if an EHM has done their job correctly, the country taking a loan soon defaults on its payments after only a couple of years. However, this is the second part of the corporatocracy's plan. Now with even more leverage against a debtor nation, the corporatocracy demands concessions in addition to repayment of the debt and interest. These concessions take the form of control over United Nations (UN) votes, the installation of U.S. military bases, or access to crucial natural and manmade resources (e.g., oil and the Panama Canal) (p.xx). Overall, the goal of the whole process is to espouse humanitarianism and altruism while systematically impoverishing and undermining foreign governments and populations. The economic system is built to look legitimate while offering no chance of escape for nations who fall victims to EHMs.

In the unlikely event that a nation or head of state refuses loans or influence from the corporatocracy, U.S. intervention becomes more dramatic and the chances of conflict increase. As Perkins explains, there are always "jackals" hiding in the background, waiting to take over when the EHMs fail (p.xxv). Jackals are CIA operatives who commit murder or overthrow heads of state; in essence, they commit terrorist acts on behalf of the U.S. government and the CIA. When the assassins fail to do their job, the United States, as a final resort, sends in military troops. In conclusion, the process flows from economic coercion and corruption to assassination to invasion.

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<sup>18</sup> While not specifically mentioned by Perkins, many grants made by the United States (especially through USAID) also require the receiving country to use U.S. corporations for their projects.

Overall, the process described by Perkins seems theoretically logical and the historical events described are verifiable. However, Perkins's work and sources cannot be independently verified and the text as a whole is primarily geared towards mass audiences. Thus, the barebones theoretical framework may be applicable and may provide a guide for U.S. interventions and commission of terrorist acts abroad, but his personal history and version of events are not academic in nature. The most problematic component of Perkins's personal history is not that it is not falsifiable in any way. In the end, we are left with a sequence of events to work with—economic intervention and debt, attempted assassination, and then invasion.

A more theoretically grounded and empirically verifiable economic explanation for U.S. intervention abroad is offered by mainstream world-system theorists such as Immanuel Wallerstein, Christopher Chase-Dunn, and Giovanni Arrighi. Within the modern world-system, these theorists see economics as the determining factor of competition between nations. While there is an indispensable political-military component to a nation's power, this serves to buttress economic power and strength. Thus, conflict arises and is initiated by the hegemon of the system (and sometimes other core nations) when their economic dominance is challenged (often from nations in the periphery) or when they need to remove obstacles that prevent the flow of their products across the system (Gowan 2006:214). This might explain why the United States has military bases and ships covering the globe, especially in areas containing vital resources necessary to the functioning of and domination by the hegemon. Overall, the function of the hegemon of the system is to ensure the perpetuation of the system itself. Because the hegemon derives immense benefits from shaping and maintaining the system,

interventions would be expected when their vision or shaping of the system is challenged. Furthermore, according to this perspective, we can expect an increase in conflict and intervention as a hegemon declines. Thus, with respect to the United States, we have at least three plausible explanations for U.S. intervention abroad. (1) The United States could be maintaining the current structure of the world-system to protect its economic interests; (2) it could be declining as a hegemon and resorting to more overt violence as a result of declining economic dominance; (3) or there could be some combination of these two factors.

With regard to terrorist acts committed by a hegemon (or any nation), world-system theory is surprisingly silent. World-system theorists Albert Bergeson and Omar Lizardo tell us that terrorism as a whole is an area that has been understudied within their field. In their analyses, the authors indicate that any effort to understand the modern world-system has to incorporate, or at least consider, a “possible terrorism/world-system interface” (Bergeson and Lizardo 2005:227). After the events of 9/11, it is hard to disagree with this new interest and orientation towards terrorism. And, unlike many others who study terrorism, Bergeson and Lizardo’s interests are not specifically focused upon the current wave<sup>19</sup> of terrorism by non-state actors. Instead, the current wave of terror is both assessed and placed in a historical context within the larger macro structure of the world-system. However, like many others who study terrorism, their study is

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<sup>19</sup> The literature outside of world-system theory suggests four distinct waves (each one lasting about one generation) of terror attacks by state and non-state actors since the 1880’s. For more specific details about these waves, refer to Rapoport 2001; Rapoport 2004; Bergesen and Lizardo 2004. However, for a more detailed analysis of why these attacks may be occurring from a world-system perspective, please refer back to the current (theoretical framework) section of this study.

limited to sub-state actors<sup>20</sup>. Consequently, we are left to infer what role state terrorism might play in the basic framework of mainstream world-system theory.

Overall, I have not located any literature written from the world-system perspective that could explain why the use of state terror in maintaining the system is not plausible. In fact, it seems logical that a hegemon (in this case, the United States) would resort to any tactic necessary (including state terror) to maintain hegemony and the current structure of the capitalist system. If other core states benefited from the current economic arrangement, it is also logical to conclude that they too could possibly use terrorist tactics against competitors outside of the core, often at the urging or with the consent of the hegemon of the system. Finally, given that terrorist actions can occur within a war, there is no reason that we could not expect state-to-state terrorism to occur during hegemonic declines and intracore wars. Consequently, this might forecast the eventual use of terrorist tactics by the United States against another core nation that tries to challenge its hegemony.

French philosopher Jean Baudrillard also addresses the issue of U.S. terror, but in a more general and controversial manner than most authors on the subject. In one of his more recent works, *The Spirit of Terrorism* (2002), Baudrillard elaborates on the specific nature of the United States in the global system and how it responds to the terror attacks against the WTC in New York and the Pentagon in Washington, DC. Baudrillard addresses the overarching issue of U.S. growth and eventual hegemonic control of the global order (he also addresses hegemony in general). Baudrillard explains that the United States clashed with the Soviet Union and unexpectedly emerged from the Cold

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<sup>20</sup> There are others who utilize world-system theory who study sub-state actors. However, Bergeson and Lizardo appear to be the most cited and recognized of the authors.

War as a supreme power, moving ever closer towards creating the single world order of the present day. He asserts that the attacks on the WTC should not be seen as an attack fueled by Islamic fundamentalism or as a clash of civilizations/religions<sup>21</sup>, and offers some of the following alternative interpretations (Baudrillard 2002:11). First, we should see these attacks as a result of globalization itself; the attacks on the WTC and Pentagon represent retaliation against terror and should be seen as the first global, symbolic event in years (Baudrillard 2002:3). Additionally, these attacks represent the first setback that globalization itself has ever experienced. Second, these attacks represent a retaliation that we (everyone outside and even some within the United States) have all wished would happen to the United States for many years. Third, and finally, these attacks occurred because there was no alternative but to respond to U.S. terror with terror; in other words, the world has moved past simple ideology and politics (p.9).

In making the assertion that U.S. terror necessitates a terroristic response, Baudrillard asks the question, “When global power monopolizes the situation to this extent, when there is such a formidable condensation of all functions in the technocratic machinery, and when no alternative form of thinking is allowed, what other way is there but a terroristic situational transfer?” (pp.8-9). The system itself has created these rules and requires that terror be met with terror. In fact, any system of domination<sup>22</sup> results in this same terroristic response because it is a fundamental part (and response) of the system. Baudrillard asserts that even if Islam (as opposed to liberal ideology) had dominated the world, terrorism would rise up against Islam (p.12); it is the globe itself

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<sup>21</sup> Baudrillard notes that Islam just happens to be the front that the antagonism to the system crystallized along. He asserts that terrorism is everywhere and inside of everyone (2002:15). This line of reasoning is also a rebuttal of Samuel Huntington.

<sup>22</sup> Ultimately, the end response to the system is terrorism. Before this particular point in time, the system is able to absorb and resolve crises as they arise.

that is revolting against globalization. In closing, Baudrillard comes to the same conclusion as many other authors who study U.S. state terror, but along a different line of reasoning. Baudrillard considers the United States a terrorist state, but instead relies upon more systemic and positional reasons (i.e., occupying the position of sole superpower and global hegemon) for justification of his conclusion.

Baudrillard's viewpoint uses the terminology of world-system theory, but diverges from it in that he is not specifically dealing with a recurring hegemon in the system. In short, he is dealing with a much simpler issue involving size. The idea that people fear and hate anything once it has reached gigantic proportions is not backed up with empirical fact, but makes sense on more of a philosophical and intuitive level. Also, Baudrillard is lacking in details as to what terrorist actions the United States may have used along the way to grow; however, this too can be attributed the fact that this view is more philosophical than scientific in nature. Overall, while not rigorous and scientific in nature, Baudrillard's argument does introduce one to a larger economic/ideological struggle that led to eventual domination and retaliation. The reader is introduced to what the rest of the world sees when they view the United States, even it is only a brief glance. William Perdue moves beyond introductions and provides us with a more in-depth and thorough analysis.

Perdue (1989) initially brings light to the fact that the problem of state (or institutional) terror ultimately lies in the fundamental structure in the international political and economic system. While still recognizing the issue of certain acts of political violence being labeled as terrorist while others are not (i.e., one type of power), Perdue emphasizes that differences in power relations in the international arena obscure the

reality of institutional terror. Accordingly, “[t]o focus on institutional terror means to critically analyze violent and coercive patterns that coalesce around fundamental human purposes, such as meeting human needs and resolving the question of political rule” (p.4). In performing these analyses, one should come to realize that the modern nation-state (sometimes alone, sometimes with help from others) helps protect an international order that results in the systematic transfer of wealth from the Global South to the North, poverty, malnourishment, and other hunger-related illnesses. Overall, “the higher circles of political, economic, and military power [are] committed to the preservation of an existing material and superstructural order” (Perdue 1989:8).

Having established why the international system looks as it does, Perdue proposes that the dominant ideological conception of terror is derived directly from this international order. From the perspective of the North, terrorism from below is seen as a form of international deviance; any attack on the legitimate, transnational order is seen as a terrorist threat and deviant. This transnational order, as Perdue phrases it, is composed not only of democratically elected governments, but also includes international banks, world-class corporations, and any indigenous structures/institutions in developing societies that follow the Western model of development (p.8). From the perspective of the South, terrorism from above is seen in the perpetuation of dependency and underdevelopment resulting from imperialism and colonialism. The core states, and the nation-state itself, are seen as the perpetrator of terrorism both in economics and through political violence.

While Perdue’s analysis appears to be purely economic in nature, resting upon world-system and dependency theory, the important point to take away is that all of these

arguments are predicated upon the fact that the political structure of the nation-state system is at the heart of the problem. Thus, from a political economy perspective, one can start to understand that while the state apparatus can function to effectively distribute resources and benefits to its own population, it is situated in a larger political and economic world-system that ultimately disadvantages and terrorizes other nations and populations in various ways. Sometimes this terrorism takes the form of economic control with international institutions, and at other times it takes that form of direct military or covert intervention using tactics that cause terror.

Overall, the work of Perdue uses multiple perspectives and lenses to better understand how political structures and economics combine to create terror from above and below. The contribution is important in that it looks at the origins of the present world-system in order to better explain the dominant and subjugated perspectives with regard to state terror.



## **CHAPTER 3**

### **RESEARCH DESIGN AND ANALYSIS**

#### **Procedure**

In order to examine whether or not the United States acts in a terrorist manner, it was first necessary to clearly define what was considered terrorism. Once the concept of terrorism was defined, it was observed over time in order to see if there was a pattern of behavior. Although a single act (or two acts) of violence—such as the use of atomic weapons by the United States in World War II (WWII)—could have been enough to warrant the label of a terrorist state, judgment was deferred until a later point in time. Also, it is important to note that one of the inherent elements of terrorism is the fear of a future attack. Consequently, using one or two examples to establish the label of a terrorist state would not suffice. Without repeated examples of attacks over time, it would be difficult to ascertain whether or not a state continues to be a terrorist state. This was the reasoning behind the 60-year period selected for the research project.

The project used a comparative/historical approach to U.S. foreign intervention from 1948 until the present day. Case studies of U.S. “interventions” in foreign nations were used to discover whether the evidence supported the assertion that the United States is a terrorist state. This was accomplished by comparing the facts about specific U.S. interventions with the definition of state terrorism. Furthermore, because case selection

required the presence of an activity that was characterized as “terrorist,” cases lacking this criterion were excluded.

The next steps of the case selection process involved the use of three additional criteria. The first criterion was to cover the 60-year period with a minimal amount of cases while achieving a maximum amount of coverage in terms of years. The second criterion was to select cases spanning several years in length. Not only did this contribute to verification of a pattern of terrorist patterns over time, but it also reduced the number of cases needed for analysis. The third criterion was to select cases that covered differing regions of the world.

Once selected, the seven cases were presented in chronological order in chapters four through ten. In some instances, there was an overlap in years of coverage from one case to the next. Furthermore, the amount of detail for each case—and specific topics covered within each case—varied according to necessity. For example, the case studies of Iran, Guatemala, and Indonesia were more detailed with regard to the CIA and their operations in order to establish the foundation of a pattern of intervention that persisted over time. By providing more detail in earlier cases, it was not necessary to continuously reestablish the origins of these strategies in all subsequent cases.

### **Subjects of Study**

The first subject being studied will be the U.S. government, with particular attention focused on the members of the U.S. military (all branches, including Special Forces) and the CIA. Additionally, the person(s), government, and corporation/property targeted during U.S. foreign intervention will be studied for classification at a later time.

## **Data Collection**

After the initial selection of case studies, data were gathered from various secondary sources. The selection and use of data involved a comparative review of experts in U.S. foreign policy, with emphasis on those who specialize on foreign interventions and terrorism. The goal was to obtain facts (using secondary sources) that could be verified across multiple disciplines. Furthermore, data inclusion was based upon availability of reliable information and relevance to this study. While the data contained throughout the thesis were mainly intended to be read as a whole—with the introduction, the seven cases and their data, and the conclusion forming the main parts—the case studies were also constructed to be self-contained and offer enough data to allow one to only read the introduction and one (or perhaps two) case study (studies) and still arrive at the stated conclusions.

## **Analysis of Case Studies and Data**

Case studies of U.S. interventions were tested on an individual and sequential (i.e., the year of intervention) basis in order to ascertain a pattern (or lack thereof). Furthermore, the data were placed in context as to whether military/covert interventions appeared to be the first option of government intervention, or an alternative to failed economic pressures and/or diplomacy.

Each case study was compared with the definition of state terrorism in an effort to determine whether the event(s) should be classified as an act(s) of state terrorism. The case studies were arranged chronologically in order to establish a pattern of terrorist activity by the U.S. government. Furthermore, targets of those terrorist acts were

classified according to whether they were directed towards a person, government, corporation, or property.

### **Limitations of Case Studies**

The use of case studies in this thesis—specifically those that continuously affirmed as opposed to refuted instances of U.S. terror—could have presented two particular problems. The first problem that was considered, and consequently avoided, was that of repetition. As previous sections indicated, the seven cases were selected for coverage of time and area. Cases that were not necessary for either of those two purposes were omitted to avoid repetition. Also, because the cases were designed to work individually or as a group of seven, repetition could be avoided if the reader chose only one or two cases to read.

The second problem with using a case study format in comparative/historical research was that historical detail was sacrificed for a synthesization of themes and facts. Unfortunately, because of time and space limitations, this would have occurred even if case studies were not chosen. However, the sacrifice of some details—but not crucial details—and the formation of larger historical themes not only allowed for the discovery of patterns during U.S. intervention, but helped show why the United States participated in terrorist acts. Consequently, the weakness of this particular approach was not only necessary, but beneficial to the thesis' goal in the long run.

## **CHAPTER 4**

### **FINDINGS AND DISCUSSION**

#### **Iran (1948-1953)**

The case study of Iran is unique in U.S. foreign intervention in that it involved using the newly created CIA to overthrow a foreign government<sup>1</sup> for the first time (Kinzer 2006:121). The idea for a coup d'état, however, was not an idea that suddenly sprang into the minds of U.S. government officials and intelligence agencies. Instead, it was a “problem” that was presented to them by the British government, Britain’s Secret Intelligence Agency (the overseas branch is known as MI6), and the U.S./foreign-owned multinational oil companies. The U.S. State Department, the Pentagon, and the CIA took the problem on as their own, using any and all means (including terrorist tactics) to overthrow Premier Mohammad Mossadeq and replace him with Mohammad Reza Shah Pahlavi (the king of Iran from 1941-1979) (Iran Chamber Society 2008). While Cold War rhetoric (i.e., U.S. liberal ideology) and a fear of communism might have been motivating forces for pursuing the coup, closer inspection of the events reveal that U.S. and multinational oil company economic interests were the initial and ongoing catalysts for U.S. intervention.

The reasons for the 1953 coup originate in the Anglo-Iranian Oil Crisis that began two years prior to Mossadeq’s ousting. The Anglo-Iranian Oil Company (AIOC) was the

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<sup>1</sup> The Office of Strategic Services (OSS), created in 1947, was the wartime forerunner of the CIA.

sole oil company operating in Iran in 1951, and it had been operating there since 1901 (Blum 2004: 65). In addition to being the majority owner of AIOC, the British government had a monopoly over the oil produced and controlled every aspect of extraction, refining, and sales (Kinzer 2006:117). In the years preceding the oil crisis, the British had built AIOC into the largest refinery in the world and the second largest exporter of crude petroleum, all while trying to maintain control of Iran and the third largest oil reserve in the world (Abrahamian 2001:185). Overall, Britain's ability to maintain its citizens' current standard of living, to power and fuel its industries, and to project military power depended upon AIOC and Iranian oil. As Ervand Abrahamian (2001) points out, Iran and AIOC

provided the British Treasury with 24 million pounds sterling in taxes and 92 million pounds in foreign exchange; supplied 85% of the fuel needs of the British navy; gave AIOC 75% of its annual profits. Much of this went to shareholders in England as well as to investments in Kuwait, Iraq, and Indonesia. (P.185)

Drawing on British Foreign Office Archives in the Public Record Office in London, Abrahamian also points out that the British Ministry of Fuel was worried about Iran developing her own capabilities in oil development, distribution, and sales. Overall, British strength lie in the fact that they controlled oil reserves and production all over the globe; any attempt to disrupt this control could not be tolerated (p.185). When nationalistic leader Dr. Mohammad Mossadeq was elected premier of Iran in 1951, the former stability that Britain enjoyed was put in jeopardy.

From an Iranian perspective, Mossadeq was elected as a direct response to British failure to fairly and effectively renegotiate Iran's oil contracts with AIOC. At the time, AIOC was only required to pay the Iranians 16% of the profits it earned from selling the

country's oil (Kinzer 2006:117). Furthermore, the Iranians had many other neglected and ignored complaints about AIOC practices and contracts, which include the following:

- (1) The contract duration was until 1992.
- (2) Royalties were paid in British sterling.
- (3) AIOC sold oil to the British navy at discounted rates, while simultaneously charging market rates to Iran.
- (4) Company books were never made available to Iranian auditors.
- (5) Natural gas was burned off instead of being piped for local consumption.
- (6) Abadan<sup>2</sup> was run as a company town, letting stores and clubs routinely discriminate against "natives." (Abrahamian 2001:186)

The Iranian Parliament (also known as the Majlis) responded to the British in March of 1951, unanimously passing a bill (in both houses) that would nationalize the British-owned AIOC. The majority of the Iranian parliament voted to elect Mossadeq in April of that same year, which was soon followed in May by the actual implementation of nationalization (Blum 2004:65).

Upon entering office, Mossadeq immediately offered and promised the British fair compensation for their interests in AIOC, even offering to let British workers to continue working in the newly established National Iranian Oil Company. This led the British to three concrete conclusions. First, Mossadeq was serious about control and nationalization of the oil company. Second, for the aforementioned reasons, Britain could not permit Iran to proceed with its plans. Third, the only way to prevent the nationalization of the oil company was to remove Mossadeq. Under no circumstances would Iran be allowed to have final say over how AIOC oil was produced or sold. Mossadeq was overthrown twenty-eight months after he was elected (Abrahamian 2001:187-88).

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<sup>2</sup> AOIC established Abadan as an "oil" town after oil was discovered in Iran during 1905. A pipeline to the town was soon built, which necessitated that the British also build a refinery, supporting infrastructure, and housing. Overall, Abadan functioned as a British-owned town (Petropars 2008).

Between the time that Mossadeq was elected and ousted, the British first thought that the National Front<sup>3</sup> and Mossadeq government would collapse on their own. When this did not occur, the British resorted to economic pressure<sup>4</sup>, propaganda, and subsidization of opposition parties and opponents (Abrahamian 2001:190). While this economic pressure and isolation was being applied by the British, U.S. oil companies became increasingly alarmed over the possibility of Iranians nationalizing AIOC. Standard Oil of New Jersey and Socony-Vacuum Corporation lobbied the U.S. State Department on behalf of the British, indicating that Persian nationalization of AIOC could have disastrous effects on their own concessions. The big oil companies were especially worried about the repercussions of Persian nationalization on their holdings in Latin America and Indonesia (Abrahamian 2001:191-92; Kinzer 2003:160). Despite all the economic pressure applied by the British government and intense lobbying by the oil companies on the American government, the Mossadeq government persisted. In response, both the British and the United States began to urge the Shah and both houses of parliament to remove Mossadeq from power. Both governments were pressing for the appointment of a civilian and longtime politician by the name of Ahmad Qavam; Qavam was decidedly pro-British and would work against the nationalization of AIOC (Kinzer 2003:139). Thus, by this point in time, the United States was not only supporting<sup>5</sup> Britain

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<sup>3</sup> The National Front was a broad coalition of secular and religious groups and political parties that opposed the Shah and the Pahlavi monarchy. These groups and parties derived their support from the urban middle and lower classes. Opposition parties that were not associated with the National Front were the Tudeh and Fedayyan-e Islam parties (Gasiorowski 1987:262).

<sup>4</sup> The British implemented an embargo on Iranian oil, urging others not to buy it, suing those who did, and stopping any tanker that dared ship “stolen” Iranian oil. The oil embargo was especially easy to implement given the fact that most of the tankers were owned by major oil companies; oil companies in the United States were eager to help. At the time, the U.S. oil companies owned 25% of the oil tankers (Abrahamian 2001:195).

<sup>5</sup> During the first year of the blockade, U.S. officials asked U.S. oil companies to voluntarily provide oil to allies who had been affected by the blockade. The companies “complied”, providing 46 million barrels of



in their economic isolation of Iran, but they had also turned to supporting political pressure and the replacement of Mossadeq.

In an apparent turn of luck, Mossadeq resigned his position as premier on July 17, 1952, after a dispute with the Shah over the control of the war ministry and the army (Kinzer 2003:134). Qavam replaced Mossadeq that same day and began issuing harsh proclamations; this not only stirred and outraged the public, but it also provoked their pouring into the streets in protest of Qavam and the Shah and in support of Mossadeq. Qavam ordered the police to suppress the uprisings, but many of the police joined the demonstrators in protest. Only July 21, 1952 (known as Bloody Monday), the National Front organized a general strike and managed to bring the country to a halt; even the Communist party (called Tudeh) and soldiers joined in the demonstrations against the Shah and Qavam. Surprised by these actions, the Shah and Qavam used elite military forces to suppress the uprisings. These units opened fire on the protestors, killing dozens in Tehran. This caused further mutiny within the ranks of these elite units, forcing the Shah to accept that the situation was out of control. He asked for the resignation of Qavam that afternoon and reinstalled Mossadeq, also giving him control of the war ministry (140). However, the Shah's efforts were too late in that at least 69 people were killed and over 750 injured in uprisings that day (Gasiorowski 1987:265).

The British terrorist tactics in dealing with Mossadeq and their role in the deaths and injuries of Bloody Monday are direct and easily attributable to oil interests; the U.S. role, on the other hand, is often overlooked. Neither U.S. President Harry Truman nor Secretary of State Dean Acheson supported all of the plans that the British had made to

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oil that first year, which was approximately 50% of Iran's production capacity in 1950 (Gasiorowski 1987:267).

remove Mossadeq from office; they were adamantly opposed to a British invasion of Iran, which would have gone through had they not objected (Kinzer 2006:119). However, the U.S. policy of supporting the economic isolation, political pressure, and replacement of Mossadeq indirectly contributed to the events of Bloody Monday, making the U.S. government a facilitator and complicit in the British terror against the Iranians. Furthermore, future and direct U.S. involvement with the coup of Mossadeq was foreshadowed by U.S. Ambassador to Iran, Loy Henderson. Henderson, according to the British Foreign Office, had stated that because the popular uprisings had given Mossadeq so much power and support, there would be no way to remove him using economic pressure or constitutional maneuver; only a coup would be sufficient (Abrahamian 2001:196).

The clash between British imperialism and Iranian nationalism eventually resulted in the British expulsion from Iran on October 16, 1952, bringing the United States one step closer to direct intervention (Kinzer 2003:147). Mossadeq learned that the British were plotting a coup and he also knew that the British government had cultivated a variety of military officers, journalists, and religious leaders to commit unlawful acts in the past. Consequently, Mossadeq had no choice but to close the British Embassy and expel all of its employees; this included the intelligence agents who had the capability to carry out a coup (p.119). What is especially interesting about the British plan for a coup is that U.S. Ambassador Henderson had been in contact with British diplomat George Middleton; Middleton had told Henderson about the plans for a coup and the hopes of replacing Mossadeq with former General and interior minister Fazlullah Zahedi<sup>6</sup> (Kinzer

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<sup>6</sup> Zahedi is known to have ties and been a Nazi sympathizer during WWII (Abrahamian 2001:199; Blum 2004:67)

2003:142; Gasiorowski 1987:266). Henderson and the U.S. Embassy would once again become important players in the future coup after the British government, with no other options, were forced to turn to the United States and the CIA.

In November of 1952, the (Winston) Churchill-run British government approached Kermit Roosevelt as he was passing through London on his way back from Iran and asked him for help with a coup. Roosevelt, who was the grandson of Theodore Roosevelt and the distant cousin of Franklin Roosevelt, was the chief of CIA operations in the Middle East. After the British presented their plan for the coup and asked Roosevelt for American help, he indicated that Truman and Acheson would not be very helpful with such an endeavor. However, Roosevelt informed them that the newly elected Dwight Eisenhower, and his soon to be Secretary of State John Foster Dulles, would be more amenable to these plans (Kinzer 2006:120). Using intelligence agent Christopher Montague Woodhouse, the British visited Dulles and began working on their plan for a U.S.-sponsored coup before Eisenhower had even taken his oath of office.

Unlike Truman and Acheson, Eisenhower and Dulles had no qualms about being closely associated with the oil companies or using the CIA to overthrow foreign governments. John Foster Dulles and his brother Allen<sup>7</sup>, who was Director of the CIA, had the most intimate connections with the oil companies in that they had both been partners in the law firm that had represented AIOC in the United States (Dorril, as cited in Abrahamian 2001:197). Also, it had been well-established on the campaign trail that the Republicans, especially Dulles, were intent on rolling back Communism and making the world safe for “democracy.” Thus, Dulles was looking for an opportunity to strike back against the scourge of Communism; Woodhouse provided this opportunity.

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<sup>7</sup> All subsequent referrals to “Dulles” pertain to John Foster unless otherwise noted.

Whereas Truman saw the complete collapse of the nationalistic Mossadeq government as an open door for Soviet Communism, Eisenhower and Dulles asserted that his removal was necessary to prevent Soviet and Communist control of Iran. And because their previous British lines of argumentation (with regard to nationalization of AIOC) didn't work, Woodhouse now framed the issue of a coup as necessary to prevent the spread of Communism and the rise of the Tudeh party in Iran<sup>8</sup>. Thereafter, this is how the plan to remove Mossadeq was presented by the British to those who didn't know any better<sup>9</sup>.

Because the State Department did not have the capacity to overthrow foreign governments, Dulles enlisted the help of his brother and the CIA to help implement the coup. After a National Security Meeting in March of 1953, it was decided that a coup was preferred and that steps should be taken immediately to implement it. Allen Dulles and his British counterparts had decided upon Fazlullah Zahedi to once again head the coup, and then sent one million dollars to the CIA station in Tehran with instructions to use it any way to bring down Mossadeq (Kinzer 2006:123). Donald Wilber<sup>10</sup> of the CIA and Norman Darbyshire of MI6 set up headquarters in London and then in Cyprus later that spring, working on a way to bring down Mossadeq. The British came with a plan called

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<sup>8</sup> Although allowed to operate freely under the Mossadeq government, the Tudeh party never garnered enough support to be considered a serious threat. Instead, one should focus on the fact that Dulles abhorred neutrality in the Cold War, which Mossadeq professed. As a nationalist, Mossadeq did not want Iran under the control of either the United States or the Soviet Union. Consequently, it was Mossadeq's neutrality and tolerance of Communism that angered Dulles the most (Blum 2004:65).

<sup>9</sup> In private conversations, Dulles stated that Iranian oil and production, as well as the rest of the Middle East containing 60% of the world's oil reserves, could not be allowed to fall into Communist hands (Kinzer 2006:122). Given Dulles's background in favor of multinational corporations and their rights and his concerns about access to oil, it is obvious that Communism was not Dulles's single motivating factor in attacking Mossadeq. One could argue that the British made the "Rollback" argument more for the benefit of Eisenhower than Dulles.

<sup>10</sup> Wilber was a professional secret service officer and the CIA's main expert on Iran. Wilber was one of the first to realize that relying upon other nation's intelligence reports (in this case, Britain) would not be sufficient if the CIA was to be involved in future coups. It was his assertion that the CIA must develop their own databases and information for the future (Abrahamian 2001:198).

Operation BOOT and the Americans came with Operation BEDAMN; together these plans coalesced into Operation AJAX (Abrahamian 2001:197; Gasiorowski 1987:268). It is important to note that the CIA had been operating in Iran for many years, gathering intelligence and carrying out covert operations. It was only in 1953 that it was decided to use the CIA to help overthrow the Mossadeq government.

Operation BEDAMN was a propaganda and political action program started under the Truman administration in 1948; the intent of the program was to turn the Iranians against Tudeh, not to destabilize the Mossadeq government (Gasiorowski 2001:268). Unfortunately for Truman and Mossadeq, there was a large gap between what was supposed to happen and what did happen. The intent of the program was threefold. On the propaganda side, CIA operatives/writers helped plant anti-Communist articles and cartoons in Iranian newspapers and on leaflets. On the political action side, street gangs and right-wing, anti-Communist groups were hired to break up and/or start fights within Tudeh rallies (p.268). Finally, on the “black ops” side, agents were hired to infiltrate Tudeh rallies, perform outrageous acts, and start fights. Overall, these events continuously endangered human life and were aimed at influencing the Mossadeq government. By definition, the CIA had been sponsoring and participating in terrorist acts long before the coup in 1953.

Operation BEDAMN and the CIA were also responsible for acts of terror committed during the Averell Harriman mission in July of 1951. President Truman had sent Harriman to Tehran, as a special representative, to help broker a deal with the Iranians and the British; unlike Eisenhower, Truman was trying to avoid overthrowing the Mossadeq government. However, on the day in which Harriman was to deliberately

misrepresent his role as an honest broker (U.S. oil companies had already persuaded him not to give certain concessions), Kermit Roosevelt and the CIA were using local agents Keyvani and Jalali Boscoe (i.e., the Boscoe Brothers) to attack a Tudeh<sup>11</sup> rally with the help of local Nazis (Abrahamian 2001:201-02). Dean Acheson reported several hundred killed and twenty injured, but these numbers might have been slightly inflated according to Kermit Roosevelt (Roosevelt 1979:90). Regardless of the argument over the exact numbers, the fact remains that CIA and Roosevelt sponsored terrorist acts that resulted in the death and injury of many people on the day of Harriman's arrival; this was all in the name of overthrowing Mossadeq.

Another example of the terrorist actions performed by the CIA involved a core CIA operative named Richard Cottam. Stationed in Tehran during Operation BEDAMN and later in Washington during Operation AJAX, Cottam was one of the operatives responsible for writing and planting articles in CIA-subsidized newspapers<sup>12</sup>. The articles, because of their false content, malicious intent, and the responses that they provoked, provide another example of terrorist actions on the part of the CIA. One specific example is the article that Cottam wrote claiming that Iran's Foreign Minister, Hossein Fatemi, was a convicted embezzler, a homosexual, and a convert to Christianity. In the eyes of Fedayyan-e Islam, these proclamations were three death sentences that resulted in an assassination attempt on both he and Mossadeq in February of 1952 (Kazemi 1984:166). Cottam and the CIA knew that these articles would provoke

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<sup>11</sup> The Tudeh party was blamed for the riot, injuries, and deaths that occurred despite the fact that it was the United States that ultimately caused the problem. Harriman was unfortunate enough to run into these demonstrations as he was being transported from the airport (Roosevelt 1979:90).

<sup>12</sup> The CIA not only funded their own subversive newspapers, but also funneled money and articles into Iranian newspapers *Keyhan*, *Mellat-e Iran*, *Mellat-e Ma*, *Aram*, *Setareh-e Islam*, and *Asiay-e Javanan* (Abrahamian 2001:202).

fundamentalists into assassinating leaders that they wrote about; this is also one of the reasons why the CIA was constantly trying to find some form of Jewish ancestry for Mossadeq (Gasiorowski 1987:284).

Three additional acts of terrorism are directly attributable the CIA during Operation BEDAMN; the first is the bombing of the home of a prominent cleric by a local CIA operative named Ehsam Lankarani<sup>13</sup> (Abrahamian 2001:204). The intent here was to anger local fundamentalists and turn them against Mossadeq. The second act is attributable to Donald Wilber, the CIA operative who would help spearhead Operation AJAX. In this particular instance, Wilber managed to forge the “memoirs” of famous Persian poet and pro-Soviet Iranian Abu’l-Qasem Lahuti. While seemingly innocuous, the publishing of these fake, smuggled memoirs from the Soviet Union placed Lahuti (who was living in Moscow at the time) in grave danger given the content of the memoirs and the paranoia of Joseph Stalin. The fake memoirs detailed plans of the Kremlin annexing Northern Iran (Pipes 1994). Thus, while part of the general plan to destabilize the Tudeh Party in Iran and cause problems in Russia, the actions placed Lahuti in grave danger and qualifies as a terrorist act.

The third act involves the kidnapping, torture, and murder of Tehran police chief, General Mohammad Afshartous. Members of the Rashidian network<sup>14</sup> decided that the best way to push Iran into a higher state of chaos would be to eliminate highly public officials (Kinzer 2003:160). Because Mossadeq and Fatemi were so heavily guarded,

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<sup>13</sup> According to Abrahamian, Lankarani was a local Tudeh party activist with a drug problem. Along with the Rashidian brothers (as they were known), Lankarani was often used by the CIA to arouse anti-Mossadeq sentiment. While the Rashidian brothers were initially British contacts, they were used by the United States and the CIA after the British were ejected from the country in 1952. Overall, the Rashidian brothers could be characterized as importers of British goods, supporters of the National Will Party, and individuals capable of funneling money (on behalf of the British and CIA) to local clerics, newspapers, and politicians (Abrahamian 2001:199).

<sup>14</sup> General Fazlullah Zahedi also was implicated in the killing.

Afshartous became an obvious choice. The police chief was invited to the home of one of the conspirators (they had personal ties), where he was kidnapped, blindfolded, and taken to a cave outside of town on April 19, 1953. The police, however, identified the kidnappers and found Afshartous on April 24, 1953. As the police located and closed in on the kidnappers, the captors murdered Afshartous, burying him in a shallow grave outside of Tehran (*Time* 1953). This act of terror achieved its intended effects; it removed a popular officer and possible obstacle to the coup while shocking the country as a whole (Kinzer 2003:160). If the police chief of Tehran could be kidnapped and killed, this meant that it could happen to anyone. This caused public instability, prompted people to speculate about others being on a hit list, and forced Mossadeq to cancel many public appearances and conduct business from his personal residence (Abrahamian 2001:204). Not only was the kidnapping and murder of Afshartous an act of terror, but the subsequent events and panic should also be considered a direct effect of that terror. The attempts to influence the public and the government were working; destabilization was occurring at a rapid pace.

The terrorist acts committed under Operation BADAMN and Operation BOOT continued when they were transformed and combined into the previously mentioned Operation AJAX. The coup and the acts of terror committed by the British and the United States were also facilitated by Loy Henderson and the U.S. Embassy in Tehran. In fact, most acts of terror committed by British operatives after November 1952 can be directly attributed to the United States for allowing British use and refuge in the U.S. Embassy. There is little doubt that the compound contained British intelligence and CIA operatives that used the embassy as a staging area. According to British Foreign Office reports, the



calculated number of “personnel with diplomatic status in the U.S. Embassy numbered 59, compared to the 21 in the Soviet, 9 in the French, and 21 in its own embassy before the diplomatic break” (Abrahamian 2001:200). It is also highly likely that the facility housed the CIA and MI6 agents that were responsible for bringing the Shah on board with the coup.

The Shah was consistently characterized (by both the British and U.S. governments) as indecisive and in need of reassurance. Thus, the U.S. sent many emissaries (who no doubt passed through the U.S. Embassy) to assure the Shah that key officers in the Iranian military would support him<sup>15</sup>. Among those emissaries was Brigadier General Norman Schwarzkopf, Sr. Schwarzkopf had credibility in that he had previously worked with the Shah’s personal and palace security forces in the 1940s (Faruqui 2003). Furthermore assurances were made that Iran would receive large foreign aid packages and a fair—or at least face-saving—oil agreement (Abrahamian 2001:203). Overall, by reinforcing the resolve of the Shah and pledging future help after the coup, the U.S. emissaries were promoting actions—the coup and prompting the Shah to lend his name to it—that were both dangerous to specific individuals (specifically, Mossadeq and his government) and the mass public in an effort to influence Iranian government policies on oil nationalization. The final approval for Operation AJAX by Eisenhower on July 11, 1953, should also be considered part of the ongoing acts of terror towards Iran, as should Eisenhower’s shock treatments of refusal to buy Iranian oil or extend economic aid (Abrahamian 2001:203).

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<sup>15</sup> The United States had 123 military advisors assigned to the Iranian Army. Thus, they were in direct contact with Iranian officers and units throughout Operation BEDAMN and the planning of the coup (Abrahamian 2001:200).

The month leading up to the coup attempt was filled with more U.S. sponsored/initiated terrorist events, beginning with Kermit Roosevelt using an Iranian agent network to stir up anti-Mossadeq sentiment. As with Operation BEDAMN, Operation AJAX continued to provide false newspaper articles, make false statements, and cause instability and panic within Iran. Weapons were also dropped to local tribes who might disrupt the running of everyday life; they could also be drawn upon in the future when a coup might occur. The coup was planned for the evening of April 15, 1953.

As told by Ervand Abrahamian (2001), the coup was supposed to operate as follows:

In the middle of one night, Colonel Nehmatollah Nasiri, the commander of the 700-man Imperial Guards, was to take one armored car, six officers and two truck-loads of soldiers, and, in one clear swoop, arrest the chief of staff and the leading ministers, many of whom shared a home in northern Teheran near the Imperial barracks. Nasiri was then to proceed to Mossadeq's residence and deliver him the royal decree dismissing him. If he refused to abide by the decree, Nasiri was to arrest him too. Meanwhile, another contingent of Imperial Guards was to cut the phone lines to the bazaar and take over the main communications center as well as the headquarters of the chiefs of staff. At the same time, Zahedi was to head a tank convoy to the radio station where he would read the royal decree naming him premier. (P. 205)

While the concept of the CIA and U.S. state-sponsored coup is by definition a terrorist act, there were other actions in this plan that also strengthen this assertion. The royal decree that was to be signed by the Shah and given to Mossadeq was thought to have been forged by CIA operative Donald Wilber (Abrahamian 2001:203). Because the Shah was highly indecisive, wanted to maintain plausible deniability, and because Wilber had a history of forging documents (e.g., the Lahuti memoirs), this appears to be a highly probable scenario. Consequently, there was no legality in the forged decree or any part of

the coup attempt. Furthermore, the original decree conveniently vanished after Mossadeq's home was ransacked during the actual coup (p.203).

A secret Tudeh member of the Imperial Guard tipped off his party leaders about the planned August 15<sup>th</sup> coup, who then contacted Mossadeq. When Colonel Nasiri arrived at Mossadeq's home that night, he was arrested and detained by Customs guards and infantry troops. The Shah, upon hearing the news, fled to Rome via Baghdad and the coup planners fled to Cyprus (Blum 2004:68). Conveniently absent during this time was U.S. Ambassador Henderson; he had made sure he was out of the country when the coup was supposed to have occurred. However, upon hearing of the fiasco, he rushed back to Tehran in a military plane, asking for a special meeting with Mossadeq (Abrahamian 2001:207). What implicates the United States and the CIA even further in this coup is the fact that they were initially unsuccessful, requiring them to commit to using additional terrorist tactics to achieve their coup. Henderson was a keep player in these acts.

Upon arriving back in Tehran, the U.S. Ambassador found the city in disarray. Crowds were roaming the streets, calling for the establishment of a republic, denouncing the Shah, and pulling down royal statues. Under guidance from Kermit Roosevelt (who was hiding in the U.S. Embassy bunker) and still up to their terrorist tricks were the Rashidians, the Boscoe Brothers, and Lankarani. In their continuing efforts to frame the Tudeh Party and cause more instability in the Mossadeq government, these CIA operatives were burning down the offices of the Mellat-e Iran Party and looting stores in downtown Tehran (Abrahamian 2001:208; Kinzer 2006:127).

However, it would be Henderson that would help accomplish the ultimate goal of overthrowing Mossadeq. In a meeting soon after his arrival in Tehran, Henderson

explained to Mossadeq that the U.S. government was considering no longer recognizing Mossadeq as the lawful head of government unless he could bring the city and country under control; he further threatened to evacuate all U.S. citizens and personnel from Iran. In effect, Henderson was coercing Mossadeq to crack down on the demonstrators while simultaneously promising the possibility of U.S. assistance (Abrahamian 2001:208). This was all part of another plan for a coup formulated by Roosevelt. Roosevelt knew that there were five army brigades stationed around Tehran, of which only one was nationalist and four were royalist. The royalists had supported the original coup (and this had not been discovered) and the nationalist brigade would offer little resistance. Thus, the plan was to convince Mossadeq that the United States would withdraw support/recognition of his government (which was Henderson's job) (Blum 2004:68). Then, Henderson was to convince him to clear the streets of demonstrators with the use of the army, which Mossadeq unknowingly did. Mossadeq called for the royalist brigades to enter the city and help police clear the streets; they entered and implemented the original plan for the coup. The royalists occupied the communications centers, released royalist prisoners, occupied the radio stations, cut the telephone lines, and arrested key government officials (Abrahamian 2001:209).

One of the final acts of U.S. terror that day (August 19, 1953) was the siege on Mossadeq's personal residence. During this nine-hour battle, 300 people were killed and 100 were wounded (Abrahamian 2001:210; Gasiorowski 1987: 274; Blum 2004:69). Mossadeq escaped, but surrendered the next day to the newly appointed premier, General Fazlullah Zahedi. While Eisenhower and Dulles were proclaiming that the Iranian people had spontaneously risen up against Mossadeq and Communism and in support for the

Shah, the terrorist actions of the CIA reveal a different version of this story. The aftermath of the coup adds substantially and should be attributed to the terrorist actions of the United States that resulted in the ultimate overthrow of Mossadeq. Some examples of the adverse effects are as follows:

- (1) Mossadeq and his ministers received three years prison sentences; Foreign Minister Hossein Fatemi was executed.
- (2) 1200 Tudeh activists were arrested immediately after the coup.
- (3) At least 2800 more Tudeh activists were arrested in August 1954 when the CIA and U.S. Army intelligence discovered Tudeh organizations with the Iranian armed forces.
- (4) Between 1953 and 1958, the new regime tortured to death or executed 42 more Tudeh members, also condemning 92 to life in prison with hard labor. Hundreds more Tudeh members were given prison sentences from 1 to 15 years.
- (5) Martial law was instituted and remained in effect for years.  
(Abrahamian 2001:211-12)
- (6) A secret police force was formed and eventually evolved into the Shah's CIA-trained police force, SAVAK (Roosevelt 1979:9). In 1976, Amnesty International declared that SAVAK had the worst human rights record on the planet (Majidi 2005).

British Foreign Office reports indicate that these previously listed events occurred, in part, in an effort to impress the U.S. government (Abrahamian 2001:212). Given these examples, one could plausibly make the argument that U.S. state and state-sponsored terrorism bred additional terrorism in Iran for the next three decades. More compelling than these political actions was the immediate rollback of oil nationalization that occurred under Mossadeq.

The new government granted a concession to a consortium of major oil companies that allowed them to gain full control over management, refining, production, and distribution of oil in Iran (Abrahamian 2001:211). Theoretically, the National Iranian Oil Company remained in charge; in practice, this did not occur. The AIOC, renamed

British Petroleum (BP), garnered 40% of the controlling shares in the consortium. AIOC ally Royal Shell received 14%, the French state company gained 6%, and group of five American firms received the other 40% of shares (Abrahamian 2001:211; Faruqi 2003). The five American firms would later merge to become ExxonMobil<sup>16</sup> and ChevronTexaco. Overall, 50% of the profits from the consortium went to Iran, which is the original deal that many firms were pushing for under the original negotiations in 1951. Finally, after the deal was brokered, the United States delivered \$40 million in aid in addition to the \$28 million that they had sent in September and the \$5 million delivered the day after the coup (Abrahamian 2001:211).

From the actions analyzed in this case study, it is clear that the United States was responsible for sponsoring state-terrorism through Britain in addition to committing acts of terrorism on its own. Examples of direct U.S. involvement include the outlined facts that led to bodily harm and death in the Operation BEDAMN, the initial coup attempt, the actual coup, the unprecedented involvement of U.S. Ambassador Henderson, the use of embassy grounds for planning terrorist acts, the insurrection of riots, the arson of property, the supplying of weapons to various terrorist individuals/groups, and the economic isolation of Iran under the direction of Truman, Acheson, Eisenhower, and Dulles. However, the question remains as to why the United States would resort to using terrorist tactics in this case

While this coup and its preceding events are often framed in terms of a Cold War struggle, there is more to this than ideology; the economic component was the driving force behind the coup itself, which happens to buttress the ideological and anti-

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<sup>16</sup> Exxon was formerly the Standard Oil Company of New Jersey, one of the oil companies pressuring U.S. officials to act against Mossadeq and Iran (Blum 2004:71).

Communist struggles enmeshed in the era. It is my assertion that the major oil companies (including the British government-owned company) were responsible for coercing U.S. officials into taking action against Mossadeq. It has been well established in British Foreign Office documents that Iran contained one of the largest oil reserves and refineries in the world; Britain was dependent upon these resources and capital and not prepared to let that fall into nationalist or Communist hands. It has also been established that the U.S. oil companies feared that this may affect their holding in Latin America and Indonesia. Thus, the actions that led up to the coup should also be framed as preventive methods and warnings to all other nations and leaders that might threaten to nationalize oil companies owned by the U.S. and Britain.

In response to critics that assert that the U.S. oil companies were not interested in Iran at the time due to a probable glut in the oil world market, I would surmise that they disregard the potential downside and negative, economic consequences of nationalization movements on oil company holdings (Gasirowski 2001:275). While there might have been a glut at the time, it must be remembered that these companies have both short and long term vision and goals; they would not sacrifice future control of oil worldwide because of a short-term glut in the market.

Anti-Communist ideology, as opposed to strict economic concerns, provided the mechanism through which the United States could act without being seen as completely unjustified for their actions in the eyes of American people. While there is no doubt that John Foster Dulles and many others in government were acting to oust Mossadeq with Communism in mind<sup>17</sup>, this does not mean that their mindset was correct. The Tudeh

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<sup>17</sup> Because the CIA had been operating in Iran for years, it is conceivable that the U.S. had concerns about the Iranian/Soviet border and possible communist influence. However, just because ideology was the

Party within Iran was not strong enough to overthrow the government of Iran and the Soviet Union had not taken any actions that would support the idea of a threat of Communist takeover (Blum 2004:71). Even when Mossadeq had realized that foreign elements were behind the attacks on him (just before the coup in August of 1953), he neither made any moves nor requested any help from the Soviets that could be construed as a Communist takeover. In closing, ideological reasons buttressed economic concerns in the overthrow of Mossadeq, but were not the driving force.

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driving force behind one set of events prior to Mossadeq taking office does not translate into ideology being directly responsible for the coup.



## **CHAPTER 5**

### **FINDINGS AND DISCUSSION**

#### Guatemala (1951-1954)

As outlined in the previous section, the clandestine coup d'état that occurred in Guatemala in 1954 was neither a new development nor a wholly unfamiliar act in U.S. foreign policy. Under the instruction of U.S. Secretary of State John Foster Dulles, the United States implemented the previously documented coup of Premier Mohammad Mossadeq of Iran in 1953 before moving on to the coup d'état of Guatemalan President Jacobo Arbenz Guzmán (Kinzer 2006:129). The U.S. intervention in Guatemala can be attributed (like the Iran/Mossadeq case) to a combination of Cold War ideology; interference by a multinational corporation, United Fruit Company (UFC); and the election of a progressive and nationalistic leader unwilling to bend to U.S. political pressure. However, the primer to the conflict (and terrorist attacks) that Guatemala would eventually endure in the 1950s and beyond has its roots in the Guatemalan Revolution of 1944 and is directly attributable to the severe misdistribution of land that had occurred within the country.

For years before the 1944 Revolution, a series of military dictators (called caudillos) ruled Guatemala, with Jorge Ubico Castaneda<sup>1</sup> reining from 1931 until 1944.

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<sup>1</sup> Ubico was ascended to power with the help of UFC President Samuel Zemurray. Zemurray was responsible for convincing the other major landowners in the country to support Ubico's rise to power (Immerman 1982:71).

Ubico was an extremely conservative ruler who branded anyone or any social, political, or cultural ideology more progressive than his own as a Communist (Immerman 1982:33). Along with Ubico's conservative streak came a distrust of most people; he only trusted the army, foreign corporations, and the wealthy indigenous landowners (who thrived due to a latifundia system)<sup>2</sup>. Ubico exacerbated the land and poverty problems of the country in many ways, constantly increasing the gap between the rich and poor by granting concessions to foreign corporations. In 1936, for example, Ubico agreed to renegotiate United Fruit's land contract, giving the company the following concessions:

- (1) Ninety-nine year leases on both coasts of the country. (After the deal, UFC had more property than half of landholding population of Guatemala.)
- (2) Exemption from all taxes and duties, including import duties on items to be used in the company's commissaries and items used for construction.
- (3) Extremely low taxes on the export of bananas.
- (4) No regulation of UFC transportation rates for its International Railways of Central America (IRCA) or its Guatemalan Railroad Company.
- (5) Rights to construct communication or transportation networks that could charge any rates.
- (6) A property tax scale that allowed UFC to severely undervalue its holdings, evading almost all taxes.

(Immerman 1982:71; Schlesinger and Kinzer 1982:70-71)

UFC, with the land and tax concessions it had forced, created a Guatemalan economy that was even more dependent upon the export of cash crops than in the past; this often came at the expense of food production for the people of the country (Moye 2001:44). After the shock of the Depression, concessions such as the ones mentioned above, and the start of WWII, Guatemala experienced such severe economic problems that it was on the brink of collapse.

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<sup>2</sup> The latifundia system concentrated large amounts of land ownership in the hands of a small number of people. This system originally transformed a small group of white colonists into a very wealthy elite within Guatemala. The system was also reinforced by a class structure system that relegated nonwhites (especially those of Mayan Indian descent) to inferior social and economic classes (Premo 1981:433).

As conditions worsened and Ubico's rule continued, the middle class of the country began agitating for change. After the end of WWII, in the summer and fall of 1944, schoolteachers in Guatemala led protests that resulted in military officers eventually overthrowing Ubico in the "October Revolution." Overall, fewer than one hundred lives were lost in the regime change (Kinzer 2006:130-31). In democratic elections, held a few months later, a schoolteacher by the name of Juan Jose Arevalo was elected president. Jacobo Arbenz, a colonel who had joined with the schoolteachers in the 1944 revolution, would serve as Arevalo's Defense Minister. During Arbenz's time in that office, he advocated for progressive reforms, unions, and forced rental of unused land (Cullather 1999:20). He would continue his nationalistic and progressive reforms after he took the reins as president in March of 1951. The transfer of power from Arevalo to Arbenz represented the first peaceful transition to an elected successor in Guatemalan history (Kinzer 2006:131).

Upon taking office, Arbenz had three fundamental objectives that became the foci of his tenure in office. The first objective was to transform the economy of the country from dependent and semi-colonial into one that was independent of other nations. The second objective was to transform Guatemala into a modern capitalist state; until this point in time, the country had remained predominantly feudal in nature. The final objective was to undertake the transformation in such a way that the masses would prosper, allowing their standard of living to rise. These proposed reforms put Arbenz into immediate conflicts with the three largest corporations—United Fruit Company, International Railways of Central America, and Electric Bond & Share—that controlled the economy (Kinzer 2006:132).

The level of conflict continued to rise between the Arbenz government and that of UFC, culminating in the eventual passage of Decree 900, the Agrarian Reform Law, in July of 1952. During the next two years, it would facilitate the redistribution of approximately 1,491,785 acres to almost 100,000 Guatemalan families (Trefzger 2002:32). Article 88 of the 1945 Guatemalan Constitution had laid the foundations for such reform, stipulating that land be used for the development of agriculture and industry for the greatest benefit of the people. While mandating governmental responsibility to the people, the Constitution simultaneously recognized the right to private property and prohibited the latifundia system. This balance was achieved in that the government only seized and redistributed uncultivated land on estates larger than 672 acres in size. Furthermore, owners were compensated for their losses according to the land's declared tax value (Kinzer 2006:133). Overall, the government had a responsibility to appropriate and redistribute land by law; Arbenz was merely following the prescription of the Guatemalan constitution in enacting the Agrarian Reform Law<sup>3</sup> (Trefzger 2002:33-35).

At the time of the 1944 Revolution, there was approximately one hundred million dollars worth of U.S. foreign investment in Guatemala; the wishes of the United States were for the country to continue with the status quo, maintaining stability for economic investment (Immerman 1999:83). These agrarian reforms of 1952 were not status quo, but they were also not unexpected on the part of UFC. The company had been closely watching the Mossadeq government and its expropriation of oil assets in Iran. They also knew that for the revolutionary reforms to succeed in Guatemala, much of their land

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<sup>3</sup> According to Jose Aybar de Soto (1978:144), the UN and other organizations at that time saw lack of agrarian reform as one of the barriers to economic development for underdeveloped nations. Thus, the idea had growing legitimacy in the developing world. Furthermore this lends credence to the argument that Arbenz was a nationalist, not a Communist.

would have to be seized. In an effort to head off or curtail Arbenz, UFC public relations counsel Edward Bernays recommended that UFC contact the U.S. Senate Foreign Relations Committee and express their dismay at the Iranian situation. He also recommended that the company use its influence to convince the President of the United States to issue a statement, along the lines of the Monroe Doctrine, prohibiting the expropriation of international investments (p.79). None of these recommendations were ever enacted by UFC president Zemurray, but this definitely indicates that economics was the driving concern in U.S./Guatemalan relations. It also highlights the point that in an effort to protect their own assets, corporations will defend collective interests of their class.

At the time Arbenz actually enacted land reforms, UFC owned about 550,000 acres of land. This constituted about one-fifth of the arable land available in the country. To make matters worse, they only cultivated about fifteen percent of it (Kinzer 2006:133). In March of 1953, the government seized 209,842 acres of uncultivated, UFC land (in two separate decrees), offering \$627,572 in bonds for payment. This had been the value that UFC had declared for the land in government tax records. In October of that same year and in February of 1954, the Guatemalan government seized approximately 175,000 more acres of land and offered UFC \$500,000 for the additional expropriations. While undervaluing its land had benefited UFC for years when it came to taxation, using this value for compensation was deemed unacceptable by both the company and the U.S. government (Schlesinger and Kinzer 1982:75-76).

What was even more surprising than the value of the compensation was the fact of who registered a formal complaint with the Guatemalan government. It was not UFC who

presented the country with a note demanding close to \$16,000,000 in additional compensation<sup>4</sup>; it was the U.S. State Department (p.76). However, if one begins to look more closely at the economic ties between members of the U.S. government and UFC, the delivery method begins to make more sense. Following is a list of connections that must be taken into account when trying to establish why the U.S. government took such an active interest in UFC:

- (1) Secretary of State John Foster Dulles was the executive partner of the law firm (Sullivan and Cromwell) that had negotiated the 1936 UFC/Ubico deal that had guaranteed the company its many benefits, including the 99 year leases. He had been instrumental in drafting the contract (Immerman 1999:124).
- (2) CIA Director Allen Dulles had done legal work for the company in the past and had since acquired a substantial amount of stock in International Railways of Central America, a UFC subsidiary.
- (3) John Moors Cabot, the assistant secretary of state for inter-American affairs in 1953 and former ambassador to Guatemala, was a large shareholder in UFC .
- (4) Thomas Dudley Cabot, brother of John Cabot and director of international security affairs in the U.S. State Department, had been a director and the president of UFC (Immerman 1999:124; Kinzer 2006:130).
- (5) Sinclair Weeks, the U.S. Secretary of Commerce, had been one of the directors for UFC's registrar banks (along with Thomas Cabot).
- (6) General Robert Cutler, who was the first special assistant to the president for national security affairs (i.e., head of the NSC), had been a board chairman for UFC's transfer bank (Old Colony Trust). By default he was board chairman of UFC.
- (7) John J. McCloy, who was the president of the International Bank of Reconstruction and Development and a close friend of Dwight Eisenhower, was a former UFC director.
- (8) Ann Whitman, Eisenhower's personal secretary, was the ex-wife of UFC director Edward Whitman.
- (9) Robert Hill, ambassador in Costa Rica, later became a director of UFC after leaving government service.
- (10) Walter Bedell Smith, the undersecretary of state, became a UFC director immediately after resigning from government in 1954.
- (11) Whitney H. Shephardson, a member of the Council on Foreign Relations, was an IRCA officer and a member of the UFC board. Shephardson was married to the secretary of the Council (Frank Altschul), who would

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<sup>4</sup> The rationale behind the note was that international law dictated fair compensation for seized lands in spite of domestic laws (Schlesinger and Kinzer 1982:76).

ultimately produce a highly influential report contending that the Guatemalan government was under complete Communist control (Immerman 1999:124-125).

Taking these economic and political relationships into account, it becomes obvious that U.S. involvement in Guatemalan affairs were influenced primarily by economic interests<sup>5</sup>. This did not prevent John Foster Dulles or anyone in the Eisenhower Administration from denying that UFC was their reason to intercede in Guatemala. Instead, they proclaimed to the American public that Guatemala had been taken over by the Communists and that the Soviet Union was trying to establish a beachhead in the country (Kinzer 2006:135). Furthermore some even asserted that the Soviets were trying to establish a republic between Texas and Panama so that they could eventually seize the Panama Canal (Blum 2004:73). These assertions were never proven to be true.

In direct contradiction to the previous U.S. assertions, there were numerous signs that Arbenz and his government had little, if anything, to do with the Soviet Union. First and foremost, the Arbenz government had voted very closely with the United States at the United Nations (UN) when it came to issues of Soviet imperialism. The voting was so close that the group in the U.S. State department that would eventually plan Arbenz's overthrow concluded that it would work against their propaganda campaign (Blum 2004:74). Second, the Guatemalan Communist Party (called the PGT) never gained influence within the Arbenz government. The PGT had less than two hundred active members and had never infiltrated the unions or the student organizations (Cullather

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<sup>5</sup> Interestingly enough, even those who had friends at UFC (but no direct connection) and economic interests elsewhere in the region were quick to suggest an overthrow of Arbenz. At the time Allen Dulles was planning a second major coup attempt, Adolf Berle (Ambassador to Brazil under Truman) sent suggestions on how to overthrow Arbenz. While there is no proof the memo ever got to the Dulles brothers, the final plan to take down Arbenz did incorporate some of Berle's ideas (Schlesinger and Kinzer 1982:103).

1999:24-25). Furthermore, the PGT never gained more than four seats (out of sixty one) in parliament and they never held a cabinet position (Kinzer 2006:135). Finally, the PGT had no control within the military, which was considered the most powerful institution in Guatemala. The idea that Communists were dominating in Guatemala was baseless<sup>6</sup> (Moye 2001:46).

The U.S. Ambassador to Guatemala John Peurifoy once commented that Arbenz would certainly be enough of a Communist for him until a real one came along (Immerman, as cited in Moye 2001:46). UFC followed this same line of reasoning when it decided to link up its cause to anti-Communism. According to a private interview with UFC president Zemurray, the fight no longer would be one between UFC and the Guatemalan people; it would be a fight of Communism against private property and the safety of the Western hemisphere (Galeano 1969:52). It should come as no surprise that UFC, under the public relations expert Edward Bernays, launched the first ever propaganda campaign by a corporation inside the United States aimed at the destabilization of a foreign country and leader. Congressional leaders followed suit soon after when they began echoing UFC themes about a Marxist dictatorship in Guatemala (Kinzer 2006:134-35).

UFC continuously put pressure on Congress and President Truman throughout the late 1940s and early 1950s in an effort to take care of their Arbenz problem. They almost succeeded in getting Truman to use the CIA to remove Arbenz from office. The first plan to remove Arbenz, called Operation Fortune by the CIA, was brought to Truman during a

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<sup>6</sup> In May of 1954, Guatemala did buy weapons from the Soviet satellite of Czechoslovakia. However, they had previously tried to buy from the United States and other U.S. allies so that they might equip their army. Both the United States (since 1948) and their allies refused, forcing Guatemala to seek arms elsewhere (Schlesinger and Kinzer 1982:148-49). This sale, however, in no way represented Communist ties to the Soviet Union.



visit from Nicaraguan dictator Anastasio Somoza. Somoza offered to use his influence to get other Central American nations to help remove Arbenz from office. Somoza also revealed that disgruntled Guatemalan army officer Carlos Castillo Armas<sup>7</sup> was willing to help with the coup (Doyle 1997). The plan got as far as the CIA arranging for arms to be sent by UFC freighter to Nicaragua (Immerman 1982:120-21). However, Secretary Dean Acheson convinced Truman to abort the mission, echoing his sentiments with regard to Mossadeq in Iran (Blum 2004:75). The freighter was redirected to the Panama Canal Zone and an act of terror was averted in the short term (Immerman 1982:121; Cullather 1999:31-32). But just like the case of Mossadeq in Iran, Eisenhower and John Foster Dulles would not have these same types of reservations.

In March of 1953, Eisenhower approved another CIA operation that was to be headed by Colonel J.C. King, Western Hemisphere director for the CIA. King approached disgruntled right-wing army officers in Guatemala, offering to supply them with CIA small arms; UFC donated \$64,000 cash to the cause (Schlesinger and Kinzer 1982:102-03). On March 29, 1953, the CIA and UFC had succeeded in sponsoring the terrorist takeover of the provincial city of Salama. Approximately two hundred raiders managed to take over the town for seventeen hours before being crushed by government forces (p.103). The role of UFC was revealed when the rebels were put on trial, but the role of the CIA remained secret. As a result, the CIA kept trying to remove Arbenz.

John Foster Dulles and the CIA, while stymied in the short term, soon figured out from Iran how to proceed in Guatemala. As Kinzer (2006) points out:

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<sup>7</sup> Armas, exiled after attempting an uprising in 1952, first came to the attention of the CIA in when they were seeking to start an armed rebellion against Guatemalan President Arevalo in 1950. CIA officials had met him in Mexico, approving of his attitude towards U.S. business interests. While the coup in 1952 did not succeed, he was used two years later in another coup (Doyle 1997).

Kermit Roosevelt's triumph in Iran showed them the way. They decided to design a Guatemalan version of operation AJAX. To reflect their confidence, they code-named it Operation SUCCESS. On December 3, 1953, the CIA authorized an initial \$3 million to set the plot in motion. It would start with a propaganda campaign, proceed through a wave of destabilizing violence, and culminate in an attack staged to look like a domestic uprising. This operation, though, would be on a much larger scale than the one in Iran. (P. 136)

In essence, the CIA and Dulles were transferring a terrorist skill set used in Iran to Guatemala. Instead of killing Persians in the East, the CIA and the U.S. government had now decided to eliminate Guatemalans in the West<sup>8</sup>.

Allen Dulles added more detail to the plan, deciding that they should find, use, and equip a Guatemalan exile leader to lead the coup. Then, by using a militia to create an image of an invading army, the United States could hire pilots to bomb Guatemala City. With the country in chaos, the U.S. ambassador—John Peurifoy after December of 1953—could then tell the Guatemalan military commanders that peace could be achieved if they deposed the president (Kinzer 2006:136). Just as in Iran, the use of terrorist violence and the trickery of a U.S. ambassador were planned to overthrow a country.

Colonel Al Haney<sup>9</sup>, who had run CIA guerilla operations in Korea, ran Operation SUCCESS and reported directly to Allen Dulles (p.137). Carlos Castillo Armas was chosen to lead the rebel forces and flown to the CIA command center that was set up in Opa Locka, Florida. He accepted the leadership role and began preparing troops in Honduras, where he had been previously hiding in exile. Preparations were made throughout the spring of 1954, with the CIA hiring fighters, preparing bases,

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<sup>8</sup> Kermit Roosevelt had been offered the job of leading the operation in Guatemala after he returned from Iran. However, Roosevelt determined that the operation was too dangerous because they did not have spies in the country and could not be sure of the reliability of the military officers who might pull off a coup. He declined the offer (Weiner 2007:93).

<sup>9</sup> Colonel J.C. King, who already had experience in Guatemala, objected vehemently to the new plan. He believed that Operation SUCCESS would start a civil war that may spill over into the rest of Central America. Allen Dulles overruled his objection, instructing the operation to be carried out (Kinzer 2006:137-38).

requisitioning planes, and hiding radio transmitters in and around the perimeter of Guatemala. Anastasio Somoza, the previously mentioned dictator of Nicaragua, leased out his country to the CIA; they used the land for airstrips and the training of mercenaries in radio broadcast, demolition, and sabotage techniques (Blum 2004:76). Thirty airplanes were also placed across Nicaragua, Honduras, and the Canal Zone, with the latter also serving as a weapons depot from which shipments were gradually made to rebels. In addition to gaining the help of Nicaraguan and Honduran officials, the CIA also set up operation in the fourth floor of the U.S. Embassy in Guatemala City (where they also placed a radio transmitter) (Kinzer 2006:138). In order to further frame Arbenz as a Communist, Soviet-marked weapons were also gathered so that they could be planted<sup>10</sup> inside Guatemala and used as proof for U.S. allegations (Blum 2004:76). And, despite the fact that President Eisenhower was trying to balance the federal budget, Operation SUCCESS continued to be fully-funded with \$4.5 million<sup>11</sup>. This made it the most expensive covert operation that the United States had undertaken to date. These expenditures, however, were seen as cheaper than overt military warfare; Eisenhower was expecting a protracted low-level war with the Soviets for years to come (Cullather 1999:36).

Overall, Operation SUCCESS was trying to fully implement its strategies in a myriad of ways. It used psychological, economic, diplomatic, and paramilitary actions. On the psychological facet of the attack, CIA agent Howard Hunt<sup>12</sup> decided to use the Catholic Church to spread fear throughout the population within Guatemala. Hunt

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<sup>10</sup> Weapons were airdropped and planted by the CIA in Guatemala and Nicaragua in late 1953 and early 1954 (Blum 2004:77)

<sup>11</sup> There are some estimates that put the final tally closer to \$20 million (Schlesinger and Kinzer 1982:112).

<sup>12</sup> Hunt later became famous for his role in the Watergate burglary.

contacted Francis Cardinal Spellman of New York, who was very anti-Communist and feared social change. Hunt easily convinced him to arrange CIA contact with Archbishop Mariano Rossell Arellano of Guatemala (Blum 2004: 77). On April 9, 1954, the Archbishop addressed the Guatemalan peasants and told them to rise up against Communism and those who would support it. Given the fact that the peasant population could not read, were very religious, and relied upon the Church for direction, these actions put Arbenz and his government in considerable physical danger. The CIA continued to write anti-Communist scripts, pamphlets, and letters that were used by Catholic clergy in contact with parishioners throughout the country (Kinzer 2006:138). These actions alone meet the criteria to be considered U.S. state sponsorship of a terrorist acts. However, there was much more terror to come.

The U.S. planned for economic attacks by trying to figure out how to cut off Guatemalan oil supplies and international credit while forcing a run on its foreign reserves. The U.S. Information Agency (a propaganda organization) placed anti-Communist articles and cartoons throughout Latin American and Guatemalan newspapers in the months leading up to the Arbenz overthrow. Over two hundred articles about the “Communist-inspired” Guatemalan government were written and placed in newspapers in the final two weeks leading up to the coup (Blum 2004:77). On the diplomatic front, John Foster Dulles used the Organization of American States (OAS) meeting in March of 1954 to promote anti-Communist resolutions and avoid talking about economic development of less developed nations. The end result was the passage of a resolution that justified U.S. intervention in any country that was deemed to have fallen under the control of the international Communist movement. Guatemala, of course,

was the only country to oppose it (Kinzer 2006:139). Overall, the United States was increasingly manipulating public opinion so that they could justify their intervention in Guatemala.

As previously mentioned, the only tie between Guatemala and anything having to do with Communism was a shipment (on May 15, 1954) of weapons that Arbenz bought by default from Czechoslovakia because no one else would sell to him. In the end, this would provide the United States with the propaganda they needed to show that Guatemala had been infiltrated by Communists. What U.S. officials failed to make public were the terrorist acts committed by the CIA paramilitary squads within Guatemala after the weapons shipment. The CIA tried to blow up the train carrying the weapons to Guatemala City, but the detonator to their explosives failed because of torrential rain. They were forced to open fire on the train, killing one Guatemalan soldier and wounding three others. If these terrorist acts weren't enough, the Eisenhower Administration decided to go one step further and authorize the U.S. Navy to stop foreign-flagged ships off the coast of Guatemala. At least two ships were searched, which was a blatant violation of international law. Furthermore, naval submarines were dispatched towards neighboring Nicaragua as a supposed courtesy call. However, it is obvious that their true intent was to influence and scare Arbenz (Blum 2004:76).

The CIA continued to bribe Guatemalan officers and, at the urging of Ambassador Peurifoy, even convinced a group of officers to demand that Arbenz dismiss all Communists from government. However, neither the officers' demands nor the attempted bribes of Arbenz himself ever worked<sup>13</sup> (Blum 2004:76-77). In fact, nothing

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<sup>13</sup> The CIA offered Arbenz a large sum of money deposited in a Swiss bank account. Arbenz refused the bribe.

that the CIA, U.S. government, or UFC had attempted had succeeded in removing Arbenz. Consequently, the CIA was forced to increase its propaganda campaign in other ways. According to Howard Hunt, the intent now was to have a terror campaign that would scare the Arbenz government and his troops (Weiner 2007:99). This consisted of using a pirate radio station called the Voice of Liberation to broadcast fake accounts of uprisings, defections, poisoning of wells, and the conscription of children. On May 26, 1954, a CIA plane even buzzed the headquarter of the Guatemalan Presidential Guard, dropping leaflets calling for the Guard to join Castillo Armas in his struggle against Communism (98). Finally, after the psychological warfare began to take its effect, the only step left was to invade; the offensive began on June 18, 1954.

Castillo Armas led one of four groups that invaded that day, each entering Guatemala from a different point. CIA planes dropped leaflets in the morning, only to return in the afternoon to strafe homes near military bases, drop fragmentation bombs, and strafe the National Palace (Blum 2004:78). Within 72 hours, more than half of Armas's forces had been captured, killed, or nearly defeated. The one hundred-man force that Armas had led in from Honduras had only made it six miles...this was the invasion (Weiner 2007:100). Guatemalan Foreign Minister Guillermo Toriello convinced Arbenz to handle the situation diplomatically as opposed to militarily. Thus, Arbenz never dispatched government troops to handle Armas. In the meantime, Ambassador Peurifoy had used the CIA communications line at the embassy to contact Allen Dulles—he pleaded with Dulles to start bombing (p.100) While Toriello was writing a letter about the incident to the UN Security Council the next morning, the CIA attacked once again (Kinzer 2006:142). The next step in the terror campaign had begun.

According to William Blum (2004), the next week went as follows:

The air attacks continued daily—strafing or bombing ports, fuel tanks, ammunition dumps, military barracks, the international airport, a school, and several cities; nine persons, including a three-year-old girl, were reported wounded; an unknown number of houses were set afire by incendiary explosives. During one night-time raid, a tape recording of a bomb attack was played over loudspeakers set up on the roof of the US Embassy to heighten the anxiety of the capital's residents. When Arbenz went on the air to try and calm the public's fear, the CIA radio team jammed the broadcast. (P.78)

Tim Weiner adds that the “CIA pilots strafed troop trains...and dropped bombs, dynamite, hand grenades, and Molotov cocktails. They blew up a radio station run by American Christian missionaries and sank a British freighter<sup>14</sup> docked on the Pacific coast” (2007:102). The Voice of Liberation radio station, which relayed its message from a transponder on top of the U.S. Embassy, also contributed to the fear and terror. It broadcast fake stories about rebel troops moving into the capital, picking up volunteers as it went along. It also broadcast fake transmissions about Guatemalan troop defeats and massive battles (Blum 2004:78). Across the country, people fled their homes in fear. The U.S. goal, which was to use terror to turn Guatemalan troops against Arbenz, was starting to work.

The U.S. State Department, in a manner similar to the overthrow in Iran, declared that the Guatemalan public had revolted against the government. Arbenz finally uncovered that the United States and UFC were behind the bombings and destruction, but he had nowhere to turn. The UN Security Council, due to maneuvering by UN Ambassador Henry Cabot Lodge, had declined Arbenz's request to send investigators to Guatemala. On June 27, 1954, Arbenz sent Toriello to the U.S. Embassy to arrange the

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<sup>14</sup> The freighter was suspected as carrying fuel for Arbenz's military vehicles. In fact, it had merely arrived to pick up coffee and cotton (Blum 2004:80).

terms of his surrender (Kinzer 2006:144). Arbenz ceded power to military leaders that evening.

Castillo Armas, through a series of maneuvers, was eventually declared (and recognized by the United States) the new president of Guatemala on July 13, 1954 (Schlesinger and Kinzer 1982:216). In a radio address to the American people soon after this date, John Foster Dulles declared that the Guatemalan people had defeated Communist imperialism and that the country was solving its own problems (Kinzer 2006:147). Vice President Richard Nixon toasted Armas at a state dinner held at the White House a few months later, noting that Armas was a courageous soldier in the fight against Communism (Weiner 2007:104). None of what Nixon said was true. Unfortunately for the people of Guatemala, the CIA-induced terror was just the beginning of a forty-year period marked by military rulers and death squads their country.

Immediately following Armas taking power in Guatemala, the government began arresting people on suspicion of Communist activity. Of those who were arrested, many were tortured and killed. A newly passed law in August of 1954 allowed for the establishment of a committee that could declare anyone a Communist with no right to appeal. Being declared a Communist could result in detainment for up to six months, restriction from owning a radio, and disqualification from holding public office. By December, 72,000 names were on the list the committee had started (Blum 2004:81).

Armas repealed the Agrarian Reform Law and gave UFC back all of its land; the government also granted UFC the added benefit of banning unions. Mysteriously, seven workers who had been labor organizers were murdered in Guatemala City not long after Armas took over (p.81). In addition to repealing land reforms, universal suffrage was



repealed and opposition newspapers shut down. The only thing Armas did that disappointed Washington was that he refused to deport those people (who were all Communists according to Dulles) hiding in embassies to the Soviet Union. This was most likely due to the fact that Armas and his colleagues themselves had all used embassies to hide at one point or another<sup>15</sup>. As mentioned previously, the rest of the country was not so lucky. Over the next four decades, approximately 45,000 people would go missing and at least another 160,000 would die at the hands of the Guatemalan government (Ibarra 2006:191). The U.S. State Department, the CIA, and all of those involved in the overthrow of President Arbenz are directly responsible for the death and genocide that took place in Guatemala during and after the 1954 coup.

In closing, the case in Guatemala appears to be a carbon copy (in many respects) of the case in Iran. The United States used a series of terrorist tactics to undermine support for a nationalistic government that benefited the poor at the expense of U.S. business interests. What are of special interest in this case are the extremely close ties between the Eisenhower Administration and UFC. Despite cloaking their intentions in Cold War language, it is evident that economic interests were at the heart of this U.S. invasion. Furthermore, all of the resulting destruction, injury, and death from U.S. interventions aimed at influencing the Arbenz government and the Guatemalan people fit the definition of state-sponsored terrorism outlined previously.

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<sup>15</sup> One positive note on this refusal was that a young Argentinean by the name of Ernesto “Che” Guevara was saved from deportation while hiding in the Argentinean Embassy (Blum 2004:81-82).

## **CHAPTER 6**

### **FINDINGS AND DISCUSSION**

#### Indonesia (1948-1965)

Looking at events that transpired within Indonesia during 1948, one could understand why the men of power in Washington, DC, would be happy to have Achmed Sukarno take charge of the newly independent Indonesia in late 1949 / early 1950. Sukarno had been instrumental in crushing the Madiun Rebellion, a revolt that occurred in Central Java from September to November of that year (Kahin and Kahin 1995:31). The revolt, led by a group of Soviet-oriented Communists (the Communist Party of Indonesia, known as PKI<sup>1</sup>), was over the issue of land reform. Sukarno crushed the movement and destroyed the PKI leadership, jailing 36,000 Communists in total. Sukarno had established himself as a trustworthy anti-Communist in the eyes of the West, which is why the United States supplied his army and police with equipment to maintain control over the PKI (Kolko 1998:174). However, this relationship would not last and additional, underlying motives for U.S. assistance would quickly be revealed.

There are at least two economic explanations for the sudden shift of U.S. support away from the Dutch and towards Indonesian independence that are not solely based

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<sup>1</sup> After the revolt, many PKI members realized that the timing of the revolt was a serious error in strategy. Instead of viewing this as a popular uprising, the public viewed this as an act of treachery due to the already serious problem of the Dutch blockade of the newly formed Indonesian Republic. It would take five to six years before the public would come back to the PKI. However, in 1955 they received 16.4% of the votes in the general election (Simons 2000:158-59). In 1957, the PKI received 6,000,000 votes in the local elections (Weiner 2007:145). By 1960, PKI membership was at 3,000,000 in a nation of 95,000,000 (Globalis 2008).

upon the repression of the Madiun Rebellion. The first involves the ongoing guerilla resistance forces (that were both nationalist and an offshoot of the PKI) that battled the Dutch for many years after WWII. The United States saw these forces as promoting support (both presently and in the future) for more radical leaders who might implement progressive socioeconomic reforms. Furthermore, the guerilla forces were implementing a scorched earth policy that was destroying Dutch and Western investments within the country. If the stalemate between the forces were allowed to persist, it was likely that all of the Western investment and others resources might be destroyed; this could not be allowed to happen (Kahin and Kahin 1995:32-33). The second explanation, partially relating to the first, involves the fact that Indonesia was rich in natural resources<sup>2</sup>—rubber, tin, and oil—and exported large amounts of coffee and tea. MNCs were interested in gaining access to their previously established factories and capital, but more concerned about open access to all of the resources that had been recently discovered (Simon 2000:144). According to CIA records, there were twenty billion barrels of untapped oil in Indonesia (Weiner 2007:142). While wrapped in Cold War rhetoric, the real intent of the U.S. support for Indonesia was economic in nature; they did not want anyone but Western powers to have access to these resources. In fact, there is further evidence that they already had plans for opening the region to MNCs.

David Ransom (1975) notes that two young Indonesian aristocrats, Soedjatmoko and Sumitro Djojohadikusumo<sup>3</sup>, had already been making plans and assuring U.S. corporations of access to Indonesia in 1949. Both men were members of the nationalistic,

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<sup>2</sup> At the time, it was thought that these resources could potentially make Indonesia the third richest nation in the world (Wise and Ross 1964:139).

<sup>3</sup> Sumitro was an Indonesian economist that earned a PhD in Holland. Under Sukarno, he would later serve as Minister of Trade and Industry (Ransom 1975:93-94).

but Western-oriented Socialist Party of Indonesia (PSI). They outlined their future vision of Indonesia to audiences at the Ford Foundation-funded School of Advanced International Studies at Johns Hopkins University (in Washington, DC) and others in New York. Their visions included making resources available to Europe so that the Marshall Plan could succeed, cooperation with the West, incentives for Western foreign investment, and free access to resources (pp.93-94).

In withdrawing their support from the Dutch and placing it with the Indonesians, the United States was planning on supporting elites, such as Sumitro, who were trained in Western economics and who would support the Western push into Indonesia. Foundations, such as Ford and Rockefeller, would educate and supply Indonesia with new elite molded into the U.S image that could be used to indirectly control Indonesia. With help from other CIA funded centers, such as MIT's Center for International Studies, the United States would provide the Indonesian elite with the reports and evidence they needed to justify the actions of opening up the country to Western MNCs. The U.S. plans, however, did not develop as expected. The pro-Western PSI came in fifth place in the 1955 national elections and fared even worse in the 1957 local elections. It was clear that national sentiment had shifted towards nationalistic parties such as Sukarno's PNI (the Indonesian Nationalist Party) and the PKI (pp.94-95).

As early as 1953 the CIA became aware that Sukarno was increasingly unwilling to align himself with U.S. interests. In fact, Sukarno would become one of the leaders of the Non-Aligned Movement (NAM). In April of 1955, Sukarno would organize the Bandung Conference in response to the Southeast Asia Treaty Organization, a political-military alliance created by the United States to contain Communism. Overall, the theme

of neutralism in the undeveloped (or underdeveloped) Third World countered the pressure from the United States and the Soviets to choose a side (Blum 2004:99). Sukarno did not trust either superpower; he blamed the United States for its self-interested role in the Dutch-Indonesian transition to independence and blamed the Soviets for inspiring the Madiun Rebellion (Kahin and Kahin 1995:33-34). The CIA and Dulles brothers would not stand for Indonesian non-alignment.

The CIA initially considered assassinating Sukarno in early 1955; however, plans were never finalized and eventually dismissed. Nineteen days after the Bandung Conference, the CIA received covert action orders (NSC 5518) to “use all feasible covert means” to keep the richest parts of Indonesia from veering to the left. The United States was so worried about the possibility of Soviet control of Indonesian natural resources that they considered a partition of Indonesia an acceptable outcome as long as the control of natural resources remained with the United States and the West (Kolko 1988:174). Payoffs to voters and politicians, subversion of political enemies, and paramilitary force were authorized in the endeavor.

Overall, the CIA pumped \$1 million into the Masjumi Party (a coalition of moderate Muslim Parties) for the 1955 national elections. At the time, they were considered the strongest of Sukarno’s opponents (Weiner 2007:143). Kermit Roosevelt approved the memorandum, which lacked any specific detail on how the funds were to be used, requesting the funds. Former CIA officer Joseph Burkholder Smith indicated that the funds were completely written off and required no detailed accounting of how the funds were used, which was highly unusual for the CIA. Overall, Smith could never figure out how the Masjumi Party used the funds (Prados 1988:132; Blum 2004:100). In

the end, the Communists garnered many more votes than the Muslim parties, ending the CIA hopes of influence through political intervention. The election losses—combined with Sukarno’s trips to China, Russia, and other Eastern European countries in 1956—provided the impetus for the CIA to reconsider intervening directly (Prados 1988:132). However, it was Sukarno’s transition to a *guided democracy* (explained in subsequent paragraphs) that pushed John Foster Dulles to vehemently advocate Sukarno’s overthrow.

From 1950 until 1957, the economy of Indonesia remained stagnant and if not for the self-sufficient economy/food production of Java and the export earnings of Sumatra<sup>4</sup>, the country would have been in more serious trouble. However, these troubles were partially due to the fact that the nation had chosen a Western-style parliamentary democracy. Divided and often short-term parliamentary coalitions tend to promote instability; the government was unable to create strong administrative institutions or achieve long-term economic success. Overall, the plurality of political parties in the country was to blame. Increasingly, the military had to be relied upon to maintain stability (Simons 2000:151). In its own right, the military was very deeply divided and heterogeneous. The organization was splintered along cultural, regional, bureaucratic, ideological, and economic differences. However, this is not surprising given that the nation is an archipelago composed of approximately three thousand islands (Kolko 1998:174-75). Finally, because of a series of revolts in some of the islands combined with the previously mentioned problems, Sukarno decided that Western democracy was a failure in Indonesia and that another approach had to be taken. This alternative approach was called *guided democracy*.

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<sup>4</sup> Sumatra was a large oil producer with private U.S. and Dutch holdings (Wise and Ross 1964:139).

Under this guided democracy (starting on February 21, 1957), Sukarno asserted that all political parties—with the exception of PNI, PKI, Masjumi, and Nahdatul Ulama—should disband themselves. With the help of a four-party cabinet advised by an appointed National Council<sup>5</sup>, Sukarno would continue to rule the country and guide its development (Prados 1988:134; Kahin and Kahin 1995:66). Given the gains that the PKI had made within the country, Sukarno had no choice but to harness the PKI's influence and bring them into the government. By 1959, Sukarno had mostly solidified the guided democracy and created an arrangement where both the military and the PKI were partially included in government. In essence, Sukarno used the military and the PKI to offset one another without fully bringing them into the government; Sukarno was trying not to share power with either of the other two factions (Budiardjo 1991:182-83). The military, however, was still very powerful in that they controlled many of the local economies. Many army officials had been instrumental in implementing Sukarno's nationalization of Dutch enterprises<sup>6</sup> at the end of 1957, at times displacing trade union control of factories with their own people (Kahin and Kahin 1995:111). Overall, the U.S. government and corporate interests were very concerned throughout the year; this prompted direct intervention by the CIA.

Under the previously mentioned NSC order 5518, the CIA had a green light to proceed as they saw fit. However, the military intervention that the CIA wanted to implement would require help from the Pentagon and their resources. Furthermore, it

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<sup>5</sup> The Council, headed by Sukarno, consisted of groups of peasants, workers, intellectuals, businessmen, women, youth, and chiefs-of-staff of the Armed Forces. Overall, it was supposed to be a reflection of the facets of society (Simons 2000:155).

<sup>6</sup> Overall, 46,000 Netherlanders were expelled from the country and 246 Dutch enterprises/properties were nationalized and managed by the military. Attempts to capture the Dutch shipping fleet were unsuccessful (Kahin and Kahin 1995:111).

would require special approval from the NSC's "Special Group"<sup>7</sup> (Blum 2004:100-01).

However, when President Eisenhower officially ordered the overthrow of Indonesia on September 25, 1957<sup>8</sup>, he negated the necessity for approval by the NSC Special Group.

Eisenhower's general orders for the plan consisted of three parts:

- (1) To provide arms and military aid to anti-Sukarno military commanders throughout Indonesia;
- (2) To strengthen the rebel resistances on the islands of Sumatra and Sulawesi; and
- (3) To stimulate action of non- or anti-Communist political parties on the main island of Java. (Weiner 2007:147)

The operation was headed up by Frank Wisner, the CIA's Deputy Director of Plans (covert operations), and took three months to plan (Blum 2004:99); the CIA could now operate freely and the real terrorist arsenal was soon unleashed.

According to Blum (2004):

the Agency enjoyed the advantage of the United States' far flung military empire. Headquarters for the operation were established in neighboring Singapore, courtesy of the British; training bases set up in the Philippines; airstrips laid out in various parts of the Pacific to prepare for bomber and transport missions; Indonesians, along with Filipinos, Taiwanese, Americans, and other "soldiers of fortune" were assembled in Okinawa and the Philippines along with vast quantities of arms and equipment. (P. 102)

The U.S. Army helped arm, train, and equip tens of thousands of rebels. U.S. Navy submarines put over-the-beach parties ashore the coast of Sumatra, along with supplies

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<sup>7</sup> The NSC Special Group is a small group of individuals who act in the president's name. While part of their duty is to make sure that the CIA doesn't go too far in their operations, the other part is to supply the president with plausible deniability in the event that covert actions are discovered or criticized. The Special Group has been known as the 5412 Committee, the 303 Committee, the 40 Committee, and the Operations Advisory Group (Blum 2004:100-01). Some reports indicate that Allen Dulles often disregarded the Special Group and did not believe that his actions required approval. Overall, he believed that it was better if no one knew what he was doing (Weiner 2007:114).

<sup>8</sup> As indicated previously, U.S. officials began to worry about Sukarno throughout the year. However, just after Eisenhower approved the overthrow in Indonesia, the Soviet Union published information about the coup attempt in a state newspaper. It can be argued that the United States created a situation in which Sukarno had nothing to lose by nationalization; the United States had already made plans to overthrow him. However, because the U.S. coup authorization could not be proven in the press, Sukarno's nationalization could be used as proof that he was a Communist looking to nationalize all private property (Weiner 2007:147)



and communications equipment. The U.S. Air Force dropped thousands of weapons deep inside of Indonesian territory. Furthermore, fifteen “sanitized” B-26 bombers were made available for the conflict (p.102).

On February 10, 1958, Indonesian rebels began broadcasting from a CIA-financed radio station in Padang, Sumatra. They issued a challenge to Sukarno: they demanded the outlawing of Communism and the establishment of a new government within five days. After five days of no response, the rebels declared a CIA-picked and paid Colonel Maludin Simbolon as their foreign minister and Dr. Sjafruddin Prawiranegara (a Muslim party leader) as the leader of their revolutionary government (Wise and Ross 1964:140). The CIA awaited a nationwide popular uprising while simultaneously readying new weapons shipments from the Philippines (Weiner 2007:148).

One week after the broadcasts, the Indonesian Air Force bombed and strafed the two radio stations broadcasting the rebel signal. Furthermore, the Indonesian navy blockaded the rebel positions along the coast; the CIA agents, both Indonesian and American, retreated into the jungles (148).

On March 12, 1958, the Indonesian government (in Jakarta) announced that it had launched a paramilitary attack on the rebel positions in Sumatra (Wise and Ross 1964:140). The CIA called in a twenty-two man team of aircrews, led by Polish pilots. They began dropping bundles of cash and five tons of ammunition and weapons to the rebels on Sumatra. The planes were detected as soon as they entered Indonesian airspace. All of the crates dropped for rebels were intercepted by Indonesian governmental forces. Furthermore, the rebel forces and the CIA fared just as poorly on the island of Sulawesi.

Attempting to furnish the rebels with targets on the islands, the CIA used their Polish air crews for reconnaissance missions. However, the rebels unknowingly shot down the very planes that were helping them. When coordinates were radioed back from the reconnaissance mission (the pilots survived), the CIA sent two more planes to attack Indonesian airstrips. One plane succeeded, the other crashed on takeoff, killing the pilots. While somewhat comical at first, the CIA repeatedly and continuously used their resources in support of terroristic activity by the rebels on Sumatra and Sulawesi (Weiner 2007:150).

Even after the rebel forces had begun to collapse, Allen Dulles ordered the CIA missions to continue. Pilots continued bombing and strafing the main islands, soon making runs on the outer islands after April 19, 1958. This would support an accusation made by Sukarno about attacks on the island of Ambon. On a Sunday morning in April, a plane bombed a ship in the harbor—with all aboard losing their lives—along with a church. The building was demolished, killing everyone inside. Overall, the single run by the CIA plane killed over seven hundred people. By the end of April, the rebels on Sumatra and Sulawesi had been completely crushed and CIA agents were running for their lives through the jungle; eventually they were picked up by U.S. Navy submarines when they escaped the islands. However, the terror runs by the CIA did not stop; they continued to bomb (Weiner 2007:150-51; Blum 2004:103).

On May 5, 1958, Allen Dulles reported that the strikes were almost too effective...they had managed to sink a British and a Panamanian freighter. Furthermore, the runs were hitting both civilian and military targets, resulting in the death of hundreds of civilians (p.151). On May 15, 1958, a CIA plane bombed Ambon marketplace and

killed a large number of civilians on their way to church for Ascension Thursday (Blum 2004:103). Perhaps the most telling of all of the terrorist activities involved a young pilot by the name of Allen Lawrence Pope. As a CIA pilot in Indonesia, Pope made his first run on April 27, 1958. Pope had also made the Sunday run (on May 18<sup>th</sup>) in Ambon that Sukarno claimed killed over seven hundred people<sup>9</sup>. However, Pope was not lucky enough to escape that day. Hit by bullets from an Indonesian transport ship and an Indonesian Air Force fighter, Pope was forced to eject from his B-26. In Pope's flight suit were his personnel records, his flight reports, and his ID card. Pope was arrested and identified as an American officer making bombing runs in Indonesia under official orders. There is no clearer link between terrorist actions and the United States than the evidence that the Indonesian government had in their possession. On May 19, 1958, Allen Dulles notified his officers in the Philippines, Taiwan, and Singapore to stand down and cut off all money; the war was lost and the operation was over. They were to burn all evidence and retreat (Wiener 2007:152)<sup>10</sup>.

Pope spent four years in prison before Sukarno officially released him at the request of Robert Kennedy. However, before that time, the Indonesians had held a worldwide press conference on May 27, 1958. One week after Dulles had shut down operations in Indonesia, Sukarno presented the world with evidence of U.S. terrorism. This proof contradicted statements made by Dulles (before Congress in February and March of that year and in front of the press in May) and Eisenhower (in April). Both men had stated that the United States was neutral and that the Indonesian affair was an internal

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<sup>9</sup> The CIA claims that only six civilians and seventeen military officers were killed (Weiner 2007:152).

<sup>10</sup> It can be argued that the stress from the failure in Indonesia was part of the reason the Frank Wisner, head of covert operations, soon after underwent electroshock therapy for mania (bipolar disorder) for the next six months. He was eventually placed as the London Chief of Operations and replaced as head of covert operations by Richard Bissell on January 1, 1959 (Weiner 2007:153-55).

issue in which they were not involved. Both would be proven to be liars (Blum 2004:103; Prados 1988:143-44).

Eisenhower would eventually be replaced by John F. Kennedy as president and Sukarno was invited to the White House to discuss the previously mentioned release of captured CIA pilot Allen Pope. The meeting, embarrassingly enough for Kennedy, occurred just after the Bay of Pigs fiasco. However, Sukarno left the meeting with more respect for Kennedy than he ever had for Eisenhower (Wise and Ross 1964:145).

Unfortunately for the Indonesian leader and people, the new U.S. president didn't necessarily translate into policy that was beneficial for Indonesia in the long term.

Kennedy (under a program that Eisenhower started) advocated for increasing amounts of economic aid to Indonesian government and military aid to the Indonesian army. The military aid included the training of Indonesian officers at U.S. service/military schools (e.g., Fort Benning's Infantry/Ranger School), the use of U.S. training manuals in Indonesian army schools, and the training of Indonesian mobile strike forces (called RPKAD) during the early 1960s<sup>11</sup>. The RPKAD would eventually spearhead the anti-Communist massacres in Indonesia during 1965; they would also lead the eventual assaults in East Timor (Budiardjo 1991:184-85).

In addition to the increased military funding under Kennedy, the administration helped implement a U.S. Civic Action Program (CAP) that was a joint operation between the U.S. and Indonesian armies. The main goal of the program was not necessarily to foster goodwill, but to instead strengthen the image/power of the Indonesian army in the face of PKI competition. Overall, CAP helped the army become

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<sup>11</sup> This was generally referred to as the Military Assistance Program (MAP) (Budiardjo 1991:184).

involved in road building and general development. This was especially helpful in rural areas and on Java, where the PKI were gaining or already had support (p.184).

In late 1963 and early 1964, a series of events occurred that changed the U.S./Indonesian relationship. The first was the assassination of Kennedy and his replacement by Lyndon B. Johnson. The second event was Sukarno's nationalization and expropriation of nearly all foreign business and capital in the country. This was closely followed by Sukarno's dismissal of most American agencies, including USAID, from the country. Sukarno had grown weary of the threats and strings attached to U.S. economic aid and he threatened to reject it all. However, he would not have the opportunity. When President Johnson came into office, he refused to sign any of the economic aid packages that Kennedy had previously set up (Pease 2008).

While Johnson had a different style than Kennedy, there were also other factors that played into the changing U.S./Indonesian relations. The first concerned Johnson's ties to Augustus Long. Long was a Republican business mogul who had supported Johnson over Barry Goldwater in the general elections. Long, the former chairman of Texaco, had substantial investments in Indonesia that he wanted protected (Pease 2008).

In 1960, the Sukarno government had passed Law 44 concerning the governing of oil and gas mining. The law eventually called for the formation of three government oil companies called Pertamina, Permina, and Permigan. Between 1961 and 1963, the three existing foreign oil companies in Indonesia (Shell, Caltex, and Stanvac) were forced to form work contracts with the three state oil companies (CCOP 2002). Caltex was jointly owned by Standard Oil of California (Socal) and Texas Company

(Texaco); Augustus Long had investments in Texaco. Under these new contracts, sixty percent of the profits from oil operations went to the Indonesian governments and Long (along with other American investors) was not happy. President Johnson was definitely aware of the declining business environment in Indonesia. These events, along with others in 1964, would prompt Long to suggest covert activities when he gained a place on the President's Foreign Intelligence Advisory Board in 1965.

In addition to angering oil company officials that influenced Johnson, Sukarno took over the Goodyear Tire and Rubber Company and threatened to take over the rest of the American companies in Indonesia in 1965. Furthermore, Indonesia left the IMF and World Bank, threatened to withdraw from the UN, banned all anti-Communist newspapers, and was the location of many anti-American demonstrations (Pease 2008). Overall, the United States was losing economic leverage and control over the country. However, there was still the military influence and aid.

Despite Johnson's termination of economic aid to Indonesia, the Department of Defense (DoD) had found ways to maintain MAP and CAP. With the passage of the Broomfield Amendment to the Foreign Assistance Act in 1963, any aid to Indonesia had to be in the national interests of the United States (Budiardjo 1991:184). What is also interesting is that the U.S. Congress addressed military aid to Indonesia unlike aid to any other country. Treated as a covert matter, decisions about military aid to Indonesia were restricted to Congressional review by the same committees responsible for oversight of the CIA (Scott 1985:253). Because the DoD maintained that the Indonesian army was a force in government affairs and the fight against Communism, the funds continued to flow to right-wing military leaders (Budiardjo 1991:184).

In addition to the overt payments to military leaders in Indonesia, Stanvac and Caltex had been paying much larger dividends to the military-controlled state oil companies of Permina and Pertamina. And despite not liking the larger payments at first, the companies made sure that the dividends were consistent and not token amounts, as they had been to Sukarno's previous government; the army did not forget this when a coup occurred in 1965. The head of Permina, General Sutowo, was a political ally of the eventual leader (after the coup) of Indonesia, Suharto (Scott 1985:254-55). Overall, it is believed that Permina and Sutowo were acting as conduits of funds for CIA money intended to help with the eventual overthrow of Sukarno (Pease 2008).

In addition to allegations about CIA funds flowing through Permina and funding right-wing military leaders, there is evidence that CIA was bankrolling/paying off military leaders (especially Suharto) with the help of U.S. military supplier Lockheed Martin and the U.S. Air Force months before a coup attempt took place. Thus, it appears that plans were already in motion to influence the future leader of Indonesia—General Suharto—despite the fact that the CIA denied any connections with the eventual Gestapu coup attempt in September of 1965 (Scott 1985:256).

The previously referenced coup attempt (where six senior Indonesian army generals were murdered), which occurred on September 30, 1965, was as Peter Scott explains, only the first part of a three-phase right-wing coup that was aimed at establishing a military dictatorship under General Suharto (p.240). In short, it was a plan by right-wing military officers to eliminate their “center” rivals who went along with the current leader, Sukarno. Once eliminated, the murders were blamed (ineffectively at first) on the civilian left, the PKI (i.e., the Communists). This would justify a military crack-

down on the Communists by the right-wing military, eliminating all competition for power in the country (Scott 1985:242). Overall, what was dubbed as a coup attempt against Sukarno was really the first part of a long range plan for General Suharto to assume power of Indonesia. Reconsidering that the United States and the CIA were funding the right-wing military leaders, the U.S. role in the plot becomes much clearer.

What implicates the CIA even more is the fact that they were involved in framing the PKI for the general's murders (on September 30<sup>th</sup>) and helping stir up anti-PKI sentiment afterwards. Suharto started to release CIA-created news stories (in army newspapers) about how the bodies of the generals had been mutilated by left wing militants after they were killed; their genitals were slashed and their eyes gouged out. Furthermore, pictures of the bodies were released and published on television and in the newspaper. Other stories referenced the confessions (about the mutilations) by young girls who were members of left wing organizations linked to the PKI. And despite the fact that Suharto previously had a difficult time officially blaming the PKI for the generals' kidnapping and murder (because they were carried out by army units) he could publicly frame them for the subsequent mutilation of the bodies<sup>12</sup> without a problem. In addition to PKI property (including their headquarters) being destroyed by the public, calls immediately arose for the banning of the party as a whole (Budiardjo 1991:189-90).

What happened after this can only be described as a bloodbath. The Indonesian Army began cracking down on the PKI all across Indonesia; the U.S. trained RPKAD were especially brutal (p.192). However, it was the arming of the people that unleashed much of the brutality upon the country. Anti-Communist people and

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<sup>12</sup> When the autopsies were eventually made public, even these accusations were proven to be incorrect (Budiardjo 1991:188).



organizations, especially Muslims, were encouraged to slaughter anyone suspected of being a PKI sympathizer (Blum 2004:193). When it was discovered that Muslim youths did not have any weapons but knives, appeals were made to the United States to supply them with weapons and communications equipment. These needs were met. Over the course of what would be months-long massacres, the United States would provide weapons, logistical support, and intelligence to the Indonesian military. In fact, Indonesian intelligence officers often exchanged information with U.S. military and security personnel; there were direct links between the United States and the massacres (Simons 2000:178).

In addition to the previously mentioned state-supported acts of terror by the United States, it was revealed that the CIA composed a list of 5,000 names of PKI members and supporters. U.S. Ambassador Marshall Green turned the list over to Indonesian military officers and Muslim youth. As the people on the list were murdered, the names were checked off the list by the CIA. As long as the people being killed were Communists, no one on the U.S. side cared (Blum 2004:190; Simons 2000:180). Once again, the CIA and a U.S. ambassador were directly implicated in supporting acts of terror.

When the massacres had finally slowed at the end of 1965, over 200,000 people had been incarcerated and at least 500,000 had been murdered. Some organizations, such as Amnesty International, assert that the death toll (including the next few years after the coup) is closer to 1 million people (Simons 2000:177). At the end of 1965 Sukarno was still in power, but Suharto and his army had gained enormous strength

(p.183). Suharto effectively took control of the country in March of 1966 and officially took over in May of 1967 (pp.184-85).

The U.S. state-sponsorship of terror in this case is undeniable (in both the 1958 and 1965 cases), as is the reasoning behind why the Suharto-led coup and atrocities were supported by the United States. According to Simons (2000):

American and British property that had been confiscated under Sukarno was returned to its original owners; policies favourable to the World Bank and International Monetary Fund (IMF) were introduced (i.e., workers rights were suppressed and social services were eroded); and domestic financial policies were designed to encourage foreign investment...Oil development became the main focus of government economic policy, with attention also to massive exploitation of abundant mineral and forest resources. (Pp. 185-87)

In addition to the restoration of ownership mentioned previously, the foreign oil companies were allowed to renegotiate their agreements, resulting in larger profits. The person in charge of the changes, Sutowo, had previously overseen the state-run oil company Pertamina and had been the recipient of CIA and U.S. oil company money (Pease 2008). Freeport Sulphur<sup>13</sup>, which had previously been nationalized, was also restored and resumed operations in West Irian. Augustus Long, who had interests in Texaco, was a board member of Freeport Sulphur. As luck would have it, Freeport needed some infrastructure work completed after they took control of their mines again; they turned to American-owned Bechtel (Pease 2008). Overall, the rise of Suharto to power worked out very well for American business interests. For those who were massacred in 1965 and 1966 in one of the bloodiest purges in modern history, this definitely was not the case.

In closing, there is no denying that the United States encouraged and supported the overthrow of Sukarno in many other ways. There is solid evidence that the

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<sup>13</sup> The company owned gold and copper mines in Indonesia (Pease 2008).

U.S. government, its officials, and the CIA supplied the Indonesian military with intelligence, logistical support, names of PKI members, military training, military weapons, newspaper propaganda, and many other necessities that facilitated state-terror in 1965 and 1966. This is in addition to direct terrorist attacks of 1958, in which one of their pilots was captured and the evidence presented to the world press.

## **CHAPTER 7**

### **FINDINGS AND DISCUSSION**

#### **Chile (1961-1973)**

During 1961, U.S. governmental interference in the interests of Chile was primarily economic in nature. In an effort to show the world that the capitalist mode of production was superior to the socialist mode of production, President Kennedy formed the Alliance for Progress<sup>1</sup> (AOP) and used it to funnel \$1.2 billion in aid to Chile during the 1960s. However, like most U.S. interventions in other countries, the pattern soon changed when a nationalistic, Socialist candidate re-emerged for the 1964 Chilean presidential campaign. The CIA began what would ultimately be a thirteen-year-long destabilization and terrorist campaign, primarily aimed at Allende and his Marxist reforms (Kinzer 2006:174).

Unlike the benevolent image of Kennedy commonly presented in the press or in the example concerning the AOP, there was also a subversive side that is often overlooked. Upon gaining the presidency in 1961, Kennedy had decided that Chile could not be allowed to come under the command of a committed Marxist like Salvador Allende. In 1958, Allende had come within three percentage points of winning the

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<sup>1</sup> This program was a direct response to Fidel Castro's Cuba. Kennedy wanted to show that social change could take place in Latin and South America without resorting to socialism or Marxism. A Twentieth Century Fund of New York study found that Cuba came much closer to accomplishing the stated goals of the AOP than any AOP-funded country ever did. Examples of the stated goals are economic growth, equitable distribution of national income, agrarian reforms, reduced unemployment, increased education, and better healthcare (Blum 2004:191).

presidency; Kennedy wanted to make sure that this did not occur in 1964. In addition to launching the AOP, he also started setting up teams (in both the United States and Chile) that would be used to subvert Allende and find an alternative candidate for the presidency of Chile in 1964 (Blum 2004:206).

CIA efforts began in 1962 by looking for acceptable opposition candidates and making contacts with various political parties. In addition, propaganda and organizational networks were set up to influence key sectors of Chile's electorate. Senate Committee reports indicate that most of the money funneled into Chile prior to the 1964 election was used for propaganda and anti-Communist scare campaigns. Propaganda was spread using the radio, leaflets, pamphlets, wall paintings, films, streamers, and posters. The purpose of this propaganda was to convey one point: If you elect Allende the Communist, your country will be taken over by godless atheists under Soviet control (Blum 2004:206-07). The following are just some of the examples used:

- (1) Posters picturing children with hammers and sickles stamped on their foreheads.
- (2) Messages from famous persons telling Chile not to let their children be taken away to Soviet bloc countries like Cuba.
- (3) Radio announcements with bullets being fired and Communism being blamed for deaths.
- (4) Posters/pictures of Soviet and Cuban tanks and warnings for Chile.
- (5) Hundreds of thousands of copies of anti-Communist pastoral letters by Pope Pius XI (distributed by Christian Democratic Party).

(Blum 2004:206-07)

Within this propaganda, there were certain themes that were used to target specific groups. For example, women in Latin and South America were traditionally very religious and took care of the children of the family. By targeting that population with propaganda about atheism and harm to children, the Kennedy administration and the CIA

made major gains in the effort to defeat Allende in 1964 (p.206). However, their major accomplishment was the discovery of a suitable candidate for the elections: Eduardo Frei.

Frei was a Christian Democratic Party candidate aligned with the center of the political spectrum. All-in-all, he was exactly what the Kennedy administration had in mind when it came to sponsoring candidates that would promote capitalism under the AOP program. Furthermore, the propaganda campaign was redesigned around Frei once he was designated as the candidate that could beat Allende. In addition to supplying eloquent anti-Communist publications, Washington helped Frei run an American-style campaign. Professional management firms ran surveys; get-out-the-vote campaigns were organized; and voter registration was targeted towards groups that would help elect Frei (Weiner 2004:306-07; Blum 2004:207). In addition to the previously mentioned advantages, trade unions and grassroots campaigns were also used effectively for Frei throughout the election period.

The CIA controlled the American Institute for Free Labor Development (AIFLD), which was used to train Chilean trade union leaders and bring them closer to U.S. ideology. Eventually, these leaders would head political parties and trade unions that would work to help Frei and the United States. Approximately \$2 million dollars was spent on the 4,000 leaders that were trained in the program. However, not all of the money used was CIA money. USAID and private corporations contributed money to AIFLD, which had among its Board of Directors Charles Brinckerhoff of Anaconda Copper Mining Company. Anaconda was one of the two largest copper companies in the world and had a major business interest in Chile at the time. There is no doubt that Anaconda money found its way into AIFLD. In 1964 the CIA used another front, the

International Development Foundation (IDF), as a means of forming a less radical peasant trade union to rival the more Socialist trade unions. Approximately \$1 million was spent on this effort, but it did not prove as successful as the aforementioned leadership training program (O'Brien 1976:226).

The funding of grassroots programs, unlike some of the trade union efforts, proved very successful for the CIA in the long term. Along with USAID, the CIA largely funded Roger Vekemans (a Belgian Jesuit priest) and his social-actions organizations that had 100 employees and an annual budget of \$30 million. Like many other Christian Churches and organizations in less developed countries, Vekemans's role was to funnel revolutionary dissent into safer, institutionalized paths of reform. Furthermore, these organizations acted as conduits of information to and from the United States and the CIA. Troublemakers were spotted and identified, information and propaganda was spread, and agents were recruited by these social organizations. In the end, all of these efforts—including the \$20 million in U.S. taxpayer dollars that were spent—paid off when Frei won the election in 1964 (Blum 2004:206-08).

Overall, Frei received 56 percent of the vote in comparison to Allende's 39 percent. However, the effectiveness of the CIA terror campaign is masked by these percentages. As mentioned previously, the CIA propaganda campaign was aimed primarily at women<sup>2</sup> as opposed to men. Allende won 67,000 more votes than Frei in the men's voting; Frei won by 469,000 votes in the women's voting (p.208). The effectiveness of the terror campaign using atheism and harm to children cannot be disputed, nor is it very surprising when one takes into account that the same tactics had worked in Guatemala when the United States sought to overthrow Jacobo Arbenz.

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<sup>2</sup> Women and men voted separately in the elections (Blum 2004:208).

However, the election of Frei would not end the terror in Chile. Because of constitutional limits, presidents were only able to serve for one six-year term. This meant that Allende would have another chance at the presidency in 1970.

However, before the elections in 1970, there were plenty of other interventions by the CIA. In 1965 the CIA spent \$175,000 to support candidates in congressional elections, helping nine of them win (Kinzer 2006:175). In addition to continuing their support of conservative candidates in 1969, the CIA decided that it would also be beneficial to splinter Allende's Socialist party. Thus, the CIA funded an alternative socialist party that helped split off seven seats in Congress that would have more than likely went to Allende's party (Blum 2004:208). Additionally, U.S. Senate subcommittee reports tell us that the CIA used many other covert projects during this time frame, which include the following:

- (1) Pulling control of student organizations away from the Communists;
- (2) Supporting women's groups active in Chilean intellectual circles;
- (3) Undermining Communist labor groups and supporting anti-Communist ones; and
- (4) Establishing and funding a right-wing newspaper along with endowing a news wire service. (Blum 2004:208; Kinzer 2006:175)

Overall, the CIA continued to fund Frei and many of the subversive programs that helped him win the election in 1964 in order to continuously erode Allende's support from all sides. As with all of the previous case studies, this included influencing the military.

During the 1950s and 1960s, almost 4,000 Chilean military officers were trained at the U.S. Army School of the Americas in the Panama Canal Zone (Kinzer 2006:176). The School of the Americas (SOA), known widely as the School of Assassins, was used mainly to teach counterinsurgency and low intensity warfare. As opposed to instructing the police or military on how to protect against outside invaders, the SOA was



used to teach military/police how to control populations and environments within a country (Gareau 2004:23). Furthermore, the instruction received there followed an anti-Marxist and anti-Communist ideology. Those soldiers who went through the program were influenced by and often sympathetic to U.S. ideology and economic concerns. As we have seen in prior cases, this would be important in the future.

Total military aid from the United States to Chile during the 1950s and 1960s was approximately \$160 million. From 1962 to 1970 the totals were \$91 million, indicating an increasing trend over time and an increasing effort to influence the Chilean generals (Kornbluh 2003:5). Throughout this time, military aid continued to flow despite the presidency changing from Eisenhower to Kennedy to Johnson and to Nixon. However, it was under Nixon that the AOP was declared useless and military aid was given vast importance. Nixon felt that U.S. money should be used for business elites and the military as opposed to land reforms or anything that might be construed as relatively progressive (Kinzer 2006:176). Given this outlook, it came as no surprise that Nixon and his national security advisor, Henry Kissinger, would oppose the Allende run for president of Chile in 1970.

However, the initial complaints and warnings about Allende (in 1970) did not originate with Kissinger as one might suspect. For all intents and purposes, Kissinger ignored Chile and did not pay any attention to the situation until David Rockefeller<sup>3</sup> made him aware of it. Rockefeller had contacted Kissinger at the behest of Agustin Edwards, who was one of the richest men in Chile and the publisher of the leading newspaper (*El Mercurio*). This was the same newspaper that the CIA had used to publish editorials

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<sup>3</sup> David Rockefeller's Chase Manhattan Bank had billions of dollars invested in South America. Thus, he had a vested interest in the Chilean elections (Kinzer 2006:176).

during the 1964 and 1965 elections. In March of 1970, Edwards warned Kissinger that the election of Allende in 1970 would destroy the Chilean economy and urged him to intervene (Kinzer 2006:177). U.S. Ambassador to Chile Edward Korry, along with CIA Station Chief Henry Hecksher<sup>4</sup>, also urged the White House and the “40 Committee”<sup>5</sup> to authorize a covert “spoiling” campaign against Allende. On March 25, 1970, the 40 Committee approved the campaign against Allende with a budget of \$135,000; one month later, they approved a \$395,000 increase in budget. Overall, this amounted to a smaller but similar covert campaign to the one in 1964. The only large-scale change was that Allende was running for office as part of a leftist coalition called Popular Unity (UP) instead of as an independent Socialist candidate (p.176).

In short, the CIA proceeded as they had always proceeded in Chile and other countries. In this case, they dusted off their tactics from the mid-1960s and applied them to Allende and the UP. Anti-Communist newspaper articles and pamphlets were created and distributed, civic action groups were created to protest Communism and Allende, and articles were planted in other newspapers throughout Central America so that they would be picked up by Chilean newspapers. Because Allende was now part of a coalition, efforts were made to create discord between the parties in the coalition in hopes of breaking it up (Blum 2004:176; Weiner 2007:307). Overall, the tactics used were not only similar to ones used in prior years in Chile, but resembled the same tactics used in the previously mentioned cases of Iran, Guatemala, and Indonesia. The basic idea was to

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<sup>4</sup> Hecksher had previously been involved in the coup of Jacobo Arbenz in Guatemala. During his time there, Hecksher tried to bribe officers within the military so that he contributed to the increasing pressure of the arms embargo that the United States had imposed on the country. Overall, his goal was to further divide the officer corps (Weiner 2007:97).

<sup>5</sup> As indicated in a previous case, the 40 Committee is composed of the top national security officials. In this particular case it was headed by Henry Kissinger and the other members deferred to any suggestions that he recommended. Consequently, Kissinger effectively made all of the decisions for the Committee (Kinzer 2006:176).

use images of the Soviet Union and Communism to terrorize a population into voting for anyone but Allende. Ambassador Korry, like ambassadors included in past interventions, was heavily involved in the propaganda campaign and continuously criticized the work of the CIA. He too recognized that the CIA terror campaign was duplication of past campaigns and he feared that it would not work because the CIA did not adequately understand the Chilean people (Weiner 2007:307-08).

However, the resemblance of the Chile case to prior cases not only fit a pattern with regard to the CIA, but fit one with regard to why the U.S. government and U.S. corporations were so outraged over an individual. Allende; like Mohammad Mossadeq, Jacobo Arbenz, and Achmed Sukarno; was a nationalist who was deeply disturbed by the amount of poverty within his nation. Allende felt that it was wrong for 2 percent of a population (i.e., the very rich) to receive 46 percent of the income. Furthermore, his plans for government included reshaping the Chilean economy. This meant that many U.S. companies operating within the country would be affected, including those related to Chile's major natural resource: copper. Finally, Allende's plan included extending agrarian reforms and initiating closer contact with Socialist and Communist countries<sup>6</sup> (Blum 2004:208). With the exception of the latter point, these are the same types of reforms that the previously mentioned leaders of Iran, Guatemala, and Indonesia advocated in their countries. As we will see shortly, these reforms elicited the same terrorist response from the United States. However, before moving to that point, we must first look at the actual U.S. business interests operating in Chile. As with the other

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<sup>6</sup> Allende was an avowed Marxist, so it should not come as a surprise that he would seek closer relations to Communist countries. What is interesting about this point is that the United States had intervened in the affairs and terrorized other nations under the pretense that their leaders were Communists when they were in fact noninterventionist or just nationalistic in nature. It seems logical that an avowed Marxist, if elected, should expect an invasion or incursion by the CIA at the very least.

cases, it was after corporate interests began heavily lobbying and urging of the U.S. government that closer attention was paid towards Chile in the 1960s and 1970s.

While Chile did not export massive amounts of bananas, oil, tin, or rubber, the country was (and still is) the leading exporter of copper in the world. Two American-owned companies, Anaconda Copper Mining Company and Kennecott Copper Corporation, were the owners of open pits and underground mines (of copper) at the time of Allende's rise in Chile. Approximate after tax profits (per year) for the companies during the 1960s was \$30 million and \$20 million, respectively. Furthermore, the two companies provided Chile with four-fifths of their export earnings and one-third of their tax revenues. Overall, because the companies controlled 80% of Chile's copper production, they had enormous influence on both economics and politics within the country (Nogee and Sloan 1979:346; Kinzer 2006:174).

In addition to the copper companies, other U.S. multinationals were also heavily invested in Chile at the beginning of 1970. International Telephone and Telegraph (ITT) had bought a majority share in British-owned Chile Telephone Company. Thus, ITT controlled much of the communications in the country and was reaping after tax profits of approximately \$10 million per year throughout the 1960s. Pepsi-Cola also had major investments in Chile; previously mentioned Agustin Edwards of *El Mercurio* was the principal distributor of the product in Chile. It is also important to note that President Nixon was formerly the international legal counsel for Pepsi-Cola during the mid-1960s (after he had lost his presidential bid). Pepsi-Cola would also become one of Nixon's largest campaign contributors (Kinzer 2006:170-74).

Overall, the United States and its corporations were responsible for \$1.1 billion of the \$1.7 billion in foreign investment in Chile at the beginning of 1970 (Nogee and Sloan 1979:346). Consequently, it should come as no surprise that the corporate investors in Chile were eager to defeat Allende in 1970. This is where the interests of the CIA and ITT met directly.

John McCone, the former CIA director from 1961 to 1965, was both a CIA consultant and board member of ITT during the efforts to prevent Allende from reaching office. McCone provided a direct link between the two organizations, and Chief Operating Officer of ITT Harold Geneen used it to convey his concerns and wishes to William Broe of the CIA. Broe, the head covert operations in the Western Hemisphere during 1970, met with Geneen in July of 1970 to discuss how ITT could use the CIA as a conduit to funnel money to a rightist candidate for president in Chile. Broe suggested that ITT donate directly to candidate Jorge Alessandri and arranged for the contribution with the help of CIA agents in Santiago (Kinzer 2006:176). CIA Station Chief Hecksher and Ambassador Korry handled the money on the Chilean end. In total, ITT covertly donated \$350,000 and helped arrange for other U.S. businesses (including Anaconda and Kennecott) to donate the same amount to the Alessandri campaign (Prados 1986:316). Kissinger, when he became aware of the situation, was impressed that ITT was taking the Allende situation so seriously (Kinzer 2006:171).

To the surprise of many in the CIA, these covert attacks did not work in the end. Allende won a three-way election on September 4, 1970, with 36% of the votes. Because Allende only won with a plurality of the votes (by a 1.5% margin), the Chilean Congress had to ratify the results and pick a winner within 50 days. This was a mere

formality; the Chilean Congress had always approved the candidate who had come in first in polling during past elections (Weiner 2007:308). Jorge Alessandri of the National Party, and favorite of the U.S. corporations, would have no chance when the Chilean Congress met on October 24, 1970 (Blum 2004:209). However, this did not stop the U.S. government and U.S. corporations from trying to change the course of Chilean history.

Agustin Edwards immediately called Ambassador Korry to see if the United States was going to intervene with the Chilean Congress. After receiving an unsatisfactory answer at the U.S. Embassy in Chile, he began packing his bags (on September 9<sup>th</sup>) so that he could leave for Washington, DC, and directly appeal to Nixon to intervene. On that same day, Harold Geneen of ITT was speaking with John McCone so that he could pass along a million dollar offer to help any U.S. effort to back a coalition to defeat the appointment of Allende. McCone relayed the message to both Henry Kissinger and CIA Director Richard Helms. (Kinzer 2006:171). Agustin Edwards, upon reaching Washington, contacted Pepsi-Cola CEO and Chairman of the Board Donald Kendall to arrange a meeting with Nixon. On a seemingly social visit on September 14, 1970, Kendall relayed Edwards's warnings about Chile falling into Communist hands and the threat of nationalization. Nixon immediately arrange for Edwards to meet with Kissinger and Attorney General John Mitchell the next morning (p.171-72).

At their morning meeting (on September 15<sup>th</sup>), Edwards predicted that Allende would nationalize all American businesses and turn the country over to Soviet influence. Kissinger would also listen to his friend David Rockefeller of Chase Manhattan Bank repeat some of these same concerns later in the morning. Kissinger met

with Nixon, Mitchell, and Helms later that day at 3PM. Nixon frantically demanded that Allende be stopped—the message was clear and the meeting was over after only 13 minutes (Kinzer 2006:172). Richard Helms’s handwritten notes about Nixon’s orders from the meeting tell the story:

- 1 in 10 chance perhaps, but save Chile!
- Worth spending
- Not concerned risks involved
- No involvement of embassy
- \$10,000,000 available, more if necessary
- Full-time job—best men we have
- Make economy scream
- 48 hours for plan of action

(Kornbluh 2003:1-2; Blum 2004:209; Weiner 2007:309)

In summary, Nixon had instructed Helms to mount a military coup without the knowledge of the Secretary of Defense or the Secretary of State—he was to have a plan ready in the next 48 hours that could be implemented in the next 49 days (Weiner 2007:309).

Two days later, Helms came to Nixon and Kissinger with a dual-track plan code named Project FUBELT. Track I would attempt to block Allende by legal means. The overall idea was to buy votes within the Chilean Congress so that Jorge Alessandri of the National Party was declared president (p.310). The plan also called for placing articles in Chilean newspapers warning about the impending disaster of an Allende presidency. Furthermore, political pressure was put on current Chilean President Frei by Ambassador Korry and the U.S. government. Their goal was to urge a constitutional coup, so to speak, by getting Frei to advocate for a break from tradition in choosing the president. Frei’s refusal, along with the risk involved in bribing the Chilean Congress, forced the United States to abandon Track I. The Nixon administration moved quickly

and solely to Track II: the military coup (Kinzer 2006:179; Weiner 2007:310; Kornbluh 2003:12).

The remaining Track II, which had been operating simultaneously with Track I, was the strict advocacy of a violent military coup. In early October the CIA in Washington sent a flash cable to Santiago, Chile. The message, which was to be directed towards the military, stated that the U.S. government wanted a military solution to Allende and that U.S. support would be available now and after a coup (Kinzer 2006:179; Weiner 2007:311). In an effort to create an environment that would justify or support a military coup, the CIA (under pressure from Nixon and Kissinger) had created a special Chile Task Force to run the operation, sending four covert agents to Chile so that they could intervene directly when needed (Prados 1988:318). The idea was to use economic, political, and psychological warfare to create a coup environment. Overall, the process was very similar to CIA operations that were used to overthrow presidents and premiers in other nations. When CIA Station Chief Hecksher received these orders in Santiago, he cabled back to Washington the following response: “You have asked us to provoke chaos in Chile. We provide you with formula for chaos, which is unlikely to be bloodless” (Kinzer 2006:181).

The Chile Task Force was headed by propaganda expert David Atlee Phillips, who had previously run the Voice of Liberation radio campaign during the terrorist attacks on Jacobo Arbenz and Guatemala in 1954. William Broe was the co-director of the Chile Task Force (p.186). With the impending appointment of Allende on the horizon, the ongoing failure of Track I of Project FUBELT, and their orders from



Washington firmly stated, Philips and Broe set out to create an intolerable political and economic environment and foment a coup.

Over the next few weeks, CIA-run and subsidized newspapers (e.g., *El Mercurio*) and radio stations in Chile denounced Allende and his future plans to nationalize industry. At the time, Phillips had 23 foreign reporters on his payroll (inside and outside of Chile) that were stirring up public sentiment against Allende. At home in the United States, the CIA gave inside briefings to journalists about Allende's future plans with nationalization and how he was planning to destroy the free press in Chile. Phillips also managed to influence a Time Magazine cover story to the point that it became fiercely anti-Allende and veered from its original story line (Blum 2004:210; Weiner 2007:310). In addition to the propaganda, the CIA financed a fascist group by the name of Fatherland and Liberty. Given \$38,500 by the CIA, the group was instructed to rally and cause disturbances in Santiago, which they did (Kinzer 2006:181). The part of the plan that called for the CIA to "identify, contact, and collect intelligence on coup-minded officers," unfortunately, was coming up short in comparison to the "propaganda, disinformation and terrorist" campaign (Kornbluh 2003:14).

Overall, the CIA station in Santiago had no close relations and very limited access to the Chilean officer corps at the beginning of Project FUBELT. Using a four-man team of "false-flaggers" or the "illegal team,"<sup>7</sup> the CIA was able to make some progress in late September and October of 1970. They managed to contact almost two dozen officers and relayed the message that the United States would cut off military aid

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<sup>7</sup> False-flaggers were deep cover CIA operatives that were chosen because of their "look"—that of non-U.S. nationality. These operatives posed as Spanish-speaking Latin Americans and were used to contact individuals that the CIA might use in a coup. Because the operatives were so far removed from being identified as CIA agents, this helped the Agency cover their tracks in the event that the agents were discovered (Kornbluh 2003:15).

unless a move was made against Allende (Kornbluh 2003:15; Blum 2004:209). Short of a U.S. armed intervention, the United States was prepared to support an military coup to prevent Allende's election on October 24<sup>th</sup>, his inauguration on November 4<sup>th</sup>, or anytime thereafter where an overthrow would be feasible. In the end, their efforts did not turn up a viable candidate that could effectively pull off the coup. A retired general by the name of Roberto Viaux was considered as a candidate due to his anti-Communist credentials and the fact that he had tried to previously overthrow former President Frei. However, he was not immediately used and in mid-October he was paid \$20,000 by the CIA so that he could buy arms and wait for further instructions.

One of the main impediments to recruiting Chilean officers was the Commander-in-Chief of the Army, General Rene Schneider. General Schneider was adamantly opposed to military intervention in politics and this attitude was reflected by his officers. According to a cable sent from Ambassador Korry to Washington, it would be necessary to neutralize or displace him; the CIA would accommodate this request (Kinzer 2006: 182; Blum 2004:210). Using a diplomatic pouch, the CIA transported three submachine guns, several boxes of ammunition, and six tear gas grenades to Santiago on October 21<sup>st</sup>. At 2AM on October 22nd, U.S. Military Attaché to Santiago Colonel Paul Wilmert passed the weapons to conspirators aligned with Roberto Viaux. Six hours after this, five conspirators surrounded General Schneider and his chauffeur-driven car on its way to work. They fired into the car and Schneider was hit three times. He died in the hospital soon after. Reports by the CIA after the events tried to deny responsibilities for the event. Some accounts said that the weapons used in the assassination were not the ones that they passed along. Other accounts said that the men that committed the

assassination were not the men that the CIA supplied with weapons. The point of the smokescreen was to diffuse blame. However, any critical analysis of the events leading up to and surrounding the assassination lead one to conclude that the CIA had supported the terrorist assassination of an individual that stood in the way of a military coup (Kinzer 2006: 183; Blum 2004:210).

Taking a closer look at the assassination of General Schneider, one begins to surmise that the CIA tried to avoid association with the event because of the backlash it caused, not because of the event itself. Meant to cause political instability and panic, the assassination had the opposite effect. It created solidarity and stability in both the military and the population. The citizens and soldiers were united in their quest for democracy, and this feeling was picked up on by the Chilean Congress. They certified Allende's election on October 24, 1970, and Allende was inaugurated on November 4<sup>th</sup> (Kinzer 2006:184). For Nixon and Kissinger, the message from the Chilean people did not matter. Sponsoring terrorist assassinations, fascists, and coups were not enough; the U.S. government was intent on bringing Allende down.

Two days after Allende was inaugurated, Nixon held an NSC meeting to discuss the removal of Allende from office. Fortunately for him, the CIA already had drawn up a contingency plan for such an occasion. The plan basically consisted of a continuance of Track II of Project FUBELT except that it took more extreme measures to strangle the economy of Chile. Severe economic distress could and would justify a military coup by Chilean officers. Thus, the first steps were made to destroy the U.S.-dependent Chilean economy (Kinzer 2006:185). It started with the issuance of National

Security Decision Memorandum 93, which outlined the destabilization of the Chilean economy.

Memorandum 93 cut off all bilateral and multilateral aid to Chile (Nogee and Sloan 1979). Exceptions to this were aid given to either the Chilean military or the Catholic University. The military aid exception is not surprising given the U.S. track record for increasing military aid while decreasing economic aid to countries that defy U.S. wishes. It should also come as no surprise, given the pattern from previous cases, that military aid to Chile was increased in 1972 and 1973 (Blum 2004:211). This was in addition to the Chilean soldiers that were trained in Panama at the SOA during this time. Overall, the Nixon destabilization project of disrupting the Chilean economy and encouraging an internal coup by the Chilean military was part of a standard pattern that the U.S. and CIA had developed over time (Nogee and Sloan 1979:346).

As a part of formally cutting off all bilateral and multilateral aid to Chile, the United States used two of their major foreign aid agencies to help implement an “invisible blockade” on Chile. The Export-Import Bank and the USAID announced that they would no longer approve any bilateral trade to Chile. The United States used their representative at the Inter-American Development Bank (IDB) to block all proposals to Chile as part of their stoppage of multilateral aid. Furthermore, they forced the IDB president to lower Chile’s credit rating from B to D, which forced private banks to follow their lead. This led the Export-Import Bank (after the rating reduction) to cancel a \$21 million loan that Chile was going to use to buy Boeing jets for their national airline. Also, the U.S. representative at the World Bank arranged to have a \$21 million livestock-improvement loan to Chile suspended. The representative also made it clear that the

United States would oppose all future lending to Chile (Kinzer 2006:185; Kornbluh 2003:82-83).

The U.S. corporations conducting business in Chile immediately started to do their part to implement the blockade and work with Washington. Anaconda, ITT, Kennecott, Firestone Tire and Rubber, Bethlehem Steel, Charles Pfizer, W.R. Grace, Bank of America, Ralston Purina, and Dow Chemical formed what was called the Chile Ad Hoc Committee for these purposes. Over the next few months, these companies helped with Nixon's destabilization project by closing offices, slowing payments and deliveries, and denying Chile credit. In two years time the Chilean transportation industry, as an example, was drastically affected. One-third of the buses and one-fifth of the taxis were out of service due to lack of spare parts (Kinzer 2006:186).

William Blum (2004) explains the everyday troubles created by the economic pressure and invisible blockade:

Perhaps nothing produced more discontent within the population than the shortages, the little daily annoyances when one couldn't get a favorite food, or flour or cooking oil, or toilet paper, bed sheets or soap, or the one part needed to make the TV set or the car run; or, worst of all, when a nicotine addict couldn't get a cigarette. (P. 211)

Nogee and Sloan (1979) indicate that there were additional, unforeseeable events that contributed to the shortages. First, Allende hadn't expected the United States to cut off all short-term credit, which forced the Chilean government to use their foreign reserves. Second, the price of copper on the world market declined from 64 cents a pound in 1970 to 48 cents a pound in 1972<sup>8</sup>, reducing Chilean foreign exchange reserves drastically. Third, and probably the most costly, was the fact that Allende had underestimated the

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<sup>8</sup> The price of copper would rebound to 66 cents per pound in 1973, but it was too late to save the country by then. The economic destabilization and strikes had taken their toll and the economy could not be saved (Nogee and Sloan 1979:348).

costs of diversifying away from U.S. dependence in economics and technology. Allende eventually managed to get around parts of the U.S. blockade and obtain some forms of loans and aid, but he quickly discovered that all of the countries (just like the United States) tied their aid to purchases from creditors in the home country. Unfortunately, the substitute equipment, technology, parts, and products that were available were not compatible with the U.S. equipment that Chile owned. What is perhaps the most costly and damaging was that all of the Chilean people were trained to work on capital equipment made in the United States. Any equipment bought from the Soviet Union, for example, would require everyone to be retrained. Because these costs were unforeseen, the only feasible short-term solution was continued U.S. dependence (pp.347-49).

While these shortages were occurring and as the Chilean economy worsened, Allende and the Chilean government made steps towards nationalizing U.S. corporations within the country. On July 11, 1971, the Chilean Congress approved the nationalization of Anaconda and Kennecott Copper. Allende calculated the excess profits (using 12% as a fair rate of return) of these corporations over the prior 15 years at \$774 million. This total was more than the companies' stated book values, so they received no further compensation as a result of the nationalization of their companies. After the copper companies were taken over, Allende's government also took over the management of ITT's telephone companies and operations in the country. However, the situation with ITT was quite different than with Anaconda and Kennecott. A Washington newspaper analyst had discovered internal ITT memos that exposed their proposal of \$1 million to the CIA in assisting with the overthrow of Allende. Furthermore, it highlighted ITT's connection with the CIA and various branches of the U.S. government. When these

papers were published, Allende declared that he would never reimburse a MNC that tried to overthrow him and push Chile into a civil war. ITT received nothing for their holdings in the country (Kinzer 2006:186-88).

In addition to all of the previously discussed disruptions, the CIA continued to operate behind the scenes. In their ongoing effort to fight Allende and the UP, the CIA (with authorization from Kissinger) began funding rival political parties within Chile, effectively turning them into pro-coup parties. The Christian Democrat Party (PDC) received the most funding, followed by Chile's right-wing National Party (PN) and the Democratic Radical Party (PRD). In January of 1971, Kissinger approved over \$1.2 million in covert funds that would be used to fund the PDC, PN, and PRD in their anti-Allende campaigns. These funds were also used to purchase radio stations that were subsequently used for destabilization and campaign purposes. Another \$1.4 million was approved for these operations in 1972 and an additional \$1 million was approved prior to the 1973 Congressional elections. The CIA continued to fund the terrorist activities of the fascist Fatherland and Liberty group in addition to working with most anti-Allende businesses throughout the country. Overall, the CIA and the U.S. government funded and collaborated with anyone that would work against Allende. The CIA's more successful collaborations were those with truckers, especially in 1972 (Kornbluh 2003:88-90).

In October of 1972, an association composed of private truck owners went on strike, disrupting the flow of food and other commodities throughout Chile. Combined with other shortages, strikes, protests, public transportation stoppages, and business closures, it pushed the Chilean economy further into a downward spiral (Blum 2004:212). While the CIA denied responsibility for the strikes, there is no other way to explain how

these truckers could sustain a yearlong strike. Their unions had no substantial savings funds and they did not collect much in dues; the only possible explanation for their survival was CIA funding (Prados 1988:319). The most compelling piece of evidence tying strikers across Chile (including their leaders) to the CIA was the fact that over 100 of their labor leaders had been trained in the United States at the American Institute of Free Labor Development (AIFLD) (Blum 2004:212).

The disturbances and protests increased in frequency and number during late 1972 and early 1973. After Nixon was sworn in for his second term in January of 1973, he decided to increase the pressure on the Chilean military officers. In April, Nixon told the CIA that he wanted results from the military aid...he wanted the CIA to push military commanders to overthrow Allende. Unfortunately for the CIA, they got their wish in the form of an unorganized and failed coup attempt on June 29, 1973<sup>9</sup>. The coup was attempted by a handful of officers and involved such events as tanks stopping in the streets and waiting for traffic lights. Overall, it could not be considered a success. The coup was easily suppressed by General Carlos Prats, who was the successor to General Schneider. However, the United States now had another major problem. General Prats, like General Schneider before him, believed in military noninterference in politics. The CIA recommended he be abducted or assassinated. The situation never reached that point due to Prats's resignation soon after the tank uprising; Prats had asked his fellow generals for a vote of confidence and was refused. He was replaced by General Augusto Pinochet, an officer who had been trained at the U.S. School of the Americas (SOA). While Allende and the other generals thought him to be a strict constitutionalist, the CIA knew

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<sup>9</sup> There is a striking similarity with the failed coup attempt by Castillo Armas in the Guatemalan case study. U.S. pressure for results sometime created false starts by military commanders, creating coup attempts that were comical and doomed from the start.



otherwise from conversations he had previously had while stationed in Panama (at the SOA) (Kinzer 2006:190-91).

At the end of August and the beginning of September of 1973, all of the U.S. and CIA efforts were coming together. The CIA reported that the Chilean Army was behind the coup, including the Santiago Regimental commanders. Furthermore, as Stephen Kinzer (2006) explains, the stage was set for an uprising:

Truckers staged another nationwide strike, partially supported by CIA funds...Bus drivers, taxi drivers, and employees of the Santiago waterworks also struck. Meat became unavailable in Santiago. Basic products like coffee, tea, and sugar were ever harder to find. Allende's naval aide-de-camp was assassinated. Prices raged out of control. Electric power became unreliable. Antigovernment gangs in the countryside dynamited roads, tunnels, and bridges. (Pp. 191-92)

On September 9, 1973, the CIA received word that a coup would be attempted on September 11<sup>th</sup>.

In addition to all of the hidden terrorist acts that the U.S. government had committed against the Chilean people, they would also act as observers to the atrocities that would occur on September 11, 1973. On the morning of the coup, U.S. Navy ships were present just offshore (in international water) of Chile; they were supposedly there to participate in exercises with the Chilean Navy. It is believed that one of these ships landed a U.S. Navy SEAL commando team on the shores of Chile. A U.S. Air Force WB-575, a communications control center, was flying above Chile. Its role was either to help coup planners communicate with one another or to record conversations for intelligence purposes. In either case, it indicates prior knowledge and planning for the coup on the part of the United States. At the same time these events were occurring, 32 American fighter and observation planes were landing in Mendoza, Argentina (Prados

1988: 320-21; Blum 2004:214). It was clear that the United States was prepared for what was about to happen—something very similar to what had happened in Indonesia in 1965.

The coup, headed by Pinochet, proceeded according to plan. The military began securing radio stations, town halls, police stations, and other centers of power starting at 4AM. The city of Valparaíso fell and was followed by the city of Concepción. When Allende received word, he decided to make his stand against the army at the presidential palace, La Moneda. Allende was offered safe passage out of the country by the rebel commanders, but he refused<sup>10</sup>. He addressed the public by radio soon after, declaring that he would not surrender and that he would rather die first (Kinzer 2006:193-94).

Infantry units advanced on the palace under the cover of artillery fire. Two British-made Chilean Air Force Hawk Fighters hit the palace with 18 missiles—they were so accurate that missiles flew through the front doors without hitting the sides. This, of course, led experts to speculate that the pilots were Americans (p.194). Allende would be riddled with submachine gun bullets later that afternoon. Many reports indicate that Allende committed suicide, however, journalist Robinson Rojas Sandford argues that the suicide was staged. Using police evidence and timelines, Rojas Sandford makes a compelling case for the murder, as opposed to the suicide, of Allende (1976). The end result, whether it was murder or suicide, is still directly linked and a consequence of U.S. state-sponsorship of and participation in terrorist attacks. Following the same trend as previous cases, the death and destruction did not end with the murder of Allende.

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<sup>10</sup> Tape recordings found years later reveal that Pinochet had planned to shoot Allende's plane out of the sky if he had taken the offer to leave (Kinzer 2006: 193).

William Blum (2004) indicates that for the next week the country was virtually shut off from the outside world. During that time, people were herded into stadiums and executed while the bodies were piled in the streets and floating in rivers. Torture centers were opened, subversive books burned, women “re-educated” to behave like “real” Chilean women<sup>11</sup>, and the poor were returned to their “natural state” (p.214). At least two Americans died at the hands of the Chilean military. Their names were Charles Horman and Frank Teruggi. However, this did not matter to the U.S. government; they made little effort to receive compensation or find those in the Chilean military who were accountable. The U.S. government did, however, quickly recognize Pinochet’s junta on September 29, 1973 (Prados 1988:321).

Pinochet would hold power for the next 17 years. Over that time, he would unofficially (according to Chilean citizens) murder somewhere between 5,000 and 25,000 people. Pinochet’s junta put the official number at 1,000 and the CIA indicates approximately 3,200 people were killed (p.321). In the following years of repression (called the Caravan of Death), Pinochet would jail and torture tens of thousands of people (Weiner 2007:316). The Pinochet junta would also be instrumental in future assassinations that took place throughout the world under Operation CONDOR. The operation involved the cooperation of intelligence services of military governments throughout Central and South America. The countries included Uruguay, Paraguay, Bolivia, Brazil, and Argentina. In essence, the goal of CONDOR was to eliminate all rivals throughout the world that might reestablish constitutional governments in their countries (Dinges 2004:4). Overall, the United States—by helping in the assassination of

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<sup>11</sup> For example, soldiers split the pant legs of women and told them that they should be wearing dresses (Blum 2004:214).

Allende—had helped create the most lethal terrorist operation in South America. Like all of these previously described terrorist attacks, the CIA knew about Operation CONDOR soon after it was created. Once again, the U.S. government and the CIA would support a junta that committed terrorist acts and human rights violations.

In the end, ITT would receive \$94 million in insurance compensation from the Overseas Private Investment Corporation (OPIC). The Corporation, which is basically an extension of the U.S. taxpayer, reimbursed the company for the land that had been expropriated in Chile. ITT received help in their efforts from the White House and the CIA (Kornbluh 2003:101). Kennecott and Anaconda would not be compensated for their holdings, but the U.S. government and other U.S. corporations would be rewarded for installing the Pinochet junta. Under the direction of Arnold Harberger of the University of Chicago, Pinochet opened up the Chilean economy and removed most of the barriers to foreign investment that had previously existed. This included the reduction of tariffs and breaking up of the public sector. Over time, just as had been predicted by dependency theorists, direct competition from foreign corporations with superior financial and technical resources destroyed small and medium sized Chilean businesses (Stalling and Zimbalist 1975:85). Overall, the United States would achieve its ultimate goals and complete the pattern that had been established in previous coups. It would pry open the Chilean economy for multinational investors while promoting and protecting U.S. economic interests abroad.

## **CHAPTER 8**

### **FINDINGS AND DISCUSSION**

#### Nicaragua (1978-1990)

Before the nationalist, Marxist Sandinista revolutionaries seized power on July 19, 1979, Nicaragua had been ruled by the Somoza family dictatorship for 43 years (Sklar 1988:35). In the late 1970s, Nicaragua was a country riddled with poverty; two-thirds of the peasants in the country made less than \$300 a year. According to Kornbluh (1987),

In a country with abundant arable land two out of three children were undernourished and two out of three peasant farmers were completely landless or had plots too small for subsistence. Export crops soaked up 90 percent of all agricultural credit and used 22 times more arable land than that for growing basic food crops for domestic consumption...The poorest half of the population received 15 percent of the national income; the poorest fifth received about 3 percent. The richest 5 percent enjoyed 30 percent of the income and a higher share of the wealth, education and access to health care...Over half of the population was illiterate. (Pp. 9-10)

Anastasio Somoza II was the current, pro-U.S. dictator of Nicaragua at the time of the Sandinista overthrow. Somoza fled the country to Miami, Florida, with approximately \$900 million. However, Somoza had not gotten to his position in life unassisted. He, like his father and brother before him, had the continuing assistance of the U.S. government for years prior to the Sandinistas seizing control (Blum 2004:290).

The United States, along with conservative Nicaraguan political parties and business interests, had repeatedly intervened in the politics of Nicaragua. The U.S government had sponsored coups (e.g., the revolt against progressive, nationalistic leader

Jose Santos Zelaya in 1909), landed U.S. Marines multiple times, occupied the country from 1923 to 1933 to protect U.S. business interests, and eventually backed the Somoza dynasty that passed from father to son and to brother (Sklar 1988:4-6; Kornbluh 1987:2). Quite possibly the most damaging of all U.S. interventions was the installation and training of the Nicaraguan National Guard (GN). The GN was installed by the United States in 1933 and helped their leader, Anastasio Somoza I, seize power in 1936. Using the GN to cement his power and acquire Nicaraguan businesses and land, Somoza was able to establish the previously mentioned line of dictatorship. The GN, which would be maintained and trained over time by the United States, would continue to coexist with subsequent dictators. Worldwide the GN was known for its use of martial law, rape, torture, robbery, extortion, and the running of brothels. However, its main function was to sustain the Somoza dynasty while murdering opposition parties' members and terrorizing and massacring peasants (Blum 2004:290). To many it will come as surprise to learn that in 1978 President Jimmy Carter, known now and then for his public promotion of human rights, was trying to find ways to keep the GN in power as an integral part of the Nicaraguan government<sup>1</sup> (Kornbluh 1987:15). However, given the pattern of terrorist activity established over the previous four case studies, this behavior is quite fitting with the U.S. model of control and intervention throughout the world. While his tactics may differ from more right-wing politicians, Carter's ultimate goals and actions to guard U.S. economic interests reveal that he is no different from the presidents that preceded or followed him in office.

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<sup>1</sup> This was the recommendation, which Carter apparently followed, from newly appointed U.S. Ambassador to Nicaragua, Lawrence Pezzullo. Subsequent Carter actions and covert programs support this line of argumentation.

Zbigniew Brzezinski, Carter's National Security Advisor, notes that Carter's approach to the Third World was shaped by his days with the Trilateral Commission. This is evidenced in the selection of State, Treasury, and Defense officials from the trilateralist ranks. The basic idea behind trilateralism was "accommodation" as opposed to strict "confrontation." In short, accommodation seeks to use reform and selective repression in the effort to keep Leftists out of power in the Third World<sup>2</sup>. By using and relying upon economic competition that employs trade, aid, and investment, the idea was to economically defeat the Soviet Union and their satellites in the long run. Thus, by channeling revolutionary dissent and opposition into institutions that they could better control (e.g., economic institutions), the Carter administration took a long-term approach over a short-term and strictly military approach (Sklar 1988:8). Looking back to prior administrations, this approach appears to be similar to the economic approach that Kennedy ultimately chose with the AOP. In the end, both Kennedy and Carter used different tools<sup>3</sup> (at least initially) than Republican administrations to promote the capitalist mode of production. However, all of the administrations shared the same ultimate goal.

During the final years of the Carter administration, the Somoza government in Nicaragua increasingly came under attack from the Sandinista National Liberation Front (FSLN)<sup>4</sup> and had to deal with frequent public uprisings. In dealing with both of these problems, the Carter administration saw Somoza himself as someone who was

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<sup>2</sup> In the event that Leftists did gain power, these same long-term, economic approaches could be used to co-opt and weaken them over time.

<sup>3</sup> This does not preclude the use of covert activity while economic steps are being taken. I am asserting that direct military intervention was not the preferred initial mode of confrontation/intervention with Third World nations under Democratic administrations.

<sup>4</sup> The FSLN had been fighting the government for almost 20 years. The revolutionary attacks become stronger in the late 1970's.

expendable. The idea behind U.S. intervention was to replace Somoza with someone more moderate and to retain the GN and their institutionalized status so that the FSLN could not play a prominent role in a post-Somoza era (Kornbluh 1987:15). In essence, Carter wanted to retain GN forces that had been responsible for approximately 50,000 deaths during the 1978-79 insurrections and were known internationally to commit gross human rights violations (p.223).

The Carter move to replace Somoza was only one of several tactics that were used to control the politics and the insurrection within Nicaragua. In 1978, the U.S.-led Organization of American States (OAS) mediation team arrived in Nicaragua to supervise presidential elections. The United States had pushed for sending in a “peace-keeping force,” but was not a successful effort in the end. This force, if they had arrived, would have served as a mechanism to slow down or block uprisings by the Sandinistas (Blum 2004:291). The mediation team, officially called the International Commission of Friendly Cooperation and Conciliation, served the same function as a peace-keeping force in that they sought to exclude the Sandinistas from the elections (Sklar 1988:18). U.S. Ambassador to Nicaragua William Bowdler<sup>5</sup> personally explained how the process was supposed to work. If Somoza won the elections, he would remain president and appoint some opposition party personnel in the government. If he lost, he would leave office and someone from his own Liberal Party would take over with the help of the GN (Kornbluh 1987:15). Overall, it would still be the same government with or without Somoza at the head. However, these plans would never come to fruition because of forceful seizure of power by the Sandinistas in July of 1979.

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<sup>5</sup> Bowdler was replaced by Lawrence Pezzullo in June of 1979.



In the final days of fighting with the Sandinistas, the GN started to disintegrate and many either fled the country or were trapped. Those who were trapped managed to receive some supplies and food from USAID airlifts arranged by the Carter administration. However, the only outfit willing to make the runs was CIA-front Southern Air Transport (Sklar 1988:34). When the fighting was over and the Sandinistas marched into Managua, the United States and the CIA were mounting a rescue operation for the GN commanders who had not escaped. Using a DC-8 disguised as a Red Cross plane, the CIA illegally transported dozens of officers and their families to Miami so that they could reorganize and fight the Sandinistas. However, when they fought the next time around, the world would know them as the “Contras” (Kornbluh 1987:19).

Carter, as discussed previously, believed that the next step in relations with Nicaragua should be to moderate the Sandinista influence. In an effort to retain whatever influence the United States still had over Nicaragua, Carter pushed through a \$15 million reconstruction/aid package. Furthermore, he managed to convince Congress to pass a \$75 million economic assistance package. However, like those presidents before him, he also used the CIA to start a covert campaign against the Sandinistas. Much like the campaign against Allende in Chile, Carter authorized a destabilization campaign that included passing funds to anti-Sandinista labor, press, and political organizations (p.19). What is important to realize is that past U.S. patterns would also call for aid to be given to the military along with the training of Nicaraguan officers. However, there were two peculiarities with the Nicaraguan case that precluded this from occurring. First, most of the defense forces (especially the GN) were almost completely gone within the country...they would have to be completely rebuilt. Thus, exercising influence through

the military was not an option. Second, the new Nicaraguan government refused to allow any training of soldiers that were left (including the Sandinistas) at the U.S.-run School of the Americas. In fact, the only request the Nicaraguans made was for the United States to sell them arms. In an effort to fortify their new government and protect themselves, the Sandinistas needed to buy weapons. After the bloody battles with Somoza, the country only had a variety of small arms remaining. As pattern would dictate, the United States refused to sell the Sandinistas arms (Sklar 1988:41).

Looking quickly at the CIA campaign authorized by Carter, one begins to realize that the campaign resembled a small-scale version of the previously covered cases of Iran, Guatemala, Indonesia, and Chile. In fact, in 1978 former CIA agent Philip Agee formulated the “CIA Blueprint for Nicaragua” for Carter<sup>6</sup> in which Agee directly advocates the use of the same techniques used in Chile (among other countries) (Sklar 1988:399-400). As had been the case in Chile, Carter’s and the CIA’s overt aid was strictly aimed at non-governmental agencies and the private sector. One such example was aid allotted to the AIFLD, which has been linked previously to the CIA and trains labor leaders in principles contrary to that of socialism (Blum 2004:291). The CIA used covert aid to support pro-American political parties, churches, and unions (Weiner 2007:378). However, in comparison to the other covert operations Carter had approved at the time—arms shipments to Afghanistan and political warfare programs to support dissidents in the Soviet Union, Poland, and Czechoslovakia—the campaign in Nicaragua was of the least concern with regard to the Cold War (Weiner 2007:379). Ronald Reagan would change these priorities when he came into office in January of 1981.

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<sup>6</sup> Carter used the plan after Agee presented it to him. The idea that Ronald Reagan was the president who formulated the Nicaraguan plan is incorrect (Sklar 1988:55).

While Carter had been concerned about using too much force and creating a second “Cuba” just outside of the American borders, Ronald Reagan used Nicaragua as a second “Cuba” and the Marxist Sandinista takeover of Nicaragua as his platform while running for and after he was elected president (Blum 2004:291). According to the newly installed administration, Nicaragua was already under Cuban and Soviet control. Consequently, after only six weeks in office, Reagan began what was termed “The Project” by CIA personnel. On March 9, 1981, Reagan sent his findings to Congress and they authorized \$19.5 million to expand the covert operations that Carter had started. Between March and November of the same year, the CIA began initiating contact with anti-Sandinista organizations in Florida and Central America. Less than six months had passed in the Reagan administration before the CIA was funneling money to former Nicaraguan National Guard members that were exiled in Miami, Florida (Kornbluh 1987:19).

While funneling money to some of the worst human rights abusers in Central American history was appalling in and of itself, the Reagan administration also sanctioned CIA paramilitary training camps in Florida, California, and Texas for the purposes of training the Miami-based exiles. Former Green Berets and Vietnam veterans were used to instruct the exiles in parachuting, urban/guerilla warfare, and sabotage. By 1982, the CIA had trained between 800 and 1,000 men for combat in Nicaragua. In theory, the 1794 Neutrality Act prohibited these exiles from being trained on U.S. soil for war against another nation (i.e., Nicaragua) that the United States is at peace with. However, because the exile force was under CIA control, the president was able to hold off Congress and keep the camps (p.20).

In November of 1981, using National Security Decision Directive (NSDD) 17<sup>7</sup>, President Reagan gave the CIA authority to create additional squads of exiles that could be used to work with foreign governments in Honduras and Argentina. Combined with the forces training in the United States, Reagan and the NSC hoped to create broad opposition against the Sandinistas. When Reagan presented this information to Congress in the form of a Presidential Finding, which was his second one, he depicted the covert program as one that would be used to attack Cuban presence and Cuba-sponsored gunrunning in Nicaragua (Kornbluh 1987:22-23). In essence, Reagan purposely lied to Congress in an effort lay a covert groundwork that he could later use to launch terrorist attacks on Nicaragua.

NSDD 17 had authorized a \$20 million<sup>8</sup> plan that assembled, armed, and trained a 500-man unit of Latin American commandos. Their purpose was to use terrorist tactics to destroy vital parts of the economic infrastructure such as bridge and power plants. Furthermore, this team was merely a supplement to the 1,000 Nicaraguan exiles being trained by the Argentine government. In essence, the Reagan administration and the CIA transformed what used to be a ragtag group of exiles in late 1981 into a major Contra force in early 1982. From March until June of 1982, the Contras made 106 insurgent attacks against Nicaragua. Examples of their attacks included destroying fuel tanks, burning customs warehouses, destroying bridges, sniper fire against Sandinista soldiers, and burning crops (pp.23-24). Due to the U.S. support of these terrorist attacks, the

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<sup>7</sup> The ideas and option papers that formed NSDD 17 came from an interagency “Core Group” that was responsible for supervising the organization /implementation of covert activities in Central America. Members of the group included Thomas Enders (State Dept.), General Paul Gorman (Joint Chiefs of Staff), Duane Clarridge (CIA), and Lt. Colonel Oliver North (NSC) (Kornbluh 1987:21-22).

<sup>8</sup> These were just initial costs. The proposal specified that more money and manpower would be needed later (p. 22).

Sandinista government was increasingly forced to divert money away from civic programs towards the military.

In addition to funding right-wing military exiles in the United States and throughout Central America, the Reagan Administration used economic pressure to worsen conditions in Nicaragua. While Carter had been in office, the Sandinistas had partially managed to economically recover from the Somoza dictatorship. From 1979 to 1981, economic growth increased while unemployment and inflation decreased. Furthermore, due to the passage of agrarian reform laws, the redistribution of the latifundia, the implementation of a more progressive taxation system, and the establishment of state-owned enterprises and cooperatives, overall living conditions for the population were increasing (Stahler-Sholk 1990:60). Reagan would soon erase all of these gains starting in 1982.

Nearly identical to the pattern that Nixon had employed with the Chilean destabilization campaign, Reagan started to economically isolate the Sandinistas in hopes of turning the Nicaraguan public against the government. As William Blum (2004) explains:

Nicaragua was excluded from U.S. government programs which promote American investment and trade; sugar imports from Nicaragua were slashed by 90 percent; and, without excessive subtlety but with notable success, Washington pressured the International Monetary Fund (IMF), the Inter-American Development Bank (IDB), the World Bank, and the European Common Market to withhold loans from Nicaragua. The Director of the IDB...later revealed that in 1983 the U.S had opposed a loan to aid Nicaraguan fisherman on the grounds that the country did not have adequate fuel for their boats. A week later...‘saboteurs blew up a major Nicaraguan fuel depot in the port of Corinto.’ (Pp. 291-92)

As can be seen from the previous description, the Contras were used to exacerbate the economic problems created by the United States. In addition to the economic assault<sup>9</sup> on Nicaragua, Reagan and the CIA followed the traditional pattern of financing conservative, private organizations and the Roman Catholic Church. However, the Sandinista government rejected the \$5.1 million public offer of assistance to the aforementioned organizations on the grounds that the United States was using it to promote resistance and destabilize the Sandinista government. Consequently, the CIA was forced to covertly fund Cardinal Miguel Obando and the Church until 1985. When Congress shut off these official funds, Oliver North (of the previously mentioned Core Group) funded the programs off the books (Blum 2004:292; Sklar 1988:66).

With the exception of building and funding a right-wing military force (i.e., the Contras), as opposed to financing right-wing officers, the Reagan administration followed the familiar pattern of U.S. economic and political warfare against governments it wanted to replace. However, if one considers the fact that the Contras were led by the former National Guard of Nicaragua (i.e., former right-wing military), the pattern is an exact fit to the previously examined cases. The attacks by the CIA-backed Contras would only continue and intensify from 1982 onward. The following are some of the examples of the terrorist attacks committed and tactics used in Nicaragua:

- (1) Raids caused extensive damage to crops and demolished grain silos, tobacco-drying barns, irrigation projects, farm houses, and farm machinery.
- (2) Roads, bridges, and transport equipment were destroyed to prevent transportation of crops that did survive raids.

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<sup>9</sup> Reagan had told Congress that Nicaragua was helping Cuba smuggle arms through Nicaragua to Honduras and Guatemala. In fact, he used this as his official rationale for funding the Contras. Reagan told Daniel Ortega, the leader of the FSLN, that all future economic aid would be stopped if he didn't curtail the weapons shipments/smuggling. When Ortega complied, Reagan escalated his demands. Reagan was intent on a war with Nicaragua and would not be satisfied with any actions taken by the FSLN or Ortega (Sklar 1988:66).

- (3) State farms/cooperatives were sabotaged and harvesting prevented. Many were abandoned by workers due to the fear of attack.
  - (4) Fuel depots were regularly attacked and blown up.
  - (5) Oil depots and pipelines were attacked.
  - (6) Using U.S. airstrips, docks, radar stations, and communication centers built in Honduras, U.S. and Honduran reconnaissance planes made regular flights into Nicaragua. Their mission was to photograph bombing targets, photograph sabotage targets, track Sandinista military movement, map the terrain, spot the planting of mines, and eavesdrop on military communications.
  - (7) CIA pilots flew supplies to Contras inside of Nicaragua.
- (Blum 2004:292-93)

In addition to the Contra attacks, the United States began directly attacking Nicaragua in September of 1983. Using high-speed motorboats supplied by the U.S. Drug Enforcement Agency (DEA) and equipped with machine guns and mortars, the CIA began making runs on Nicaraguan ports. Their mission was to sabotage ports, refineries, boats, and bridges. Overall, CIA started performing the tasks that were too complicated for the Contras (Kornbluh 1987:47). However, the United States denied involvement and would blame the Contras for the activities if anyone asked. Thus, in the public eye, the administration could deny a war on Nicaragua.

In October of 1983 the CIA picked up the pace of their operations and launched an attack on Corinto, Nicaragua's largest port. CIA agents fired grenades and mortars at five oil and gas storage tanks in the port, igniting 3.4 million gallons of fuel. Official reports indicate that 100 people were injured and 25,000 people had to be evacuated from the city while the fires raged for two days. In December of that same year, Reagan authorized an escalation in terror attacks against ports, power plants, and bridges. In January of 1984, this resulted in the death of one and the injury of eight Nicaraguans during a helicopter raid on the port of Potosi. In February, the bombing of communications installations resulted in four more deaths in northern Nicaragua (p.48).

Overall, the purpose of using these tactics was to aid in the destabilization and overthrow of the Sandinista government. However, the Reagan administration took these operations farther than any of the previous administrations when they began to mine the waters of ports where oil was loaded and unloaded. Furthermore, the United States threatened to blow up any oil tanker that dared approach (Blum 2004:292).

Designed by the CIA Weapons Group, the underwater charges in the ports contained 300 pounds of C-4 plastic explosives. Placed in Nicaraguan ports in January, February, and March of 1984, the CIA began making radio announcements warning commercial ships of the mines. Credit for the mining, of course, was given to the Contras and the CIA/U.S. government denied all responsibility. By April of 1984, 10 commercial vessels had been hit; six of the vessels were not Nicaraguan. After a Soviet ship was struck and five of their sailors injured, the Soviets began accusing the United States of state-sponsored terrorism (Kornbluh 1987:49). Again, the United States put the blame on the Contras.

Overall, the mining of the ports forced Nicaragua to incur approximately \$10 million in additional costs. In order to export and import their products, Nicaragua was forced to transport everything by truck to neighboring countries. Eventually, on April 9, 1984, the Nicaraguan government filed a formal complaint with the International Court of Justice (ICJ) (sometimes called the World Court). The complaint called for the United States to cease and desist with all covert and overt use of force. Reagan decried the suit as propaganda and refused to abide by any World Court decision. In May of 1984 the World Court issued a preliminary decree calling for the United States to stop its blockade of Nicaraguan ports. It issued a final decree in 1986 (pp.51-52).



Noam Chomsky provides one of the better assessments of the World Court's decision and the international response afterwards. According to Chomsky, the U.S. terrorist war against Nicaragua during the 1980s is an indisputable example of international terrorism that should be considered more extreme than the events of 9/11 (2002:151). He considers this indisputable for three reasons; first, in June of 1986, the ICJ condemned the United States for its "'unlawful use of force' and illegal economic warfare" in the arming of the Contras and mining the harbors of Nicaragua. Second, a UN General Assembly endorsement of the World Court ruling with an emphasis on obeying international law was passed (in 1987) with only two countries objecting: the United States and Israel (p.123). Third, if the United States had not been a member of the UN Security Council and vetoed an ICJ compliance resolution that was similar to the one introduced to the UN General Assembly, they would have been forced (theoretically) to stop militarily aiding the Contras. Chomsky also points out that under the tutelage of CIA and Pentagon commanders, proxy forces of the United States were instructed to hit soft targets<sup>10</sup> and not to engage with the Nicaraguan army (pp.122).

While I agree with these assessments of U.S. actions, it is important to remember that the Reagan administration did not rest while the World Court decision was being finalized. While the United States was continuing its covert attacks on the Nicaraguan ports, it was also gearing up for the upcoming political elections that were supposed to occur in Nicaragua during 1985. One of the most consistent complaints of the Reagan administration with regard to the Sandinistas was that they were not popularly elected and that they had seized power. Consequently, it was in U.S. interests for the Sandinistas

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<sup>10</sup> Chomsky identifies as soft targets civilian targets that are not well fortified or defended. William Blum and Peter Kornbluh confirm that the CIA had created instruction manuals that outlined and encouraged violence and terrorist acts against the FSLN government and Nicaraguan civilians (2004:293; 1987:41-43).

to lose the upcoming Nicaraguan elections. First, it would reinforce what the Reagan administration had claimed the entire time that Reagan was in office: the people of Nicaragua were not happy because they did not have a democratically elected government. Second, it would discredit socialism as a mode of production. The latter reason, however, was by far the more important of the two reasons and the driving force behind the persistent U.S. interference in both Nicaragua and Latin America as a whole. Under no circumstances would the United States allow socialism to progress unmolested within their sphere of influence. While the United States had supported the Somoza dynasty/dictatorship for over four decades, they now found it necessary to call for popular elections. Unfortunately for Reagan, the elections came too soon.

In a clever move, the Sandinista government outsmarted the Reagan administration. Realizing the United States was mining their ports and that the Contras were becoming more aggressive, the Nicaraguan government announced on February 21, 1984, that they would hold national elections on November 4, 1984, instead of later in 1985. The U.S. presidential elections were to be held November 6, 1984. The Sandinistas knew that Reagan, who was running for reelection, would be less likely to invade because of the constraints placed upon him by the upcoming elections. Furthermore, if the Sandinistas won the election (which they were sure they would), Reagan would no longer be able to use their role in the government as propaganda (Robinson and Norsworthy 1985:84).

The announcement of popular, democratic elections created problems for the interventionist strategy of Washington. They had to figure out how to proceed with their secret war without appearing as if they were subverting a democratic election. The only

U.S. political allies in the country were the rightist parties, which were still very unorganized. Consequently, Washington either had to face the fact that the rightist would be crushed if they ran for office or would have to commit political suicide and abstain from the elections. Because most of the rightist politicians refused to abstain, the only U.S. option left was to discredit the election before it occurred (pp. 84-85; 97)<sup>11</sup>. For the most part, however, the elections were a success. Over 75% of registered voters cast their ballots for one of seven political parties in the election. The final results gave 67% of the vote to the FSLN. Thus, the Sandinista government controlled the executive and the legislative branches, ensuring that the constitution being drawn up for the country would coincide with their revolutionary vision (pp. 105-06). And despite the Reagan administration calling the Nicaraguan election a farce, international observers—such as the International Human Rights Law Group, the British Parliamentary Human Rights Group, and the Latin American Studies Association—judged the election to be free and fair (Sklar 1988:200).

After the FSLN gains in Nicaragua and the attempts by the U.S. Congress to limit funds to the CIA (a \$24 million cap in 1984) because of their role in mining the harbors of Nicaragua, the Reagan administration faced a tougher time during its second term. Oliver North and the CIA resorted to private funding<sup>12</sup> outside of the United States in their ongoing effort to fund the Contras. Some of the major suppliers of funds and equipment were government officials and private individuals in Brunei, Saudi Arabia,

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<sup>11</sup> Washington did manage to bribe some parties of the Right not to participate (Robinson and Norsworthy 1985:104-105).

<sup>12</sup> The Bohland Amendment tried to stop U.S. agencies involved in intelligence activities from supporting any nation, group, or individuals that were assisting in military or paramilitary activities against Nicaragua. Oliver North claimed that this amendment did not apply to the NSC, of which he was a member (Marshall et al. 1987:12).

South Korea, and Israel (Marshall et al. 1987:12-13). Code named “Project Democracy,” the Reagan administration managed to set up a surrogate supply system that circumvented the need for direct funding from the U.S. Congress. From 1984 to 1986, the administration and Oliver North used four alternative sources of support for the Contras in Nicaragua. They are as follows:

- (1) The “shadow CIA”—supposedly operating under the auspices of the NSC<sup>13</sup>—procured and distributed tons of war material.
  - (2) Friendly foreign governments, some of which were mentioned previously, that supplied weapons and cash.
  - (3) American right-wing groups that supplied the Contras with “humanitarian aid.”
  - (4) U.S. based paramilitary organizations which provided men and training.
- (Kornbluh 1987:62)

Overall, the White House and the CIA had resorted to any means necessary to continue their support of the terrorist attacks against the Sandinista government. It was this relentless and reckless pursuit of war with Nicaragua that would lead up to the events in October of 1986. A Contra supply plane piloted by Eugene Hasenfus and owned by Southern Air Transport crashed in Nicaragua. Hasenfus implicated the CIA and the White House. Phone call records from an El Salvadoran safe house (where the supply operation was based and managed) to the White House eventually proved the allegations (Marshall et al. 1987:3). While the press had been hinting at illegal U.S. involvement and funding of Contras from 1984 through 1986, this incident emboldened them even more. However, it was the announcement by Attorney General Edwin Meese in November of 1986 that caused the Reagan administration the most problems (Kornbluh 1987:213).

In what became known as the Iran-Contra Affair, it was revealed that the National Security Council had skimmed funds from \$30 million in arms sales to Iran in order to

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<sup>13</sup> Once again, this was an attempt to circumvent the Bohland Amendment.

fund and supply the Contras. Furthermore, it was revealed that the funds were laundered through Swiss Bank accounts to the Contra network and that many in the administration, including Reagan, had knowledge of the events. In the end, Oliver North would claim ultimate responsibility for the events despite the fact that there was evidence that President Reagan, Vice President Bush, CIA Director William Casey, and NSC Director Vice Admiral John Poindexter had all been active and knowledgeable participants in the illegal schemes to support the Contras. Congressional hearings, Senate Select Committee Reports, and the Tower Report confirmed these facts. The United States was responsible for the terrorist acts of mining harbors, distributing mercenary manuals, constructing unauthorized military bases, and supporting mercenary forces (Kornbluh 1987:214-215).

Unfortunately for Nicaragua, these revelations came a little late for them. In his own mission to make Nicaragua's economy scream, Reagan had forced Nicaragua to take on substantial foreign debt. From 1979 to 1985, Nicaragua external debt rose from \$1.6 billion to \$4.7 billion. From 1980 to 1984, production losses of \$282.5 million were registered because of disruption of agriculture (especially coffee, corn, and beans). Cumulative economic damages from Reagan's economic war were estimated by the Sandinistas to be over \$1 billion (pp.120-121). In 1980, over half of the Sandinista budget was allocated to health and education while only 18% was allocated to the military. As the Iran-Contra Affair was revealed in late 1986 and early 1987, the Nicaraguan military consumed half of the Sandinista budget and health and education consumed about 20%. There was almost a complete reversal in seven years (Blum 2004:302). As mentioned previously, all of this money was diverted funds that could

have potentially been used for social programs for the impoverished. Instead, the funds were either lost or spent on a war effort against the United States.

In his obsession with undermining and overthrowing the Sandinista government, Reagan had inspired both official and unofficial personnel and agencies to embrace a variety of activities in order to maintain a steady supply of financing and weapons to the Contras. As William Blum (2004) explains, these activities included:

Dealings with other Middle-Eastern and Latin American terrorists, frequent drug smuggling in a variety of imaginative ways, money laundering, embezzlement of U.S. government funds, perjury, obstruction of justice, burglary of the offices of American dissidents, covert propaganda to defeat domestic political foes, violation of the Neutrality Act, illegal shredding of government documents...all of it to support a band of rapists, torturers, and killers known as the Contras.  
(P. 304)

George H.W. Bush assumed the presidency in the 1989, but support for the Contras had started to wane by this point in time. The Iran-Contra Affair, lack of support internal support in Honduras, and the Nicaraguan government's willingness to compromise on internal democratic reforms took away all of the legitimacy an overt or covert war might have. Consequently, humanitarian aid (\$49 million) was the only continuing support that Bush and the U.S. Congress approved for the Contras (Williams 1990:20-21). However, by this point in time, the Nicaraguan economy had been severely damaged and would require years to recover. Furthermore, the ability of the Sandinistas to implement further reform had been stifled, which took its toll on public opinion of the FSLN. The results would show in the 1990 Nicaraguan national elections.

Realizing that they did not have a CIA or military solution to the Sandinista government, the United States resumed its standard pattern of exerting political pressure and funding moderate and right-wing opposition candidates for the 1990 elections. In

October of 1989, Congress agreed to fund “the promotion of democracy” in Nicaragua by allotting \$9 million to the elections, \$2.5 million of which was set aside specifically for the opposition alliance National Opposition Union (UNO). This was in addition to the \$5 million that had been set aside for UNO the year prior. Furthermore, the Bush Administration began pressuring the Contra leaders to take part in the elections in an effort to further legitimate the results. After six years of attacks since the 1984 elections, the United States was confident that the opposition would either win outright or take a majority of the vote; they wanted full participation in this round of elections (Williams 1990:21).

When the Sandinista government held elections in 1984, the results of the Reagan military and economic attacks on the country had not fully materialized. By the time the 1990 elections were held, inflation of 30,000% (in 1988) and economic stagnation had taken their toll on the people of the country. They fully understood that if they did vote the Sandinistas out of office, the United States would continue to destroy them economically. In fact, UNO used that ploy as part of their political platform; they accused the Sandinistas of angering the United States and bringing despair and destruction on their country (p.23). The UNO purposely deflected blame for the U.S. terrorist attacks away from the United States; never did they mention the World Court condemnation of those U.S. attacks. With an 86% voter turnout and a margin of victory of 55% to 41%, the opposition UNO took the government away from the Sandinistas in 1990. Daniel Ortega<sup>14</sup>, leader of the FSLN, even recognized the legitimacy of the election results (p.24).

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<sup>14</sup> Ortega was elected president of the country once again in 2007. While some of Ortega’s policies and goals seem to indicate that the FSLN is trying to reclaim some of the reforms it had implemented two

Over a period of twelve years in Nicaragua, the United States progressed from using economic and political warfare (under Carter) to strict terrorist tactics (under Reagan) and then back to political and economic warfare (under Bush). The Nicaraguan case is not unusual because of the U.S. use terrorist tactics or because of different administrations using different tactics. It was unusual because the terrorist tactics used by Reagan did not produce the intended result of quickly overthrowing the Sandinista government in a violent manner. Two years would elapse after formal U.S. hostilities before the United States and UNO could peacefully claim victory in the 1990 national elections. Furthermore, because of the peaceful transition allowed by the FSLN, the United States was not able to completely silence the opposition as it had in the previous cases studied. However, because the U.S. achieved their ultimate goal of installing pro-U.S. and pro-corporate politicians in the Nicaraguan government, this case represents a slightly altered, yet typical outcome for the United States.

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decades before, there are also indications that he is more of a “politician” as opposed to a strict “revolutionary.” At this time the progression of Ortega and the FSLN is still unfolding (Kendrick 2008).



## **CHAPTER 9**

### **FINDINGS AND DISCUSSION**

#### **Panama (1981-1990)**

As the previously covered cases of Iran, Guatemala, Indonesia, Chile, and Nicaragua indicate, there is always an underlying economic motives for U.S. interventions/invasions of foreign nations. Furthermore, there is always an official U.S. government explanation as to why an intervention is necessary, which often relies upon or conveys a more patriotic or benevolent theme in hopes of rallying domestic support. In most cases, this official explanation purposely hides the economic incentives for an invasion or intervention. The U.S. government intervention in Panama is not an exception in this pattern. The invasion of Panama by 26,000 U.S. troops on December 20, 1989, provides yet another example of U.S. terror in Latin America and throughout the world (Dinges 1991:x). According to President George H.W. Bush, the official charges against the dictator of Panama in 1989—Manuel Noriega—and the rationale behind the invasion were as follows:

- (1) To restore democracy in Panama;
  - (2) To protect American lives; and
  - (3) To stop the use of Panama as a drug conduit and haven for money launderers.
- (Johns and Johnson 1994:14)

However, when one examines the relationship between Manuel Noriega and the United States in prior decades, the statements made by Bush in the late 1980s do not reflect the

U.S. attitude toward the dictator in prior years. As will be shown, Noriega became an undesirable dictator as he grew more independent of U.S. influence and control.

Consequently, in an effort to protect economic interests, the United States invaded Panama to install more favorable and pro-U.S. leadership. However, before exploring these reasons more thoroughly, it is necessary to first understand Noriega's past and his relationship to the United States in prior decades.

Manuel Noriega followed a military career in Panama and was protected, for the most part, by General Omar Torrijos. In October of 1968, Torrijos became the military dictator of Panama in a bloodless coup. However, unlike most military dictators (also known as caudillos) within Central and South America, Torrijos made some progressive reforms and tended to be less brutal (Blum 2004:306). Moreover, he recognized ways in which revolutionary dissent could be channeled into something that was good for the country. For example, when the Torrijos government captured Hugo Spadafora—the revolutionary leader of an underground cell that was attempting to overthrow the regime—he did not let him rot in prison or execute him on the spot. Instead, he chose to make use of Spadafora's skills as a doctor and revolutionary by offering him the opportunity to open a health clinic in a poor, remote area of the country. One day, Spadafora would be the head of health services in that province (Colón) and be promoted to the deputy minister of health. While this in no way absolves him of his crimes in the country, it does show us that General Torrijos was more progressive than many leaders in the region. Overall, Torrijos sought to take control of the country away from entrenched elites while helping the Panamanian masses (Kinzer 2006:240-41). It would not be long before conservative military officers would attempt to overthrow Torrijos.

In December of 1969, conservative military officers tried and failed to overthrow Torrijos in a coup of their own. Hours before the coup attempt one of the principal plotters of the coup had met with a U.S. official. More interesting than the coup attempt was the rescue operation by a commando group which resulted in the escape of that same coup plotter and many others involved. The facility from which they escaped was high-security and would have required the help of experts—such as those found in the U.S. military or the CIA. These escapees eventually turned up in the U.S.-run Panama Canal Zone before fleeing to Miami in exile (Blum 2004:306). While it cannot be definitively proven, these operations mirror actions taken by the United States in their assistance of the Nicaraguan Contras. And, given the past patterns of U.S. interventions in Latin America, the attempted coup with the help of conservative military officers makes it likely that this was a U.S. attempt to overthrow a more progressive dictator in the region.

Manuel Noriega, unlike others within the military, had stood by Torrijos during the coup. Consequently, he was rewarded with a promotion to Chief of Panamanian intelligence (also known as G-2) in 1970 (Blum:2004:306; Kinzer 2004:241). At the same time that Noriega was promoted to the head of G-2, he had already been on the payroll of the CIA for some time. The CIA had enlisted Noriega while he was a young recruit at a Peruvian military academy in the mid-1950s. Over time, his pay was increased to the point that he was receiving \$110,000 per year when he commanded G-2. In 1976 he was even invited to the White House for a personal visit and then given a tour of the CIA with then CIA director George H.W. Bush (Kinzer 2004:245). He would continue to be funded by the CIA until 1986, with interruptions in payments only

occurring during the Carter years (Blum 2004:306). However, Noriega's involvement with the CIA was just the tip of the iceberg<sup>1</sup>.

As far back as 1971, the Bureau of Narcotics and Dangerous Drugs (the forerunner of the U.S. DEA) had considerable evidence of Noriega's involvement with drug trafficking in the region (p.306). However, the CIA blocked any arrest because Noriega was an asset in the region. Consequently, the DEA would use him as an informant and would make thousands of arrests and seizures based upon information that he provided. Tons of cocaine were seized due to Noriega's tips. However, even this informer role came with a twist. In the early 1980s, Noriega formed a partnership with the Medellín drug cartel in Colombia and allowed it to have free access to secret landing strips within Panama. From there, drugs were shipped directly into the United States. Not only did Noriega receive \$100,000 per flight, but he also informed the DEA about rival gangs (to the Medellín) and had their drugs seized. As one can see, Noriega was adept at using all sides against each other (Kinzer 2006:245).

Noriega became invaluable to the United States after the mysterious death of Torrijos in a helicopter crash in July of 1981. As part of the new ruling junta, Noriega would rise to the commander of the Panamanian National Guard<sup>2</sup> in 1983 (Blum 2004:307). From this post, he became the effective ruler of Nicaragua and used the position to buy tolerance of his actions from Washington; one of the major benefits he gained from his position is that he was backed by many in the U.S. government. Three of his major backers were Ronald Reagan, CIA Director William Casey, and NSC member

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<sup>1</sup> Noriega attended the Jungle Operations Course in 1965 and the Infantry Officer Course, Combat Intelligence Officer Course, and the Counter-intelligence Officer Training Course (receiving an outstanding score in the latter) in 1967 while at the School of the Americas in the Panama Canal Zone (Dinges 1991:38-39, School of the Americas Watch 2008).

<sup>2</sup> Noriega changed the name of the National Guard to the Panama Defense Forces.

Lieutenant Colonel Oliver North. In fact, Noriega and Casey would meet for long lunches in Panama and Washington on at least six different occasions (Blum 2004:307).

While it appears odd that Reagan and Casey would support Noriega to such an extent, it begins to make more sense when you consider that Casey and North were the masterminds behind funding and using the Contras to fight the Sandinistas in Nicaragua. Furthermore, Noriega had essentially opened up the country for use by American forces in the fight against the Sandinistas. In his efforts to help the United States, Noriega had:

- (1) Allowed the United States to set up listening posts in Panama. This allowed U.S. forces to monitor communications throughout Central America, including those in Nicaragua.
- (2) Welcomed Contra leaders in Panama, allowing them and the United States to set up bases for operations.
- (3) Allowed the United States to use Panamanian bases to train Contra fighters.
- (4) Allowed the United States to use Howard Air Force Base (in the Canal Zone) as a clandestine base for spy and transport planes that took weapons to Contras along the Honduras-Nicaragua border. This violated canal treaties.
- (5) Helped funnel money and arms (from the Israelis) through Panama to Contra fighters.

(Blum 2004:307; Kinzer 2006:246)

Overall, the Reagan administration had become so obsessed with overthrowing the Sandinistas (as mentioned in the previous case study) that Noriega remained safe as long as he was provided a valuable service to the administration. In addition to what he had done to help with the Contra war, Noriega performed other functions that aided U.S. policy, which many in Washington did not forget. One such example was providing a safe haven for the Shah of Iran in 1979 (Blum 2004:307). In the end, however, the support for Noriega began to wane in the mid-1980s.

As the Nicaraguan case studied indicated previously, the Reagan administration ran into serious funding issues and eventually resorted to selling arms to Iran to help fund the Contras. Eventually, the Iran-Contra affair would remove Oliver North from power

and Reagan himself would become less of political force in comparison to his previous years in office. Thus, those in Washington who did not like Noriega—such as leaders within the DEA and certain Democratic members of Congress—began to gain the upper hand in dealing with Noriega (Kinzer 2006:246). Furthermore, many of those same people thought that Noriega was selling U.S. intelligence to Cuba; this was in addition to the allegations that he was helping smuggle high technology through Cuba and into the Soviet bloc (Johns and Johnson 1994:18-19). While these allegations and changing political tides were important factors that affected attitudes toward and the ability to continue protection of Noriega, there were additional, underlying economic factors that also pushed the Reagan and Bush administrations to withdraw their support from Noriega (Kinzer 2004:246).

The most important of all the factors leading to Noriega's falling from favor with Washington revolved around negotiations for the continued presence of U.S. bases in Panama (Johns and Johnson 1994:18; ICIUSIP 1991:5). During the presidency of Jimmy Carter, Omar Torrijos had managed to negotiate two treaties that fundamentally altered the relationship between the United States and Panama. According to the agreements, the United States would completely withdraw from the Canal Zone and Panama by the year 2000. In exchange, Panama would agree that the Panama Canal would remain permanently neutral (Kinzer 2004:244). After Torrijos died in a mysterious plane crash, the Reagan administration began pressuring Noriega to renegotiate the Panama Canal treaties. The United States was intent on maintaining its military bases and presence in the Canal Zone. Overall, the protection of U.S. business interests and retaining the ability to disrupt progressive/socialist forces in Central and South America depended on

maintaining a U.S. military presence in Panama. Official letters and reports from the State Department and members of Congress during 1987 and 1988 reflected these same needs, nullifying any attempt by the Reagan administration to assert otherwise.

Furthermore, there was evidence that the Reagan administration was pushing for an invasion so that they could restructure the Panamanian constitution, judiciary, tax system, and civil administration in a way that economically benefited the United States and Panamanian elites (Johns and Johnson 1994:21). The United States wanted to maintain their long-term economic and political control over Panama; Noriega's resistance and unwillingness to compromise would eventually "justify" a U.S. invasion in 1989.

However, in the years before the invasion, Noriega slowly alienated his allies in Washington for different reasons. One of those reasons was his involvement with Cuba.

As mentioned previously, Panama functioned as a conduit of information, money technology, and supplies to Cuba despite the U.S. embargo of the Cuba. Because the United States needed Panama for a multitude of reasons, it could not sufficiently reprimand Noriega and completely isolate Cuba. Furthermore, the Reagan administration had also discovered that Noriega had been selling arms to the Sandinistas and trading with Nicaragua. Overall, Noriega was playing all sides involved in the Nicaraguan-Contra war, which angered the Reagan administration and Congress.

Overall, the previous acts by Noriega were but one or two factors in a string of rebellious acts against the United States. As far back as 1983, while Noriega was still in favor with many in Washington, he defied the wishes of the Reagan administration by backing the Contadora Plan in January of 1983. Foreign ministers from Mexico, Colombia, Panama, and Venezuela (known as the Contadora Group) launched a Latin

American unity and peace process that was seen as an attempt to institutionalize resistance to U.S. policy in the region. The Panamanian island of Contadora was chosen due to the Panama Canal Treaty's unifying effect on Latin America at the end of the 1970s. The idea was to reclaim this unity and to support regional, Latin American objectives. One of those objectives was to prevent foreign intervention in Central American conflicts. What emerged from the meetings was a call for a peaceful resolution of the Nicaraguan fighting. Along with the nations of Nicaragua, El Salvador, Honduras, Costa Rica, and Guatemala, the Contadora Group endorsed a plan for peace in the region on September 9, 1983. The U.S. response to these declarations was the invasion of Grenada in December of 1983 (Sklar 1988:300-02). Overall, the United States was not happy with Nicaragua's (and Noriega's) endorsement of the Contadora Plan and they let this fact be known. However, as this case study clearly indicates, the Contadora Plan did not prevent Noriega from privately supplying the Contras with weapons and allowing U.S. access to Panama in the future while simultaneously and publicly advocating for peace in the region.

Noriega's resistance to Washington over time would result in the Reagan administration trying to replace him with someone more amenable to their plans. They diplomatically asked him to step aside and let someone else take over, but Noriega refused because he felt that he would only remain safe if he retained his leadership position. Because Noriega had dealt with both the CIA and the Medellín drug cartel, he knew many secrets and was afraid that he would be killed if he stepped down. By staying in power he retained his purpose and usefulness, especially to the drug cartel. Unfortunately for Noriega, he ran out of options when he was indicted on Federal drug



charges in Florida during February of 1988. The Reagan administration once again asked him to step down, promising to have the indictment dropped if he did so. Noriega refused and the United States turned on him (Kinzer 2004:249-250).

As past case studies would predict, one of the first moves that the Reagan administration made was to attack Panama economically. Three years prior to the invasion, the Reagan administration followed the traditional route of destabilization by economically strangling the country. In March of 1988, for example, the United States froze \$56 million in Panamanian assets that were in U.S. banks. Furthermore, the government excluded Panama from the U.S. sugar import quota, refused to pay taxes and fees owed to the Panamanian government for the Canal, and restricted commercial trade with the country. These sanctions, in turn, created runs on the Panamanian banking system. The only way for the Panamanian government to stop the crisis was for it to freeze \$270 million of savings in Panamanian banks. This of course, created hardships for the people who needed money for food and survival. In 1989, the United States went as far as to refuse any ship with Panamanian registry at its ports. This interrupted international commerce in addition to depriving Panama of one of its major sources of income. These economic losses eventually caused Panama to default on its payments to the IMF and World Bank, which prevented them from borrowing further. Overall, the economic blockade implemented by the United States caused the Panamanian economy \$500 million in losses and a 27% reduction in GNP (ICIUSIP 1991:23-24).

In addition to the economic attacks, the Reagan Administration came up with a covert plan (in 1988) that involved using dissident Panamanian officers to oust Noriega without violence. In essence, the U.S. reverted to their traditional pattern of funding more

conservative/pro-U.S. officers inside of a government. If this plan failed, the next step was to finance a dissident Panamanian officer and rebel force that were in exile in Miami and on the payroll of the CIA. The idea was to use them to help forcefully overthrow Noriega. This idea, however, was overruled by the Senate Intelligence Committee because they feared that the latter unit might illegally assassinate Noriega (Blum 2004: 308). However, more important than the Senate action was the inaction by the CIA. There were many within the CIA that did not want Noriega to step down or be brought to trial in the United States. Thus, they opposed the previous plans. Furthermore, after George H.W. Bush assumed the presidency on January 20, 1989, the CIA continued to resist orders to overthrow Noriega. No one at the CIA wanted Noriega in a courtroom telling about his past relationship with the CIA. Instead, Bush was forced to attack Noriega in the Nicaraguan election scheduled for 1989 (Weiner 2007:424).

As we have seen in previous cases, U.S. intervention in political campaigns when covert/overt CIA and U.S. military intervention is not feasible is not a new concept for the United States. President Bush authorized and the CIA provided more than \$10 million in aid to opposition candidates that would run against Noriega's choice for president. Going into the election, Bush and the CIA expected Noriega to attempt to steal the election. They knew this because the CIA and the Medellín Cartel had helped finance Nicolas Barletta, Noriega's previous presidential choice in 1984, who had won the election due to fraud. They did not expect the elections in 1989 to be any different and they were correct. As soon as Noriega realized that his candidate would lose the election, he immediately stopped the ballot counting and had his men beat up the opposition candidates and their supporters (Blum 2004:309). In May of 1989, Noriega declared his

candidate the winner of the election and the new president<sup>3</sup>. President Bush was so angered by these actions that he authorized a covert operation with paramilitary support in an attempt to remove Noriega via coup. However, he was informed soon after by the CIA that Noriega was so entrenched in power that only a full-scale military intervention would work (Weiner 2007:424).

President Bush immediately sent 1,800 troops to the bases in the Panama Canal Zone after he learned that a coup was not feasible. Throughout the summer, U.S. forces consistently clashed with the Panamanian Defense Forces and provoked confrontations. In August, Secretary of Defense Richard Cheney convinced Bush to install General Max Thurman as the new commander of Southern Command, or Southcom, in the Canal Zone. Known as “Mad Max,” it was widely known that Thurman was put in place because an invasion was imminent. Thurman formally assumed command on September 30, 1989 (Kinzer 2006:251).

The evening after Thurman assumed command, he received word from Major Giroldi of the Panama Defense Forces that a coup plan was in the works. Using his 200-man force, the major planned to capture Noriega. All that he needed from the Americans was for them to block the roads north of Panama City; this was to prevent Noriega’s elite Machos del Monte fighting brigade from rushing in and rescuing Noriega. Thurman telephoned the head of the Joint Chiefs, General Colin Powell, and persuaded him not to help. Powell, taking the advice to the White House, convinced the president not to help. Thurman, Powell, and Bush were not only interested in removing Noriega from office. They wanted to remove the entire Panama Defense Forces in addition to Noriega. In

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<sup>3</sup> While the OAS did not support Noriega’s actions, they would not validate the elections because of the large influx of U.S. money in support of an opposition candidate. In essence, the OAS refusal was a reaction to the U.S. attempt to buy a Panamanian presidential candidate of their own (ICIUSIP 1991:25).

order to restructure the country in a manner that would best serve U.S. political and economic interests, the Bush administration thought it necessary to completely remove the institutions that had been built by Noriega. Consequently, the United States passed up a potentially bloodless coup for a full-scale military attack (Kinzer 2006:252).

Major Giroldi put off his plan for an extra day to receive the American response. Still with no reply, he proceeded with the coup and captured Noriega after a short gun fight. Giroldi dispatched troops to Fort Clayton in the Canal Zone to let General Thurman know of the capture. Giroldi wanted to give Noriega to the Americans (p.252). Thurman's second in command, General Cisneros, kept the Panamanians waiting for almost two hours total. After they had telephoned Thurman, he informed the Panamanians that the United States would only accept Noriega under certain conditions. By the time the conditions were given to the Panamanian forces at Fort Clayton, the Machos del Monte had recaptured the command post of Noriega (Kinzer 2006:252; Blum 2004:309).

Because the Americans were intent on having an invasion, Noriega regained control of the country. Major Giroldi was tortured—Noriega's men shot him in the elbows and kneecaps, broke one of his legs, broke one of his ribs, and cracked his skull—and then executed. The United States was responsible for the death of Giroldi and for the subsequent deaths resulting from their failure to capture Noriega in early October. In short, all of the deaths that resulted from Operation Just Cause, as it was ironically named, can be directly attributed to the unnecessary U.S. invasion of Panama in December of 1989.

The terrorist strike on the sovereign nation of Panama was to be implemented with the help of 26,000 U.S. troops; it would be the largest military operation since the fall of Saigon (Weiner 2007:424). Half of the troops would come from the Canal Zone, the other half from bases in the United States. The idea was to hit 27 objectives simultaneously, destroy the Panama Defense Forces, capture Noriega, and install a civilian government under U.S. control. While on paper the Panama Defense Forces had 13,000 members, the reality was that most members were police officers, customs agents, and prison guards. Only 3,500 could be characterized as soldiers trained for combat and resistance. Overall, there was no chance that Panama could ever hold off a U.S. invasion (Kinzer 2006:255).

In the early morning of December 20, 1989, more than 3,000 U.S. Army Rangers parachuted into airports, military bases, and other various locations throughout Panama. This represented the largest combat airdrop since WWII. AC-130H Spectre gunships dropped bombs and fired on targets (with 105mm Howitzers) throughout Panama City that posed any threat or resistance whatsoever. Perhaps the most devastating were the 2,000 pound bombs dropped by the newly added Stealth Bomber<sup>4</sup>. Additionally, U.S. troops used mortars, bazookas, artillery, and M60 machine guns to take over the country (ICIUSIP 1991:28) For the most part, the Panamanian defenses either gave up or started to melt away into the general population. The most important target of all was the military headquarters located in Panama City (La Comandancia). Tanks and armored vehicles closed in on it, followed by rifle companies and platoons. These troops pounded La Comandancia with rockets and heavy gunfire, destroying all of the civilian structures

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<sup>4</sup> According to the ICIUSIP, many thought the invasion was used to test the Pentagon's new Stealth Bomber in a real-world battlefield situation (ICIUSIP 1991:28).

that lie around the building. In fact, the U.S. troops fired munitions into the building for several hours; Army Rangers were able to take over the command center early the next morning (Weiner 2007:424, Kinzer 2006:254-256).

While La Comandancia was being assaulted, U.S. commandos and CIA agents were performing other missions vital to complete the overthrow of Noriega. One squad found and destroyed Noriega's private Learjet so that he could not flee the country. Another squad sought out and rescued a CIA collaborator that had been put in prison. Guillermo Endara, the opposition candidate that had actually won the previous presidential elections in May<sup>5</sup>, was hiding on Howard Air Force Base while the U.S. terrorist attacks were taking place. Having been invited there the previous evening and told that the government would be handed over to him the next morning. As U.S. forces were invading the next morning, Endara was taking his oath of office at Fort Clayton in the Canal Zone (Kinzer 2006:256).

Noriega evaded capture despite being hunted by several commando units. Eventually, the United States was forced to offer a \$1 million dollar reward for his capture. Still, U.S. forces were unable to find him. On Christmas Eve of 1989, Noriega went into hiding at the Vatican embassy; he had been granted refuge by Monsignor Jose Sebastian Laboa. Laboa had agreed not to turn Noriega over to the United States under any circumstances. After learning that Noriega was at the Vatican embassy, General Thurman tried to personally convince Laboa to turn Noriega over, and was refused (p.256). His response was to surround the Vatican embassy with giant speakers and to blast deafening music into the compound. Songs such as "I Fought the Law (and the Law

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<sup>5</sup> As indicated previously, Noriega prevented Endara from assuming office and installed his own choice for president.

Won),” “You’re No Good,” and “Nowhere to Run” were blasted continuously. However, instead of the psychological operation forcing Noriega to flee, it merely led Laboa to announce that he would cease negotiations with the United States until the noise stopped. In essence, it was a calm response to an inane musical assault by the United States (Kinzer 2006:256; Blum 2004:311).

Overall, this was just one example of a series of events carried out by the U.S. military during Operation Just Cause. As William Blum (2004) points out, it was actions like the previous one that make us wonder how “Just” the U.S. “Cause” really was. The following are more examples of the not-so-just terrorist actions committed by U.S. military forces during the invasion:

- (1) Searched out and arrested hundreds of civilian supporters of Noriega even though they did not face American or Panamanian criminal charges; houses were broken into to apprehend some of the individuals.
- (2) Forced ambulances—with emergency lights flashing and sirens sounding as they rushed patients to hospitals—to halt, to be searched for Noriega loyalists disguised as patients.
- (3) Fired into the air without warning while walking through busy streets<sup>6</sup>.
- (4) Imposed and enforced curfews.
- (5) Organized tours of Noriega’s home and office for reporters to gawk at and pry into all of the man’s personal belongings (including taking photos of his underwear).
- (6) Invaded prisons and released prisoners; the commander of the new Panamanian Public Force, appointed by the U.S., blamed the extraordinary wave of crime and violence that hit Panama after the invasion on what he said were hundreds of dangerous criminals freed by the U.S.; he declared that the rate of assaults, murders, and other crime were ‘much worse’ than under the Noriega regime.
- (7) Wearing painted faces and firing machine guns into the air, raided the Nicaraguan ambassador’s home; the ambassador was wrestled to the ground; he and seven other people were held at gunpoint while U.S. soldiers ransacked the house and confiscated weapons, \$3,000 in cash, and personal items; the money was never returned, the ambassador said.

(Blum 2004:311-12)

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<sup>6</sup> This is a clear effort to terrorize civilians on the part of the U.S. military.

Noriega eventually walked out of the Vatican Embassy on January 3, 1990, and surrendered. U.S. troops jumped on him immediately, taping his wrists behind his back and transporting him away in a helicopter. By January 4<sup>th</sup>, he was in a cell in the Miami Metropolitan Detention Center in Florida<sup>7</sup> (Kinzer 2006:259).

The surrender of Noriega, however, does not end the account of U.S. terror. According to the Independent Commission of Inquiry on the U.S. Invasion of Panama (ICIUSIP), the U.S. military continuously lied about the body count from the invasion. The official military story was that figures could not be released because they could not tell the difference between civilian and military casualties. ICIUSIP reports indicate, however, that many doctors in hospitals that treated many of the casualties were fired, arrested, or forced to hide by U.S. forces that were pressuring them not to speak of what they had seen. Of those who refused to be intimidated, they reported the U.S. military purposely failed to register many of the dead bodies that came through hospitals. They believed that their intent was to intentionally underreport the deaths from the invasion (Johns and Johnson 1994:87).

According to the ICIUSIP, the government carried out a systematic and deliberate cover-up of the number of civilians killed during the invasion of Panama. Furthermore, the Central American Human Rights Commission (CODEHUCA) indicates that U.S. soldiers took part in indiscriminate killings during the invasion and in the weeks afterwards. These attacks included killing unarmed civilians in addition to air attacks on clearly defined civilian cars and housing. In addition to these atrocities, U.S. troops removed registries from hospitals so that death counts would be made more difficult and

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<sup>7</sup> Noriega was officially classified as a prisoner of war and scheduled to serve time in a Miami prison until 2007 (Harris 2001:378).



buried bodies in 14 different mass graves (ICIUSIP 1991:41). While the official U.S. military death count stands at 516 Panamanian deaths (civilians and combatants) and 3,000 wounded, CODEHUCA puts the death toll at a minimum of 2,000 people. The United States officially claims that 26 GIs were killed and 300 wounded (p.40).

In addition to distorting the numbers of wounded and dead that resulted from the invasion, the U.S. managed to install a political regime that turned out to be much worse than the government under Noriega. By 1991, Panama had a president, vice-president, and an attorney general with ties to drug trafficking and money laundering. Not only did Panama continue to function as a conduit for drugs from South America, but it now contained (after the invasion) more cocaine production facilities and drug use than had ever existed under Noriega (Blum 2004:313). If the U.S. had invaded Panama to eradicate drug shipments and money laundering, condition two years after the invasion indicate that they had failed horribly. However, if one considers the real objective to be one of installing pro-U.S. government officials, then the invasion can be considered a success for the United States.

In conclusion, when one looks at the overwhelming force and the terrorist tactics that were used in the invasion of Panama, it is clear that the United States violated the Geneva Convention and international law. It is beyond dispute that an invasion on the basis of an indictment and conviction of a crime in the United States is a clear violation of international law. Not only were the attacks condemned by organizations such as the UN and the OAS, but most of the nations of the world independently expressed their opposition to the U.S. invasion (pp.26-27). If these types of attacks were to be allowed worldwide, any nation could convict U.S. citizens, for example, and be justified in

invading the United States in order to apprehend and bring that person to justice in a foreign country. In short, most nations would not dare perform these terrorist invasions, acts, and abductions against another country. The case of Panama is yet another example of the use of terrorist tactics in the long-term trend of U.S. intervention in the affairs of foreign nations.

## **CHAPTER 10**

### **FINDINGS AND DISCUSSION**

#### Iraq (1990-2008)

The events of the prior case study covering Panama/Manuel Noriega can be used as a guide while assessing the events leading up to the second U.S. invasion of Iraq within a decade. Leading up to the invasion of Panama in 1989, Manuel Noriega was demonized by the U.S. government and the U.S. mainstream press. In the months leading up to the second invasion of Iraq—which occurred on March 19, 2003—Saddam Hussein was demonized by the (George W.) Bush administration, the Pentagon, the CIA, and the U.S. mainstream press in a similar manner. Noriega was characterized as a thug who was involved in drug running that threatened U.S. safety and security. Hussein was characterized as an evil dictator that had brutalized his own people and threatened the United States with weapons of mass destruction (WMDs). Both Noriega and Hussein had been former allies and friends of the United States. Ultimately, Hussein’s independence and attempt to disregard U.S. opinion and economic interests resulted in the same fate as Noriega: invasion and overthrow. As was the case with the invasion of Panama, the invasion of Iraq was a blatant violation of international law and condemned by many nations around the world. However, when U.S. economic interests are at stake, the United States has established a pattern of ignoring the international community. In order to

understand this particular pattern better, we must initially look at the history of interaction between the United States and Saddam Hussein.

Saddam Hussein began consolidating his power in Iraq when Syria and Iraq announced plans to form a federation that united rival Baath political parties in the fall of 1978 (Miller and Mylroie 2003:26). At the time, Hussein was the vice-chairman of the Revolutionary Command Council<sup>1</sup> (RCC) and the second most powerful person in the country. President Ahmad Hassan al-Bakr was the most important and powerful person. However, with Hussein's ability to control the four centers of power in Iraq—the army, the party, the tribe, and the security forces—and to arrange for the unification of the Syrian and Iraqi Baathist parties, he managed to force al-Bakr from office (Cockburn and Cockburn 1999:75-76). On July 16, 1979, citing health reason, al-Bakr resigned and Hussein became the president, the secretary-general of the Iraqi Baath Party, chair of the RCC, the head of government, and the commander in chief. Within a week of his ascension to power, Hussein murdered and purged the Baath party of an unknown number of high ranking members at a secret meeting<sup>2</sup>. The event was important because it allowed Saddam Hussein to cement his power within the Baath Party and eliminate all rivals that evening. From this point onward, everyone was aware of the torture and pain that Hussein was willing to inflict in order to stay in power (Cockburn and Cockburn 1999:77-78; Miller and Mylroie 2003:28).

During the years of 1979 and 1980, Hussein and his government increasingly came under attacks from militant Iraqi Shia groups. The Iranian Revolution of 1979

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<sup>1</sup> The RCC was the top decision-making body of the Iraqi state. The chairman of the RCC was the president of the country (GPO 1988).

<sup>2</sup> Some figures place the purge as high as 500 people, but official figures are not available (Cockburn and Cockburn 1999:75-76).

began spilling over into Iraq and Hussein was intent on making sure that Sunnis and Baathists retained power within the country. Over a short period of time, Hussein's contempt for Ayatollah Khomeini of Iran—the leader of the 1979 revolution—grew rapidly. This was especially true after Khomeini called for the Iraqi army to overthrow Hussein. In April of 1980, Hussein began amassing troops on the border of Iran in hopes of overrunning and defeating the Iranian troops. With the country diplomatically isolated and chaos in the military, Iran seemed to be an easy target for overthrow. In the days before Hussein's initial attacks on Iran, the Defense Intelligence Agency (of the Pentagon) had reports that Hussein might attack Iran...and they waited to see what would happen (Cockburn and Cockburn 1999:80).

When the Iraqi army attacked Iran in September, it advanced easily at first. However, by the end of the first year, the Iranian light infantry was inflicting heavy casualties on the Iraqi army. By the end of the second year of fighting, American intelligence estimated Iraqi deaths at 45,000 and approximately the same number captured. Overall, massive numbers of Iraqis were surrendering. With many Arab states worried about Iraq collapsing, Saudi Arabia and Kuwait gave Iraq \$25.7 billion and \$10 billion loans, respectively. However, the main form of support for Iraq did not arrive from the Gulf. In 1983, it arrived from the Reagan-Bush administration (Cockburn and Cockburn 1999:80).

Still angry about being expelled from Iran, the United States was eager to help Hussein. Ronald Reagan sent special representative Donald Rumsfeld to meet with Hussein in Iraq during December of 1983. At the time of the Rumsfeld visit, the Reagan administration had already been informed by the U.S. State Department that Hussein was

using chemical weapons against the Iranians<sup>3</sup> on almost a daily basis. These facts, however, had no bearing on the meeting and the United States was merely interested in helping the enemy of their enemy (Klare 2003:392).

In their overall effort to assist Hussein with the war against Iran, the Reagan and (George H.W.) Bush administrations did the following:

- (1) The Reagan administration gave the approval for U.S. companies to send numerous fatal biological cultures to Iraq (including anthrax) in 1984. Overall, eight shipments of cultures were approved by the Department of Commerce. From 1985 to 1989, a total of 72 shipments of clones, germs, and chemicals that could be used for biological/chemical warfare were sent to Iraq. (Foster 2006:89)
- (2) From 1983-1990, the United States sold Hussein \$200 million in weaponry in addition to a fleet of helicopters. While the helicopters were supposedly to be for civilian purposes, they were immediately given to the Iraqi army.
- (3) Iraq received a \$684 million loan to build an oil pipeline to Jordan. The contract to build the pipeline was given to the Bechtel Corporation. (Kinzer 2006:287)
- (4) The United States removed Iraq from the list of states that support terrorists. This was in spite of the fact that Abu Nidal, a terrorist leader according to U.S. standards, was still living in Baghdad.
- (5) In 1984, the United States reopened their U.S. embassy in Baghdad.
- (6) The CIA gave the Iraqi military intelligence regular briefings and satellite photographs of Iranian positions. This tactical information was given despite the fact that the U.S. government was aware of Hussein's intent to use chemical weapons on many of these positions. (Cockburn and Cockburn 1999:80-81)
- (7) In addition to the previous dual use items, the Reagan administration granted Iraq high-technology export licenses. Iraq was then able to legally purchase advanced computer equipment and equipment used to repair rockets and jet engines.
- (8) Iraq was given \$5.5 billion in fraudulent U.S. agricultural credits and loans. The money was actually channeled through an Italian bank and used for buying arms to fight Iran.
- (9) The CIA used fronts in Chile and Saudi Arabia to directly send weapons to Iraq. (Johnson 2004:24)

Overall, the United States followed a similar pattern as it had with the Contras of Nicaragua and the overthrow of Noriega. In short, it resorted to any means necessary—

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<sup>3</sup> Hussein again would use chemical weapons in 1987, this time against the Kurds within Iraq.

including violating international law, sponsorship of terrorist tactics, and backing those who committed major atrocities—to benefit U.S. government and corporate business interests. Unfortunately for the citizens of Iraq, U.S. support came with a heavy price. With a population of 17 million, Iraq suffered 200,000 civilian and soldier deaths, had 400,000 wounded, and had 70,000 taken as prisoners by Iran. In addition to the \$35.7 billion of debt owed to Saudi Arabia and Kuwait, Iraq amassed another \$40 billion in debt to the United States, Western Europe, and other industrialized nations (Cockburn and Cockburn 1999:82). While Iraq eventually defeated Iran in 1988, its victory had come at a substantial cost.

Almost immediately after the Iran-Iraq war ended, Hussein began to turn on the United States and the West. In 1989, he broke relations with the CIA and began receiving arms from the Soviet Union (p. 83). In 1990, Hussein publicly warned other Arab nations of rising U.S. (and declining Soviet) influence in the area. He specifically mentioned the U.S. intent to control Middle East production, distribution, and pricing of oil (Blum 2004:323). Overall, Hussein committed the ultimate sin of not following the commands of the United States and he would pay as Noriega did. The United States had been operating under the assumption that by helping Hussein in the 1980s, it would have access to and control of the second largest known oil reserves in the world at the time (only Saudi Arabia had more reserves). This also included access for all of the other major sectors that accompanied and complemented the oil industry, such as engineering firms, construction companies, pharmaceutical companies, chemical companies, and weapons manufacturers (Perkins 2004:216-217). Many believe that in response to these transgressions, the United States ultimately led Hussein to believe that his planned

invasion of neighboring Kuwait in 1990 was approved of by the United States.

Ultimately, Hussein's assumptions would be proven incorrect.

Prior to the First World War, Kuwait had been a province of Iraq and had only existed as an independent country since 1961, when the British established it as a separate territorial entity. Iraq, however, had never acknowledged and accepted the separation. Consequently, there was some justification for Hussein's insistence upon Kuwait as a province of Iraq. However, Hussein's primary complaint with and ultimate rationale for invading Kuwait in August 2, 1990, was that Kuwait had stolen \$2.4 billion worth of oil from the Rumailia oil field in Iraq while his country was at war with Iran. Furthermore, Hussein claimed that Kuwait was exceeding production quotas established by the Organization of Petroleum Exporting Countries (OPEC). This, in turn, was flooding the oil market, driving down prices, and threatening Iraq with an economic war by costing the country billions of dollars in revenue. And for a country that was heavily indebted to many nations due to its war with Iran, Iraq could not afford to lose any revenue. Kuwait continued to ignore Hussein on all fronts, forcing him to respond with a troop buildup along the Kuwaiti border in July of 1990. In August, Iraq invaded Kuwait (Blum 2004:321).

In many respects, the Iraqi invasion of a Kuwait in 1990 did not differ much from the U.S. invasion of Panama in 1989. However, this did not prevent President George H.W. Bush from reacting with outrage. Bush spent the next five months convincing the UN Security Council to impose economic sanctions in addition to building a coalition that would join him in an American-led war (called Operation Desert Shield) against



Iraq<sup>4</sup>. On January 16, 1991, the United States began putting Saddam Hussein “back in his place” (Kinzer 2004:288; Blum 2004:324). Over 500,000 U.S. troops had been amassed and were waiting to “liberate” Kuwait.

Overall, the U.S.-led assault was first implemented with a massive bombing campaign and then followed up with a land assault. While the fighting was relatively quick in nature—the U.S.-led forces had driven Iraq out of Kuwait and back to Baghdad in under a month—the devastation was far-reaching (Kinzer 2006:288). Furthermore, the United States had committed many terrorist acts and atrocities during the invasion. Some examples are:

- (1) Tanks towing plows covered Iraqi soldiers in trenches under mounds of sand. Thousands were buried dead or alive, often being shot at after they were buried. U.S. forces also fired upon Iraqi soldiers bearing white flags of surrender.
- (2) The United States targeted nuclear reactors as part of their aerial campaign. This was the first time ever (perhaps setting a precedent) that live reactors had been targeted in such an invasion.
- (3) The United States targeted chemical and biological facilities thought to manufacturing weapons. Subsequent environmental tests revealed that chemical and toxic agents had been released, killing scores of civilians.
- (4) U.S. planes bombed a New Zealand-owned baby food factory after verification was shown that it was not (as the United States claimed) a biological warfare facility.
- (5) U.S. forces widely used advanced uranium depleted shells in their bombings, leaving tons of radioactive and toxic rubble strewn throughout Kuwait and Iraq. It is also highly probable that Iraqi soldiers were covered with radioactive dust clouds that resulted from these weapons.
- (6) Middle East Watch, a human rights organization, verified that the United States repeatedly bombed apartment houses, crowded markets, civilian vehicles, bus stations, and bridges. These targets were often clearly marked civilian targets, often bombed in broad daylight, and without military weaponry in the vicinity.

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<sup>4</sup> It is also important to note that during this time, the movement to end production on the B-2 Stealth bomber was defeated and continued to be manufactured. Furthermore, the Iraq-Kuwait war justified continued existence of many U.S. battleships. It could be plausibly argued that the certain corporations and elements within the government greatly benefited from the Iraqi invasion of Kuwait (Blum 2004:325).

- (7) On February 12, 1991, the Pentagon announced that virtually all military targets in the country had been destroyed. The next morning, U.S. forces bombed a civilian air raid shelter and killed up to 1,500 people.
- (8) U.S. forces unmercifully attacked civilians fleeing Iraq into Jordan. U.S. planes used rockets, cluster bombs, and machine guns on most vehicles traveling on the highway from Baghdad to Jordan.  
(Blum 2004:334-338)
- (9) In the process of destroying Iraq's infrastructure (especially the electrical grid), the United States created a crisis with regard to water purification, health services, refrigeration, and irrigation. In essence, U.S. forces turned a modern, industrial society into one that resembled pre-industrial times.  
(Human Rights Watch 2006c)

In addition to these terrorist actions, the Iraqi civilian death toll during this short period of time is placed between 2,500 and 3,000 by Human Rights Watch (2006c). However, official figures have never been released and do not take into account how many people died in the aftermath. After the Iraqi forces had crumbled and the Iraqi infrastructure had been completely devastated, the United States (along with other allies) called a cease fire on February 28, 1991. The only problem was that Saddam Hussein was still alive and had not been captured (Cockburn and Cockburn 1999:32). And with the stated purpose of the mission as the liberation of Kuwait, Washington could no longer justify their military assault on Iraq. Instead, they resumed their typical pattern of economic isolation in an effort to bring down Hussein.

While the UN officially ended their military assault on Iraq on April 3, 1991, the Bush administration declared that they would not lift their economic sanctions until Saddam Hussein left office (Cockburn and Cockburn 1999:43). Over the next few years in Iraq, conditions deteriorated rapidly:

Malnutrition, starvation, lack of medicines and vaccines, contaminated drinking water, human excrement piling up, typhoid, a near epidemic of measles...Iraq's food supply had been 70 percent dependent on imports, now billions of dollars were frozen in overseas accounts [in the United States],and with prohibitive

restrictions on selling its oil...an inability to rebuild because vital parts could not be imported, industry closing its doors, mass unemployment, transportation and communications broke down...By September 1994, with Washington still refusing to release its death grip on the embargo, the Iraqi government announced that since sanctions had begun in August 1990 about 400,000 children had died of malnutrition and disease. (Blum 2004:338)

If one were to erase the word Iraq from the previous description, it would be difficult to distinguish the difference between what happened in Iraq during the 1990s and Chile during the 1970s. Overall, it is clear that the traditional U.S. pattern of destabilization and destruction was at work in Iraq.

Phyllis Bennis (2000) explains that the UN, under Resolution 687, had tied economic sanctions after the cease fire to Iraq's efforts to create WMDs—nuclear, chemical, and biological—and the missiles that were used to deliver them. Overall, the idea was to rid Iraq of the items so that the sanctions could be lifted. The UN Special Commission, or UNSCOM, was created to oversee the process. However, as the years passed, the United States increasingly added requirements to the list so that Iraq would never be in compliance (p. 5). The United States made it clear that Iraq would be economically isolated unless Hussein was removed from office.

As the economic sanctions loomed on, over 500,000 children under the age of five died directly from hardships resulting from the economic isolation (according to UNICEF). Furthermore, the oil infrastructure continued to erode; water/sewage treatment plants rusted and were never rebuilt because of need of spare parts; schools and universities died off; and new generations of Iraqis grew up desperately poor and hating Western governments as a result of the sanctions. The sanctions continued even after November of 1998 when UN reports indicated that Iraq's weapons programs had

essentially been eliminated (Bennis 2000:5). However, this did not stop the United States from taking further efforts to removed Hussein from office.

President William Clinton signed the Iraq Liberation Act (ILA)—which was drafted by The Project for the New American Century (PNAC)<sup>5</sup> and co-sponsored by Senator John McCain—in October of 1988. The ILA overtly called for regime change in Iraq and allotted \$97 million in U.S. military aid to the Iraqi National Congress (INC). The INC was a group of anti-Saddam Hussein militants that were used to stir up resentment within the country. Their ultimate goal, however, was to instigate a national uprising against Hussein (Cohen 2008). On the surface, this seems to differ slightly from previous cases in that the funding of right-wing militants in 1998 came after an extended period of time (as opposed to continuous, covert funding). However, when looking more closely at the origins of the INC, one finds that the organization was created and funded by the CIA immediately following the UN cease fire in 1991. Further investigation also reveals that the CIA and the Saudis funded another group (in the early 1990s) by the name of Iraqi National Accord (INA). The INA, consisting of ex-Baathists and former members of Hussein's regime, were used to foment a coup. However, they were infiltrated by Iraqi intelligence and the coup against Hussein never materialized. Consequently, the CIA funded and relied upon the INC (Mylroie 2001).

The INC origins can be traced back to the CIA through propaganda expert John Rendon of the Rendon Group. Under the authority of the CIA, Rendon helped assemble,

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<sup>5</sup> PNAC was a nongovernmental political organization founded by William Kristol and Robert Kagan. The purpose of the organization was to advocate for the adoption of military solutions to and implementation of the (Paul) Wolfowitz Doctrine. The Wolfowitz Doctrine can be described as advocating for increased U.S. defense spending and the buildup of the U.S. military in an effort to keep the United States in its position as the lone superpower in the world. The doctrine advocates for pre-emptive strikes and convincing other nations not to challenge U.S. power. The original members of the PNAC group include Paul Wolfowitz, Richard Cheney, Zalmay Khalilzad, I. Lewis Libby, John Bolton, Elliott Abrams, Donald Rumsfeld, Richard Perle, and William J. Bennett (Cohen 2008).

name, and advise the group that came to be known as the INC<sup>6</sup>. The main goal of the group was to use propaganda to create the conditions for the removal of Saddam Hussein from power (Bamford 2005:53). Ahmed Chalabi, a wealthy Shiite businessman residing in London at the time, was chosen by Rendon and others to lead the INC. The INC was based out of London and operated in the Kurdish territory of northern Iraq so that it would have room to plan and work (Mylroie 2001; Bamford 2005:53).

Looking briefly at Rendon, it becomes clear that the Bush 41<sup>7</sup> administration was intent on bringing in a propaganda expert that could justify U.S. support of dissidents in Iraq and possibly a future invasion. On closer inspection one finds that Rendon has been involved in every U.S. war since Panama except for Somalia. In the illegal U.S. war against Panama, Rendon had been paid by the CIA to create a campaign that would help Guillermo Endara be elected president. With laundered money that had been passed from the CIA to Endara, Endara would pay for the propaganda services that helped him win the 1990 election in Panama (Bamford 2005:56). With regard to Iraq, Rendon<sup>8</sup> was intent on creating the conditions necessary for the overthrow of Hussein.

With the arrival of the Clinton administration in 1993, support for the INC and the campaign against Saddam began to wane. Clinton still funded the INC, but he prohibited the funds from being used for the purchase of weapons. Chalabi, being a very rich man, used \$8 million of his own money to buy RPGs, mortars, and machine guns (Mylroie 2001). The reduction of support for the INC, however, does not indicate that Clinton was

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<sup>6</sup> The Rendon/INC operation received over \$300,000 per month in the years following the 1991 Iraq War (Bamford 2005:60).

<sup>7</sup> Hereafter, references to the Bush Administration will be followed by either 41 or 43 to indicate George H.W. Bush and George W. Bush, respectively.

<sup>8</sup> It is also reported that the Rendon Group received a \$100 million contract for the five years following the 1991 Iraq War. It was very profitable to produce propaganda for the United States (Bamford 2005:60).

significantly different than prior presidents with regard to ousting Saddam and the use of terrorist tactics. For example, in December of 1998, Clinton bombed Iraq with cruise missiles for four days during Operation Desert Fox (Bennis 2000:5). While the official reasons for bombing were given as Saddam's expulsion of UNSCOM inspectors, it is clear that Clinton was continuing the destabilization campaign that he had formally launched with the Iraq Liberation Act. Furthermore, if this had been an isolated response or incident of U.S. aggression, there should have been no further attacks. However, in their enforcement of illegal no-fly zones and implementation of bombing raids on radar installations and military targets in northern Iraq, U.S. and British forces killed 144 civilians in 1999 alone (Bennis et al. 2001:106). Overall, the Clinton administration can be seen as continuing the traditional pattern of destabilization of leaders it seeks to replace.

During the time that Clinton was in office, corporate interests were partially prevented from reaping the benefits of the assault on Iraq in 1991. However, there were many corporations that found ways to exploit the economic embargo and work through intermediaries in the meantime. And, for the most part, these violations were largely ignored and companies allowed to profit. Examples of these transactions were recently revealed in a CIA report and indicated that five major U.S. oil companies—Coastal Corporation (a subsidiary of El Paso), Chevron, Texaco, BayOil, and Mobil (now part of ExxonMobil)—bought oil through intermediaries under the UN Oil for Food Program. The \$64 billion UN program was set up in 1996 by the UN Security Council so that Iraq could export oil to pay for food, medicine, and humanitarian goods. In short, the program forced Iraq to sell oil at below market prices for the benefit of U.S. oil corporations.

Chevron and other oil companies provided extra payments and fees that were eventually funneled through intermediaries to Saddam Hussein. In the end, Hussein and the Iraqi government received approximately \$1.8 billion in kickbacks from the companies. And despite UN evidence linking the oil companies to the kickbacks (especially Chevron), the corporations denied any wrongdoing. While the corporations have agreed to pay penalties for the transactions, there is little doubt that the venture was still highly profitable in the end (Gatti and Mouawad 2007).

As the Clinton era ended and George W. Bush assumed office in January of 2001, the assault against Hussein continued. Taking the recent history of Iraq and Hussein into account, it becomes clear that the drive to remove Saddam Hussein from power was not a creation of the Bush 43 administration. This had been an ongoing venture that needed a catalyst to justify direct military intervention in the country. While many speculate that the current administration is unique in its promotion of armed intervention in Iraq, patterns from prior case studies indicate that it was the only administration in recent years that was properly positioned to take advantage of Iraq. While the expulsion of UN weapon inspectors from Iraq in 1998 provided the Clinton administration with justification to randomly bomb no-fly zones, it did not warrant regime change through direct military intervention. The events of 9/11, however, provided the opportunity and the cover that the Bush 43 administration needed to justify deposing Hussein from office. Furthermore, because of years of sanctions and the destruction resulting from the Iraq war in 1991, Iraq was a country in desperate need of rebuilding. With a pro-U.S. corporate interest (especially oil) president in office, the corporations that had contributed to the Bush 43 campaign stood to make massive amounts of money in the event of a U.S.

invasion. Consequently, Bush went to work in justifying U.S. intervention in Iraq directly after 9/11.

Within days of 9/11, Bush started pressuring administration officials to find links between the al Qaeda attacks on the WTC and Saddam Hussein. Despite some initial resistance, his officials began linking Hussein with WMDs and the terrorist attacks in New York. In mid-2002, Bush began making public statements that Saddam Hussein was developing WMDs that could be sold and used by terrorists to attack the United States (Kinzer 2006:289). Vice President Richard Cheney<sup>9</sup> contributed to the justification of invading Iraq by repeatedly (and incorrectly) asserting that there were ties between al Qaeda and Saddam Hussein (Kornblut and Bender 2003; Corn 2006; Nunes 2007; Shakir 2008). This propaganda campaign was so effective that just prior to the 2003 invasion of Iraq, over 50% of the U.S. population mistakenly believed that Saddam Hussein had personally been involved in the 9/11 attacks (Frankovic 2007). However, these results should not be seen as unexpected given the fact that the CIA-funded Rendon Group had been responsible for much of the anti-Hussein propaganda that was used to confuse the public.

The most effective piece that Rendon was responsible for producing was the front page cover story by Judith Miller in the December 20, 2001 edition of *The New York Times*. Miller had been contacted by INC leader Ahmed Chalabi in an effort to convince the public that Hussein had WMDs. Miller herself had close connections with I. Lewis Libby and other neoconservatives within the Bush administration, so she served exceptionally well as a conduit of propaganda. Miller's December 2001 piece indicated

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<sup>9</sup> It should be noted that VP Richard Cheney is the former CEO of Halliburton, an oil, infrastructure, and military support company. Halliburton was one of the companies that received billions of dollars in no-bid contracts before and after the 2003 invasion of Iraq (Kinzer 2006:291).



that an Iraqi defector who was a civil engineer had verified that Hussein had secret facilities for producing biological, chemical, and nuclear weapons (Bamford 2005:54). This contradicted UN reports from 1998 that indicated that all nuclear weapons and almost all chemical and biological weapons in Iraq had been destroyed (Bennis et al. 2001:202). The world would find out later that this informant had fabricated information and lied about what he had seen. Furthermore, there was evidence in late 2002 and early 2003 that there were no WMDs within Iraq. UN weapons inspector Hans Blix indicated that while Iraq was obstinate in some respects, UN inspectors were operating freely and had not found any evidence of WMDs. An 11,000 page document submitted by Iraq to the UN in December of 2002 made the same assertions (Kinzer 2007:295). It seems Bush knew that there were no weapons but would not concede this fact. He went as far as to send Secretary of State Colin Powell to the UN Security Council in February of 2003 to make the case for Iraq having WMDs. However, this was a mere formality. With or without UN Security Council approval (which the United States did not receive), Bush had already decided that he would invade Iraq. The formal announcement came on March 17, 2003. Saddam Hussein and his sons were told that they had 48 hours to leave or the United States would invade (p.296).

The United States, under the pretext of “preventive war,”<sup>10</sup> illegally invaded the sovereign nation of Iraq at midday on March 19, 2003. Using 130,000 U.S. ground troops that had been amassed in neighboring Kuwait, U.S. forces sped through Iraq and faced

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<sup>10</sup> Noam Chomsky (2003) explains that there is a monumental difference between preventive war and preemptive war. The latter refers to a military response to a threat that is in progress or to a real-world enemy prepared to strike, such as planes on their way to bomb a city. A preemptive strike/war has some standing under international law. A preventive war, on the other hand, is launched due to an imagined, future threat. Not only does this not have standing under international law, but it is regarded as a war crime (p.12). Even Richard Perle, an advisor to Donald Rumsfeld and the Pentagon, conceded that the war was illegal under international law (Burkeman and Borger 2003).

light resistance. What is especially compelling is that they faced no aerial, chemical, or biological attacks. If Hussein had WMDs, he surely did not use them (Blum 2004:298). As later reports would reveal, WMDs were never found. Bush would declare victory in Operation Iraqi Freedom and proclaim the end of major combat operations in Iraq on May 1, 2003, a mere 43 days after the initial invasion. Unfortunately for the families of those who have died since that date, the “Mission Accomplished” banner hanging from the USS Abraham Lincoln appears to be a cruel joke (p.299).

Given the propaganda and lies that were promoted by the Bush 43 administration, the most appropriate way to characterize the invasion and occupation of Iraq is a terrorist act. The premise behind the invasion was the removal of Saddam Hussein in an effort to install a regime that was friendly to U.S. government and corporate interests. Consequently, every incident of death and destruction of property related to the invasion fits the definition of a terrorist act on the part of the United States. According to the public database maintained by Iraq Body Count (IBC)<sup>11</sup>, during the initial days of the invasion (up until May 1, 2003) 7,299 civilians were killed. In the next nine months, 6,215 additional civilians were killed. In the second year of U.S. presence in Iraq, 11,351 Iraqi civilians were killed. In the initial two years of occupation, U.S. terrorist attacks directly or indirectly resulted in the confirmed deaths of 24,865 civilians. Over half of all deaths resulted directly from explosive devices, of which 64% were from U.S.-led air strikes. To these deaths you can add 42,500 civilians that were wounded in the first two years (Iraq Body Count 2007b). As of April 10, 2008, there are 92,354 confirmed civilian

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<sup>11</sup> IBC is a public database that records violent deaths in Iraq. The database obtains and verifies its records by using media reports and crosschecks them against hospital, morgue, and NGO records. IBC only records verifiable, documented deaths and does not post estimates. Furthermore, this is only a record of civilian deaths due to violence (Iraq Body Count 2007a).

deaths directly resulting from the U.S. invasion and fighting in Iraq<sup>12</sup> (Iraq Body Count 2007c). As of March 24, 2008, 4,308 U.S. coalition-led soldiers<sup>13</sup> have also died in Iraq, of which 4,000 were U.S. troops (BBC News 2008).

In trying to further understand the rationale behind the U.S. invasion of Iraq, it is necessary to look more closely at the initial steps that U.S. forces made just before and after they entered the country in 2003. At home in the United States, USAID was holding bids on March 10, 2003, for contracts to rebuild the run-down infrastructure of Iraq. At the time, the contracts were thought to be worth at least \$900 million. The five companies allowed to bid—all of which were U.S. owned—were Halliburton unit Kellogg, Brown and Root, Bechtel, Fluor, Louis Berger, and Parsons. Kellogg Brown was also awarded a contract by the DoD to put out any fires that might be set on fire during an invasion (BBC News 2003b). It should also be noted that the negotiations and contracts took place at least a week before Bush gave Saddam a chance to surrender. This points to the fact that there were never any real plans to avoid an invasion.

The initial hours of invasion also tell much more about the U.S. reasons for invading the country. One of the Pentagon's top priorities upon invasion was to secure the Rumaylah oil field and its wells (Gordon and Trainor 2006:166; 182). While this was accomplished in less than two days, military planners seemed to have forgotten to schedule time to protect the billions of dollars worth of artifacts in the Iraqi National Museum. Even after U.S. forces took control of Baghdad, looters managed to steal from the unsecured museum. In total, over 170,000 items (some thousands of years old) were

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<sup>12</sup> For an individual account (case by case) of each reported civilian death and incident in Iraq, go to <http://www.iraqbodycount.org/database/>.

<sup>13</sup> Exact figures for Iraqi soldiers are not available. However, the death of Saddam Hussein could be directly attributed and added to this list.

stolen because U.S. forces failed to put any protection at the site (BBC News 2003a). From the initial days of the invasion the actual reasons for U.S. intervention in Iraq appeared to revolve around U.S. economic interests. There are additional indicators to this effect.

In the years leading up to the invasion in 2003, U.S. and British oil companies had been virtually shut out of Iraq for 30 years. As long as Hussein stayed in power, there would be little possibility for the U.S. corporations developing the Iraqi oil fields. Furthermore, Chinese, Russian, and French oil companies had been positioning themselves to develop the fields once economic sanctions were lifted from Iraq. In short, corporations from all three countries had signed contracts with Iraq regarding the future development of their oil fields. However, if the United States was successful in regime change, the Bush administration could push for the cancellation of those contracts and open up the country to U.S. and British firms (Renner 2003:585). After the invasion, and as expected, U.S. oil firms' access to Iraqi oil resources drastically changed. As of February 2008, over 70 international firms were bidding for access to develop the oil resources in Iraq. While the results are expected to be announced at the end of June 2008, top contenders for contracts are Royal Dutch Shell, BP, ExxonMobil, and Chevron (Rasheed 2008; Associated Press 2008). In short, the Bush administration managed to open the Iraqi oil fields to U.S. and British firms, pushing other contenders to the side.

Overall, with the help of people like Ahmed Chalabi<sup>14</sup> of the INC and John Rendon of the Rendon Group, the Bush administration was able to promote a terrorist campaign in Iraq that has greatly benefited U.S. corporations. In 2002 alone, corporations

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<sup>14</sup> After providing evidence (claims about Hussein's WMDs) that helped Bush promote the war, Chalabi went on to be the Deputy Prime Minister of Iraq and an Interim Oil Minister (BBC News 2005).

that make missiles, combat jets, and other weaponry—such as Boeing, Lockheed Martin, and McDonnell-Douglas—were awarded \$41 billion in contracts. To argue that these corporations did not promote and benefit from the war seems futile given these numbers. In fact, major portions of these corporations' profits rely upon war and destruction. But, these figures are just the tip of the iceberg. Since the beginning of the 2003 invasion, many U.S. corporations have been hired to rebuild Iraq's entire infrastructure in addition to building new prisons (Kinzer 2006:291). This trend is expected to continue now that the United States has indefinitely maintained its occupation. However, even if U.S. military forces were to pull out (which is highly unlikely), Iraq has already been opened up for investment to and profit by the United States and the Western world. Thus, like every other nation that has been a victim of U.S. terrorist attacks, Iraq will be gradually transformed into country at the mercy of U.S. corporate interests.

In closing, it is important to remember that the terrorist tactics used in the 2003 invasion of Iraq and afterwards were not the first instances of these types of events within Iraq. The United States had previously used the tactics when they attacked the country in 1991. Furthermore, it is important to keep in mind that the overthrow of Saddam was an ongoing theme that ran throughout three different presidencies. Like the case of Panama and the leadership of Manuel Noriega, Saddam Hussein of Iraq was a former ally of the United States. It wasn't until Hussein asserted independence from U.S. control that the United States publicly characterized him as an evil, despotic dictator and implemented plans to overthrow him. While the occupation of Iraq is still in process, past trends would indicate that the United States will remain until they are satisfied that their economic interests will be protected in the country on a more permanent basis.

## CHAPTER 11

### **Conclusions and Limitations of the Study**

The purpose of this thesis, as stated in the introduction, was to answer four questions. The first question required an assessment of the evidence in order to determine whether U.S. foreign policy and intervention since 1948 indicated terrorist behavior on the part of the U.S. government. This was accomplished, in part, by comparing the U.S. government's own definition of state and state-sponsored terrorism to U.S. interventions abroad. Directly stemming from the first was the second question of whether these interventions indicated a terrorist pattern over time, which would warrant labeling the United States as a terrorist state. The third question required investigation of U.S. interventions for patterns—especially with regard to the use of terrorist tactics—that might indicate a preferred strategy, order, and/or technique during interventions. Finally, and perhaps most importantly, the fourth question sought an explanation as to why the United States government intervened in the affairs of other nations and used terrorist tactics while doing so. The case studies of Iran, Guatemala, Indonesia, Chile, Nicaragua, Panama, and Iraq have provided an abundance of information that clearly answered all of these questions.

### Did certain U.S. actions qualify as terrorist acts?

By applying the U.S. government's own definition of a terrorist act<sup>1</sup> to U.S. inventions abroad, every case study examined has indicated that the United States government has participated in multiple acts of state and state-sponsored terror. Furthermore, the data indicated that a wide range of individuals within the U.S. government and U.S. agencies were either directly responsible for planning and/or committing terrorist acts.

### Is the United States a terrorist state?

With regard to whether the evidence suggested a pattern of terrorist behavior on the part of the United States government, the answer was an overwhelming “yes.” It is clear that the United States government has committed multiple acts of terror over the past six decades while intervening in the affairs of other nations. These interventions indicated a persistent pattern over time<sup>2</sup> and meet the criteria for state terrorism. In fact, the Iraq case study alone—given that it has spanned for more than five years—provided enough evidence to warrant labeling the United States as a terrorist state over an extended period of time. The illegal U.S. invasion (in 2003) and occupation of Iraq has resulted in a minimum of 92,354 confirmed civilian deaths, which is approximately 30 times greater than the 2001 WTC and Pentagon attacks (with approximately 3,000 deaths) that are labeled as “terrorist” by the current Bush administration (Iraq Body Count 2007c). Additionally, if one considered the case study of Indonesia, the evidence of U.S.

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<sup>1</sup> See page 9 for the definition of a terrorist act. See pages 10-11 for the definitions of state and state-sponsored acts of terror.

<sup>2</sup> In order to test for terrorist behaviors and patterns over time, case studies were selected to maximize coverage over the 60-year period under investigation.

terrorism over an extended period of time (16 years in this case) is even more astounding. U.S. military and CIA intervention in Indonesia throughout 1965 alone—in the form of aiding Suharto’s rise to power—resulted in the slaughter of at least 500,000 civilians (see pages 103-104 in the Indonesia case study). Once again, in comparison with the attacks on 9/11, the civilian deaths in Indonesia during 1965 were 166 times greater. While these are but two examples, all of the overlapping case studies offered evidence of a pattern of terrorist acts committed by agents of the U.S. government. It is unquestionable that the United States government—especially the CIA—has consistently used terrorist tactics over time while intervening in the affairs of foreign nations.

#### What were the patterns of U.S. terror and foreign intervention?

In U.S. interventions since 1948, there has been a preferred repertoire of strategies and techniques that the U.S. government and the CIA have repeatedly employed in their efforts to terrorize and eventually overthrow government leaders. As we have seen throughout the case studies, there are many other avenues of influence—in addition to direct military intervention—that the U.S. government has utilized when intervening in foreign nations. These avenues, referred to previously as tactics and techniques of intervention, revealed a pattern of how the United States has chosen to intervene in the affairs of other nations.

While there was no set order or mandatory steps for U.S. intervention in other nations, there were certain patterns and trends that occurred across the case studies. The United States, primarily with the help of the CIA, maintained an “arsenal” on which it drew according to opportunity and need at a particular moment. Following is a checklist



that I have created in order to identify detailed patterns of intervention in foreign nations that have been identified in many (if not all) of the cases covered. While not exhaustive in nature, it can provide the reader with a basic framework of how United States has maintained its hegemony over time.

- (1) The U.S. government maintained constant surveillance of foreign nations (within the U.S. realm of influence<sup>3</sup>) in search of progressive, reformist, and/or nationalistic leaders and/or political parties. The idea was to defeat any challenge to the capitalist mode of production before it became too large.
- (2) The U.S. government consistently provided military aid<sup>4</sup> to right-wing military officers and/or troops in nations it wished to influence<sup>5</sup>. Of all of the techniques/weapons of intervention in the U.S. arsenal, this was the most consistent and the least likely to ever be discontinued. The U.S. government relied upon right-wing military officers for coups and for pressuring progressive forces from office.
- (3) If a challenge (e.g., a progressive leader pushing agrarian reform, increased taxes on the rich, or nationalization of U.S. capital) to the capitalist mode of production arose, the CIA started or continued funding more conservative candidates/groups<sup>6</sup> (in addition to the military) in that particular nation. Traditionally conservative groups that often receive U.S. aid included the Catholic Church and pro-business groups and organizations. Conservative, pro-business political candidates often received large amounts of covert support through the CIA.
- (4) If conservative candidates or groups do not exist to challenge progressive forces, the CIA created organizations and recruited opposition candidates. The AIFLD, for example, was created to train labor leaders in a more conservative U.S. business ideology (e.g., anti-union). The Ford Foundation also participated in the training of foreign elites that promoted capitalist and free market ideology.
- (5) Propaganda<sup>7</sup> in the form of newspaper articles, ads, posters, flyers, and radio announcements<sup>8</sup> were used by the CIA to denounce any candidate or

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<sup>3</sup> During the Cold War, many of the nations within the Soviet bloc were not subject to U.S. influence and/or coercion. Only after the Soviet collapse in 1991 did many Eastern European nations (among others) become subject to U.S. influence.

<sup>4</sup> Military aid can come in the form of cash assistance, providing weapons, providing training of foreign forces on foreign soil, and the training of foreign forces on U.S. military installations throughout the world. In the latter example, the School of the Americas was used extensively for this purpose.

<sup>5</sup> The idea of a politicized U.S. military is antithetical to U.S. ideals. However, the U.S. government has no qualms about funding conservative military officers in other nations. It benefits the United States if foreign militaries are not neutral.

<sup>6</sup> Attempts to bribe and/or assassinate progressive candidates sometimes occur before funding conservative candidates.

<sup>7</sup> After military aid, the use of propaganda is the most consistent of all of the techniques used while intervening in the affairs of other nations. In some cases, such as those since the Panama invasions, professional firms have been hired to assist in propaganda campaigns.

group that opposed U.S. business interests. The CIA usually funneled substantial resources into this particular area to incite unrest within the population. All efforts were made to disguise U.S. involvement so that civil unrest could be labeled as a “popular uprising.”

- (6) If propaganda, opposition candidates, and other conservative groups failed to work, various forms of violence were approved by the U.S. government. This took the form of a military coup, inciting riots, the funding of rebel groups (e.g., the Contras), and/or assassination<sup>9</sup> of opposition groups/candidates. In many cases, the U.S. government provided auxiliary covert and military support. In some cases, U.S. military forces were authorized for direct support roles.
- (7) In the event that a progressive candidate was elected, economic sanctions were placed on the entire country until the leader was removed (either by election or a coup). Sanctions were wide-ranging, but generally included economically isolating the country and forcing the withdrawal of all loans and aid from the IMF, World Bank, USAID, IDB, and similar organizations. The idea was to disrupt the economy of a country to such an extent that the citizens overthrew or called for the removal of the leader.
- (8) If the United States was successful in removing a progressive leader, the next step was to replace him/her with a conservative, pro-U.S. leader. In many instances, the new leader was a dictator that used methods of suppression that were antithetical to U.S. ideals. However, these leaders and their practices were tolerated as long as they benefited U.S. business interests.
- (9) In the event that a progressive leader could not be removed or a dictator failed to follow the direction the U.S. government (e.g., Noriega and Hussein), full-scale U.S. military invasions were authorized. Not only did this usually result in the installation of a pro-U.S. leader, but it also created opportunities for U.S. corporations to rebuild infrastructure in the nation that was invaded.

It is important to note that while escalating U.S. intervention usually followed a pattern that began with (1) and ended with (9), there were many steps that were skipped or not relevant. Furthermore, because there was not a strict timeline of when techniques must be used, some were used more than once and in differing order than in previous case studies. Overall, the point is that these techniques were available for use when they were needed. The situation dictated which techniques were used and when. Terrorist acts, while not

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<sup>8</sup> If newspapers and radio stations were not cooperative, the CIA usually funded and created their own companies to disseminate propaganda. Additionally, the CIA would plant stories in neighboring countries which were often unknowingly picked up by radio stations and newspapers within the target country.

<sup>9</sup> While assassinations are technically prohibited under U.S. law, there are actual instances where groups under the control of the CIA have assassinated foreign military commanders and other officials. The Chile case study is one example of assassination under U.S. guidance.

specifically highlighted in the previous list, could and often did occur within each of the steps of intervention. However, the use of terrorism was but one aspect of U.S. intervention and not every action by the United States in the affairs of foreign nations constituted acts of terror. Consequently, this framework must be used in conjunction with our definition of state terror and the individual case studies in order to arrive at specific instances of state terror. This was, in fact, the focus of the seven case studies that were covered previously.

Furthermore, while investigating patterns of terrorist behavior in each case study, the data indicated that the most consistent and relevant groups contributing to terrorist patterns are the U.S. military and the CIA. For the most part, U.S. military forces also were consistently involved in the training of right-wing militaries and used as support elements for opposition groups located within a country selected for intervention. In the cases of Panama, Nicaragua, and Iraq, these forces were directly and heavily involved in intervention and invasion. However, because of their dual purpose role (defensive and offensive) and their ultimate subservience to civilian authority, the U.S. military in and of itself should not automatically be considered a terrorist organization by definition. On occasion—but not in these particular case studies—it could serve as something other than a terrorist force.

The CIA's primary purpose, according to the evidence gathered in these case studies, was (and still is) to serve as a terrorist organization at the behest of the U.S. government. There was substantial evidence of the CIA repeatedly committing terrorist acts (e.g., inciting riots, dropping bombs, committing acts of sabotage, providing illegal weapons for insurgency/assassination, and illegal use of embassies) in the cases analyzed.

Overall, the most fitting classification of the CIA is to label it a terrorist organization<sup>10</sup>.

This label, as previously mentioned in the introduction (see p. 2), has already been applied to the CIA by other nations like Iran.

### Why did the United States resort to the use of terror?

The explanation as to why the United States would use terrorist tactics and intervene in the affairs of other nations was primarily, but not solely, economic in nature. Furthermore, the case studies have indicated that the economic explanation was tripartite in nature. The first economic motive for U.S. foreign intervention was the preservation and protection of the capitalist economic system as a whole. World-system theory indicated that this is the role of a hegemon, a position that the United States currently occupies. From the seven cases analyzed, the data suggested that the United States was diligent (albeit not always competent) in its role and its protection of the capitalist mode of production. Under the guise of attempting to spread democracy, the United States has systematically destroyed most attempts at nationalistic, progressive, and/or socialist change with a wide range of CIA or U.S. military intervention. While appearing ideologically motivated, “spreading democracy” often was in reality an economic imperative for U.S. intervention.

The second economic explanation for U.S. intervention involved threats to U.S. government investments, U.S. multinational investments, and (in some cases) other Western European investments within a particular country. This was seen in the case studies of Iran, Guatemala, Indonesia, and Chile. In the case of Iran, AIOC (known as BP

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<sup>10</sup> While the intent of this thesis was not to specifically seek out and label terrorist organizations within the U.S. government, the evidence against the CIA is so overwhelming that it had to be classified as a terrorist organization and included in the conclusion.

after 1953) was nationalized by the Mossadeq government. However, it was the American multinational oil companies that coerced the U.S. government to intervene due to the fear of a domino effect of the nationalization of oil companies in other nations, which may have affected their holdings in Indonesia and Latin America. In Guatemala, the Arbenz government's land reforms and seizure of UFC property prompted intervention to protect corporate assets. In the case of Indonesia, the forced renegotiation of contracts with three U.S.-owned oil companies (Shell, Caltex, and Stanvac) and the nationalization of Goodyear Tire and Rubber Company and Freeport Sulphur (among other U.S. companies) provided the impetus to invade. Also, the possibility of gaining access to twenty billion barrels of untapped oil undoubtedly played a part in this intervention. Finally, in the case of Chile, the Allende government's nationalization of Anaconda Copper Mining Corporation, Kennecott Copper Company, and ITT served as part of the reason for continued U.S. intervention. Overall, in each of the previously mentioned cases, there was an overriding theme of intervention based upon protection of U.S. MNC investments.

The final economic motive for U.S. intervention involved creating access for future investment and/or creating access to natural resources where access was currently restricted or non-existent. The case studies of Iran, Indonesia, and Iraq provided examples of this type of intervention. In addition to protecting U.S. and British oil resources worldwide, the Iran case study was also an example of how U.S. intervention promoted U.S. corporate interests in the form of gaining access to resources that were previously unavailable to them. For example, one of the benefits of installing the Shah in 1953 was that the new government granted five American oil companies a 40% share in a

consortium that controlled the management, refinement, production, and distribution of oil within Iran. After the U.S. intervention in Indonesia, U.S. corporations gained access to oil, tin, and rubber. These advances were complemented by a newly liberalized and open economy that was created by Suharto. The case of Iraq is still in progress, but has yielded significant profits for the oil, engineering, and private security firms that currently are receiving no-bid contracts for their services. Furthermore, U.S. oil companies have recently gained access to oil fields that they were all but excluded from before the United States invaded Iraq in 2003. Overall, U.S. corporations have derived clear and substantial benefits from U.S. intervention abroad.

#### Revisiting the literature reviewed

As previously mentioned, explaining how and why the United States resorted to the use of terrorist tactics cannot be reduced to a purely economic explanation. While world-system theory contributed much to our understanding, alone it was not sufficient to allow us to fully comprehend this phenomenon. Therefore, it is to our benefit to reconsider the other theoretical perspectives—both non-economic and economic—presented in Chapter Two.

The first of the non-economic theories was the covert warfare explanation. According to Hoffman (2006), the idea of warfare by proxy—otherwise known as state-sponsored terror—was a technique that the United States government has embraced as a “deliberate instrument of foreign policy” (p.258). Whether under the guise of fighting Communism or terror or spreading democracy, each of the seven case studies indicated that the United States had consistently used covert warfare to protect U.S. economic

interests abroad. While Hoffman (2006), Laqueur (1999), and Cline and Alexander (1986) solely analyzed nations such as Libya, Syria, Iran, Iraq, and the Soviet Union, the evidence from my case studies indicated that the United States should be added to the list of nations that sponsor terror. Furthermore, the use of covert warfare by the United States has become so institutionalized—as evidenced by the continued existence and extensive terrorist activity of the CIA—that I assert that sponsorship of terror through proxy should be considered an official policy of the U.S. government.

The covert warfare explanation told us that many terrorist acts were committed through proxies in an effort to avoid direct confrontation with the Soviet Union during the Cold War. However, this explanation merely provided us with an intermediate explanation as to why the United States sponsored acts of terror. The covert warfare explanation failed to address the tripartite economic motivations that drove U.S. interventions abroad throughout the Cold War and after the collapse of the Soviet Union. Consequently, while the motivation for covert warfare partially explained U.S. actions abroad, the underlying economic motivations for conflict were ignored. Thus, the covert warfare explanation would have to be combined with the economic explanations presented in the previous and subsequent sections in order to arrive a fuller understanding of U.S. terror abroad.

Unlike the covert warfare explanation, the “rogue agents/agency” theoretical perspective contributed very little to our understanding of U.S. terror. The case studies indicated that the CIA participated in terrorist acts under the authority and direction of the U.S. government. Furthermore, because the CIA and its predecessors were created under presidential directives/orders and were responsible to the President, Congress, and Senate

of the United States, the idea of the CIA operating as a rogue agency is far-fetched and unsubstantiated. Every presidential administration mentioned throughout this thesis had direct knowledge and approved of terrorist and covert actions by the CIA. Furthermore, because of the involvement of the U.S. military in many terrorist interventions, the direct knowledge and participation of government officials (including the president) was mandatory.

Although it is not reasonable to assert that government representatives had extremely detailed knowledge of every action that the CIA or its agents undertook, I have discounted the notion of a “rogue agency.” And while acknowledging the fact that a single CIA agent’s actions may have deviated from his/ her orders, it is important to take the larger picture into account. The primary purpose of the CIA was and still is to terrorize other nations and their citizenry. The fact that one particular agent committed “more terror than others” or committed “unauthorized terror” is a moot point. The organization as a whole committed illegal, terrorist acts and it does not matter that some agents committed greater acts of terror than others. In short, the case studies indicated that the varying degrees of terror committed by the CIA were authorized and overseen by the U.S. government, either directly or indirectly. Thus, the explanation of a rogue agency/agent may have sounded plausible at first, but was incorrect according to the data collected in this thesis.

The third non-economic theory reviewed in the literature was the ideological perspective, which focused on fundamental differences in beliefs and values between the United States and who it identified as its adversaries. In previous sections, I explained that the use of “anti-Communism” and “spreading democracy” frames by the U.S.



government as a justification for U.S. intervention ultimately had its roots in defending the capitalist mode of production and/or U.S. business interests. While there may be individuals who believe that the ideology they espoused was true, this does not change the fact that there were underlying economic motives that drove U.S. interventions. In fact, every case study covered indicated an economic motive as the primary motivation for intervention. Like the covert warfare explanation, the ideological explanation was an intermediate explanation with economic roots.

The final non-economic theory stated that terrorism is the hallmark of certain (Republican) presidential administrations, not a long-term trend. However, the evidence has shown U.S. interventions and terrorist acts across all administrations regardless of political affiliation. For example, all administrations over the last 60 years have used military aid—usually funding right-wing military officers—as a form of leverage against their adversaries abroad. And interventions started under one administration were pursued under subsequent administrations regardless of political party. Hence Ronald Reagan and George H. W. Bush continued the Nicaraguan intervention that began under Jimmy Carter; and George W. Bush and Bill Clinton continued and escalated the Iraq intervention started by George H.W. Bush.

Even Jimmy Carter, despite negotiating the Panama Canal Treaties and having a “dovish” reputation, maintained that the United States retained the right to intervene in the Canal Zone if necessary. Carter was also the president who proclaimed the U.S. right of intervention in the Middle East (to protect vital interests) and authorized arms shipments to Afghans fighting the Soviet Union (in 1979).

Still, there were two interesting distinctions that arose in the case studies. They are as follows:

- (1) Republican administrations were more willing to resort to direct CIA and/or military interventions more quickly and with more frequency than Democratic administrations. The Reagan administration, for example, escalated U.S. interventions and the use of terror drastically; and
- (2) Democratic administrations often pursued economic interventions—often in the form of incentives or less confrontational approaches—before resorting to more confrontational CIA and military interventions. However, given the limited number of Democratic administrations, it is possible that Democrats would have pursued military options more frequently had they been in office more frequently.

Overall, only the tactics used during and the timing of interventions differed from administration to administration. The evidence indicated that U.S. interventions abroad and the use of terrorist tactics are not specific to or explained by the presence of any particular presidential administration.

Having briefly discussed the non-economic theories, we now return to the economic explanations of U.S. terror, this time adding some details to the broad strokes of world-systems theory. The writings of Noam Chomsky asserted that the United States used terror on behalf of U.S. corporate, political, and public relations elites. Furthermore, in addressing the Reagan Doctrine, Chomsky asserted that the primary role of the U.S. government was to expand the state sector of the economy in an effort to transfer wealth from the rich to the poor. For the most part, the evidence collected from the case studies indicated that Chomsky's assertions were generally correct. However, as previously indicated in the literature review, Chomsky provided little or no explanation as to how elites specifically controlled or benefited from U.S. intervention abroad. In fact, Chomsky failed to clearly indicate who comprised the power elite, ignored the causal mechanisms that are involved in controlling the government and the subsequent transfer

of wealth, and failed to provide relevant examples of the elite-government-military connection. Only by moving beyond Chomsky and applying G. William Domhoff's class-domination theory of power to our cases studies could we ascertain why the U.S. power elite and U.S. corporations had been so successful in prompting U.S. government intervention in the affairs of other nations.

Domhoff's theory of power and control said that U.S. corporations (including those related to military weapon production) exerted inordinate influence and control over elected officials within the U.S. government. This included influence in the candidate selection process as well as influence through foundations and the media. Throughout the selected case studies, there were several instances where these causal linkages, avenues of influence, overlapping directorates, and business-government connections were readily identifiable. Some examples<sup>11</sup> are as follows:

- (1) The Dulles brothers' connections to MNCs (especially oil companies) (see p.58) and MNC oil company influence over Congress in the Iran case study (see p.55).
- (2) The multiple connections between the Eisenhower administration and UFC in the Guatemala case study (see p. 77).
- (3) Ford Foundation/Rockefeller Foundation influence and training of Indonesian elites (see pp. 90-91).
- (4) ITT's funding of opposition candidates in Chile using U.S. government and CIA contacts (see p.125).
- (5) The formation of the Chile Ad Hoc Committee (by MNCs) for the purposes of working with the Nixon administration in implementing an economic blockade of Chile (see p.124).
- (6) The repeated awarding of major engineering projects to U.S.-owned and operated Bechtel Corporation in nations that were invaded by the United States. Examples include Indonesia (see p.105) Iraq (see p.173 and p.186).
- (7) Vice President Richard Cheney's eight-year tenure as CEO of Halliburton, a company that received billions of dollars in no-bid contracts before and during the 2003 invasion of Iraq (see p. 183).

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<sup>11</sup> All page numbers refer to pages within this thesis.

While these are but a few examples that were highlighted throughout the seven cases studied, there were a considerable number of connections that are not cited (because of time and space considerations) in this thesis that could have further supported Domhoff's theory of class domination. In spite of the limited space for investigation, the case studies indicated that these previously mentioned business connections and ties occurred across Republican and Democratic administrations. As Domhoff indicated previously, this was due to the fact that both parties are "pro-corporate business" parties that field candidates who are dependent upon corporate financing and subject to corporate control. The only clear differences between the parties are their stances on domestic issues, which are beyond the scope of this study.

In addition to the economic benefits and motives alluded to by Domhoff, one also has to reconsider the Panamanian and Iraqi case studies in detail to realize that U.S. corporations have derived substantial benefits from U.S. military bases located in those countries. As the Panama case revealed, U.S. military bases strategically located in foreign countries have provided the United States with the capability of projecting military power over entire regions/continents. This power projection capability is a necessary component in the ongoing process of maintaining U.S. hegemony and protecting the interests of U.S. corporations abroad. While the U.S. intervention in Panama was partially in response to a leader (i.e., Manuel Noriega) that had disregarded U.S. wishes, it was also an intervention that was intended to renegotiate a treaty that otherwise would have forced U.S. military forces out of the zone at the end of 1999. Extrapolating from the Panama case study, it is highly likely that U.S. military bases

recently established in Iraq will remain for many years to come, regardless of the opinion of the citizens of Iraq.

Turning from Domhoff and to the economic explanations of John Perkins, it quickly became apparent that the explanations offered previously overshadowed the contributions of Perkins. While Perkins's explanations of international debt and the use of assassination contributed to our understanding of U.S. intervention abroad, his supporting evidence was substantially lacking and offered very little in the way of empirical evidence. In fact, many of his general assertions about U.S. motivations for intervention in other nations were more theoretical and better supported by world-system theorists. Consequently, his work should be seen as a complement to the literature of Immanuel Wallerstein, Christopher Chase-Dunn, Giovanni Arrighi, and William Perdue. The latter authors' works not only introduced the concept of a hegemonic power that uses institutionalized terror to perpetuate the global, capitalist system, but contributed one of the three economic explanations as to why the United intervened in the affairs of foreign nations. The hegemonic power—which is currently the United States—reaped great economic benefits and structured the system to perpetuate its existence. One of the ways in which this goal was accomplished is through the use of international debt and leverage, which Perkins alluded to in his writing.

Even after combining world-system theory and the work of Perkins, there were still failures to address why the system hegemon would resort to the use of terrorist tactics. Consequently, we were left with a partial theoretical framework that must be combined with the prior economic and non-economic explanations in order to arrive at a complete explanation of U.S. intervention and use of terror.

In closing, it has been well established that the United States is a terrorist state that has used a repeating set of tactics and techniques over the past six decades to maintain its hegemonic role in the world. The selected case studies have revealed that the CIA, the U.S. military, and U.S. corporations participate in economically motivated terrorist acts to support the capitalist mode of production, U.S. investments, and access to markets and natural resources. Finally, we have learned that the United States is maintaining and extending its military power projection capability in the form of U.S. military bases located mostly in nations that it has invaded or is currently occupying.

### **Limitations of the Study**

While this thesis is limited in scope, there are particular limitations that are especially important and should be highlighted because they have called attention to future lines of investigation on the subject of U.S. state terrorism. The first of these limitations concerned the number of case studies selected. While there are hundreds of U.S. interventions from 1948 to the present, my approach and methodology for selecting cases sacrificed an increased quantity of cases for increased detail within each case selected. This decision was made, in part, so that each case study would contain enough detail to stand on its own merits. Thus, if one were to read the introduction and one (or perhaps two) case study (studies), the asserted conclusions would still follow and hold true. Consequently, in an effort to make this thesis accessible to a wider audience that may not have the time for or interest in reading an academic work of this length, the study sacrificed quantity for increased quality. The inclusion of additional case studies

would without a doubt reinforce the conclusions already established within. However, due to time and space limitations, this was not possible.

Along the same line of argumentation, time and space limitations also contributed to the exclusion of the African continent from coverage within this thesis. While this in no way implies a lack of importance to that vast continent or its history, there was a reason for its exclusion. In short, the richest examples—the Republic of the Congo in 1961 and Libya (under Qaddafi) in the 1980s—overlapped extensively with years covered in-depth by other case studies. In an effort to flesh out possible U.S. terrorist patterns over time, cases outside of Africa were selected due to their varied geographic location and increased chronological coverage. While the two previous examples could have been covered and contributed to this thesis, space and time limitations also contributed to the decision to omit them. However, the intent is to include them in any additional exploration of this topic.

Another limitation of this thesis was the lack of coverage of transnational elites. While recognizing that Domhoff's theory of the power elite excluded coverage of transnational elites, time and space limitation once again necessitated reliance upon an elite theory that improved upon Chomsky's conceptually incomplete definition of elites while simultaneously limiting the scope of the study. Domhoff's theory provided this necessary link, but the transnational elite theory of William Robinson could have significantly increased our understanding of the global corporate-elite-government connection. Consequently, I would recommend that any additional research in this area, including my own, address the transnational elite.

Also, as is the case with any historically-oriented academic investigation, certain historical events and figures have been excluded that could have otherwise contributed to the detail of this thesis. While every effort was made to include all relevant information, I have undoubtedly missed some event or historical figure that some would have included. This was not intentional, but was still a plausible shortcoming worth mentioning. While unfortunate, I did not believe that these omissions significantly detracted from the study as a whole.

Finally, there were my own educational and personal shortcomings. I take full responsibility for any errors within and/or omissions from this study.



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