



The Phyllis Schlafly Report



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Four National Security Challenges

The Panama Canal Non-Treaty

The first step in the transfer of our U.S. Canal at Panama to the corrupt, drug-peddling, pro-Communist military dictator Manuel Noriega, under the 1978 Carter giveaway treaty, will occur later this year when the Senate is called on to confirm an administrator of the Panama Canal Commission. What position will the U.S. Senate and the Bush Administration take on this issue?

Under the 1978 treaty, the new administrator confirmed in 1989 *must* be a Panamanian, even though the Panama Canal Commission (the Canal operating agency) is a U.S. agency. But the Panamanian will, of course, be selected by the illegitimate military regime of Manuel Noriega. The whole scenario is so ludicrous that it looks like a 1930s B movie about a banana republic.

Rep. Philip Crane (R-IL) with 26 co-sponsors has introduced a House Joint Resolution to state that Congress believes the Panama Canal Treaties are illegal. On February 8, he chaired a hearing at which many authorities on Panama testified about this subject that has been pretty well concealed from the American people.

The heart of the claim that the 1978 Panama Canal Treaty is illegal concerns the DeConcini Reservation, which supposedly gave the United States the unilateral right to intervene in Panama to guarantee the Canal's neutrality. The treaty could not have passed without this reservation, which was instrumental in lining up the final vote needed for passage by a two-thirds majority of the Senate.

Panama boss Omar Torrijos threw a tantrum when it became clear that the Senate would add the DeConcini Reservation to the treaty. Whereupon President Jimmy Carter, in order to keep treaty ratification by both countries on track, telephoned Torrijos and told him to write his own "reservation about his understanding" of U.S. defense rights.

Panama drafted its own counter-reservation which insisted on Panama's "cooperation" before the United States could defend the Canal. This counter-reservation was never submitted to the U.S. Senate. This means that the two countries accepted different versions of the treaty and never agreed to the other's version.

There is nothing trivial about this difference. It goes to the

heart of the treaty, namely, whether the United States will be able to intervene unilaterally to defend the Canal and assure our use of this gateway so essential to our national security. Without the reservation of that right, the Carter Administration and two-thirds of the Senate could not have overridden the wishes of the 78 percent of the American people who opposed the treaty. (That figure was admitted by Jimmy Carter in his Memoirs.)

To be fair, we must say that the Canal Treaty mistake wasn't all Jimmy Carter's fault. All he did was to use the power of his office to get the Senate to ratify the treaty and cook up the deception of Torrijos' counter-reservation.

The principal terms of the Panama treaty had been negotiated under the Nixon and Ford Administrations when our foreign policy was a one-man show run by Henry Kissinger. He made all the damaging concessions and browbeat the Joint Chiefs of Staff into retreating from their determination to protect American rights in our Canal.

The chief argument used by those who urged the giveaway of our U.S. Canal in Panama in 1978 was that this would improve our relations with Latin America. The fact is that the Latins perceived it, not as magnanimity, but as a signal of the decline of U.S. power, prestige and leadership in the Caribbean because we failed to defend our own national security interests there. The result is that our relations with Latin America have never been worse. Everything that has happened in this soap opera was fully predictable.

Noriega is no different from his predecessor, Omar Torrijos, who was also a corrupt, drug-peddling, pro-Communist dictator. Noriega is now the nexus for military dictatorship, Communism, drug trafficking, terrorism and subversion in the Caribbean.

Time has not eliminated our need for this most vital maritime passageway: 18 percent of our exports and 10 percent of our imports transit the Canal annually. Without assured access to the Canal that Americans built and paid for, our ships would have to make a three-week 13,000-mile trip through the Straits of Magellan.

It's time to declare the 1978 Panama Treaty a non-treaty, admit our country's most costly diplomatic mistake, and stand up for our national security interests. This may be a costly move, but the cost of not doing this will be even higher.

Brilliant Pebbles: The Cost-Effective Defense

American technology in miniaturization is literally incredible to most of us who enjoy its benefits. The fantastic simultaneous reduction in size, weight and cost of computers over the last ten years has been exciting to watch, a thrill to use, and easy on the pocketbook.

What we have witnessed in consumer electronics has been taking place in strategic weaponry, too. The most stunning example of this progression is in the SDI (Strategic Defense Initiative) area, where Star Wars has been miniaturized into Brilliant Pebbles. It parallels our progress from the old, heavy main-frame computer to the lap-top PC.

Brilliant Pebbles is the name given to the small, lightweight vehicles that can be deployed in space to protect America from attack by enemy or terrorist missiles. Nothing could be more important for our government to do than to defend our people and our property with the most modern technology.

Each Brilliant Pebble will measure about three feet long and weigh about 100 pounds when fully fueled. Its "brains" are in a silicon chip as powerful as a super computer, and its "eyes" are in an innovative wide-angle optical sensor.

Each Brilliant Pebble's computer "brain" is capable of guiding the Pebble to its target, namely, an enemy missile traveling through space toward America. The plan is to position about 7,000 of these Brilliant Pebbles in space at a cost of \$10 billion for the Pebbles themselves, \$11 billion for a separate surveillance satellite system for backup telecommunications and independent validation of any attack warning, and \$4 billion for the command and control capability.

These cost estimates were made by Lieut. General James A. Abrahamson in his final report. He recently retired as head of Ronald Reagan's SDI program.

The development of defense technology since President Reagan announced his commitment to SDI in 1983 has surprised its supporters and confounded its critics. Just a few short years ago, the prevailing wisdom was that SDI's "smart rocks" would each weigh hundreds of pounds, and the first "smart rock" used in a successful experiment in June 1984 weighed more than a ton.

The most exciting part about the Brilliant Pebbles is that it makes a real defense positively practical. General Abrahamson estimates that it can be ready for deployment in two years and fully deployed in five years.

The second most exciting part about Brilliant Pebbles is that it has totally demolished the argument that SDI would be too expensive to deploy. Brilliant Pebbles offers us the way to cut defense spending while increasing our defense.

When Defense Secretary Dick Cheney announced that he would seek only \$4.6 billion in spending for research and development of SDI in fiscal 1990, the *New York Times* headlined the story "Bush Plans to Cut Reagan Requests for Key Weapons; Star Wars Shift." The fact is that the reduction in costs was caused by the exciting new breakthroughs in SDI technology, not by any lack of enthusiasm on the part of Secretary Cheney or President Bush.

SDI supporters prefer President Bush's wholehearted support for \$4.6 billion to any half-hearted support for a larger figure. Instead of building costly, cumbersome systems, we can now build swarms of small, cheap, "brainy" rockets that

can locate and, with deadly accuracy, destroy enemy missiles by force of impact.

Despite the exciting and newsworthy advances that have made Brilliant Pebbles the obvious and preferred defense plan of the future, the news media are giving more column inches and TV minutes to a \$40-\$50 billion offensive nuclear system called Midgetman. That weapon is aptly named: it is a midget when it comes to providing any defense.

Midgetman, a small, single-warhead ICBM riding around our highways on trucks, is being used as a political fall guy by those who don't want America to have any defensive system that can shoot down attacking missiles. Midgetman is not only far more expensive than Brilliant Pebbles, but it is outrageously expensive in terms of cost-per-retaliatory warhead deliverable.

Midgetman does nothing to *defend* Americans from attack, and almost nothing to *deter* the Soviets or terrorists from attacking us. Midgetman is the last hurrah of those who advocate Mutual Assured Destruction (MAD). We can't afford to buy midgets (which are "dumb," slow, and very costly) when instead we could buy Brilliant Pebbles (which are "smart," fast, and inexpensive).

Brilliant Pebbles are not only smart vehicles but are brilliant politics, too, because they will give us a quality defense that is available and affordable. Only dumb politics stands in the way of giving America the defense we need.

Selling the Plan to Bail Out the Big Banks

Watching the most recent MacNeil-Lehrer documentary on Third World debt must leave most listeners wondering what the problem really is. The piece showed many aspects of this issue but it didn't pose the right questions.

We were correctly told that Latin America's acute debt problem started in the 1970s when oil prices were high and new money started flowing in rapidly. We were told that those countries used their new wealth to borrow massively from U.S. banks and live far higher on the hog than even their new oil wealth justified.

Latin American countries piled up a debt of \$400 billion. Of that, \$65 to \$80 billion is owed to the largest dozen or so U.S. banks, and now those countries can't afford to pay the interest on their loans, much less the principal.

Then, MacNeil-Lehrer gave us the pitch for the Brady plan, named for Secretary of the Treasury Nicholas Brady. He wants the biggest U.S. banks to write off (that is, forgive and forget) 20 percent of their bad loans to Latin America, but the bankers are greeting this idea with solemn silence.

We were told that the Latin Americans say 20 percent isn't enough, that they must have at least 50 percent written off, plus easy terms for the remainder. This was accompanied by action footage of bloody riots in Latin America caused by their economic problems, the near defeat of the current regime in Mexico by a radical leftist because of economic distress, and pathetically appealing pictures of hungry, crying children.

Now we come to the punch line of this TV segment: two questions posed by a U.S. expert. "Is there the political will to make the Brady plan work, and is there going to be adequate financing to make the plan work?"

Let's discuss what's missing from this coverage. What do "political will" and "adequate financing" (these phrases

obviously refer to U.S. will and U.S. financing) have to do with the problem of Latin American debt? How did this get to be a U.S. problem? Why has Secretary Brady injected himself in the middle of the problem?

There must be a lot more to this matter than met our eyes and ears on MacNeil-Lehrer, and indeed there is. "Adequate financing" refers to the attempt to use U.S. taxpayers' money to bail the big banks out of their bad loans, and "political will" means the attempt to browbeat Congress into doing exactly that.

We can all understand that we have an obligation to protect the *depositors* in U.S. savings and loan institutions because those deposits were taxpayer-guaranteed through FDIC or FSLIC. But no one suggests that we bail out the directors, officers or stockholders of the insolvent savings and loan institutions! They lose their investment when their institution fails.

Why should we treat the big banks any better? Their *depositors* are all FDIC-guaranteed. But their directors, officers and stockholders should take the loss for their incredibly bad business judgment in lending to Latin America. Whose fault is it if the smartest, wealthiest banks in the country made huge loans in other countries where they cannot repossess any property? It's obviously their fault, not the U.S. taxpayers', and the banks should not shift their mistakes onto the taxpayers.

The Brady plan is to "ask" the banks to write down 20 percent of the bad loans. Why haven't the auditors and the regulators demanded that the banks write down 50 to 100 percent of the loans that are so obviously uncollectible (both economically and politically, since the Latin leaders are refusing to pay)?

The big banks are deliberately dragging their feet on the Brady plan in the hope that they can work out a better deal under which the 20 percent loss will be made up by getting the U.S. taxpayers to foot the bill for the other 80 percent. The big U.S. banks are so politically and financially powerful that they really believe they can pull off this coup.

However, it is unlikely that any of these big bankers will give a television interview and state the question like that. Instead, we will be quietly told that the lion's share of the Latin American debt will be guaranteed by the International Monetary Fund and the World Bank, and then, at a different point in time, we will be told that Congress should vote a new infusion of taxpayers' money into those international institutions.

That's where the "adequate financing" is supposed to come from. The real question is, do the American people have the political will to say, "No deal."

The Contras Are Hanging On

The \$27 million in non-lethal aid appropriated in September 1988 for the Contra resistance forces expired at the end of March 1989. There are only about 15,000 Contra troops, but American aid feeds about 60,000 people at a cost of about \$3 million a month.

President Bush was confronted with the question of what will happen if this terminates. An aid cut-off would have dealt a terrible blow to the fragile economy of Honduras, where the Contras are now located, by dumping on that little country

thousands of nonproductive refugees. Honduras cannot absorb the economic burden of sustaining these troops and their families. Such an event would probably push Honduras into a closer relationship with the Sandinistas than with us.

Does anyone think that the Contras, who were mostly peasant farmers before they joined the resistance troops, will be willing to return to a Nicaragua controlled by the Sandinistas? There is no reason for them to return and there are plenty of reasons for them to fear retribution from the Sandinistas.

That is exactly what was found by a six-member bipartisan Congressional delegation which made a flying visit in March 1989 to Honduras to review U.S. Army training exercises and also to get an update on the status of the Nicaraguan Contras. No Contra expressed a desire to return to Nicaragua as long as the Sandinistas are in power and, if the Sandinistas cannot be deposed by political means, the Contras favor military removal.

Led by Rep. G. V. (Sonny) Montgomery (D-MS), the delegation included Congressmen John Paul Hammerschmidt (R-AR), Bob Stump (R-AZ), Earl Hutto (D-FL), Bob McEwen (R-OH), and Claude Harris (D-AL).

Another option would be for big-hearted United States to open our doors and welcome the Contras as refugees. Our embassy estimates the cost of this plan at \$18,000 per person, or \$270 million if we accepted only the 15,000 Contras. With America's traditional policy of family togetherness, the more likely number of refugees we would have to take would be 100,000 Contras, their families, and Contra sympathizers. This cost would be \$2 billion and would surely arouse political opposition in the United States.

President Bush opted for a deal to continue humanitarian aid at roughly present levels in the hope that something might happen to bring about a peaceful political solution, such as Gorbachev stopping aid to the Sandinistas. Soviet military aid to the Sandinistas is now running at more than \$500 million a year, and many feel that the Sandinistas would fall if this were cut off.

The six Congressmen came away from their meeting with the Contras with a new understanding of the difficulty of reaching a political solution. The Congressmen found the Contras ideologically hardened, with high morale, and some of them stated a willingness to fight till the bitter end.

The Congressmen also found the Contras to be militarily capable even though, since the termination of U.S. military aid, their operational posture has changed from military insurgency to maintaining force structure. About one-third of Contra troops are at all times engaged in guerrilla sabotage or intelligence gathering missions.

The Contras expressed a dire need for weapons, ammunition and communications equipment, particularly radios. Their military victories before Congress cut off military aid convinced them that the renewal of military aid from the United States is the best way to deal with the recalcitrance of the Sandinistas.

The Contras also told the Congressmen that a renewal of military aid is the most expedient way to further U.S. policy objectives, both for the United States itself and for U.S. interests in Central America. The Congressmen returned with the impression that the Contra soldiers will not return to

Nicaragua unless they are waging a war to establish democracy in their home country or the Sandinistas have been removed by some other method.

Before we pat ourselves on the back about the success of the unusual executive-legislative accord, we should explore the ultimate question. Is our goal freedom for Nicaragua or peace at any price? And if it is the latter, how much are we willing to pay to welcome a flood of refugees to the U.S.A.?

Kennan — A Foreign Policy Maker

The *Atlantic Monthly* apparently decided to anoint as a sort of secular saint an 85-year-old man named George Kennan. The April 1989 cover article labels him "The Last Wise Man" and showers him with superlatives.

You can get the drift from *Atlantic's* choice of words: "The greatest analyst and maker of foreign policy since John Quincy Adams . . . our foremost expert on the Soviet Union . . . clairvoyant . . . prophet . . . farsighted — almost a seer . . . diplomat, scholar, writer of rare literary gifts . . . one of the most remarkable Americans of this century."

The occasion for these accolades is the forthcoming publication by Pantheon of selections from Kennan's *Diaries*, a sort of a sequel to his *Memoirs*. *Atlantic* has conveniently given us a selection from Kennan's own selections.

Since Kennan is virtually unknown to the current generation outside of his little coterie of disciples, a brief resume is in order. He graduated from Princeton University in 1925, joined the U.S. Foreign Service and rose steadily until he became Ambassador to the U.S.S.R. Upon his retirement after 25 years, he settled at the Institute for Advanced Studies in Princeton.

All his life, Kennan has enjoyed the lifestyle, the creature comforts and deference, the job security and protocol pleasanties of the diplomatic corps and academia, all paid for by tax dollars or donated dollars. In that cloistered environment, men get to thinking they know better how to make important decisions of state than those Americans whose days are consumed with the mundane challenges of making a living and keeping their jobs.

The pages from *Diaries* published in *Atlantic* reveal no state secrets or new information about any of the many truly historic events in which Kennan was a player or first-hand observer. They are just "dear diary" observations written while he was traveling, from 1931 to 1988.

But the *Diaries* do flesh out more about the character of a man who was probably the most influential maker of U.S. foreign policy in the pre-Reagan years. In the 1940s, Kennan was the architect of the theory of "containment" of the Soviet Empire, and in the 1960s he was the theoretician of the advocates of unilateral nuclear disarmament whose bizarre notions were implemented by Robert S. McNamara during the seven years of his regime as Secretary of Defense.

Kennan is a prolific writer and a skilled craftsman with words. His writings and speeches show that, since 1957, he has had no faith that America can survive in any competition with the Soviet Union, and that he does not think anything is worth fighting or dying for. The *Diaries* confirm our previous impressions, and also that he is an insufferable elitist.

In the *Diaries*, Kennan reveals his annoyance at being

seated at Secretary of State George Shultz' December 1987 luncheon for Mikhail Gorbachev next to the wife of a prominent politician "from somewhere in the Southwest," who was ignorant of Kennan's identity. It was difficult for Kennan to endure such an indignity!

Kennan's *Diaries* provide no evidence to dispel earlier indications that he is not a believer in God. The only reference to anything divine is this curiously phrased comment after visiting his father's grave: "May the God in whom he believed so desperately give him grace and respite."

Kennan's *Diaries* provide no evidence to dispel earlier indications that no passion leaps in his breast for "my own, my native land." A thoroughgoing internationalist, Kennan describes his "home" as "the whole great arc of the northern and western world, from Moscow across Scandinavia and the British Isles to Wisconsin."

He calls himself "a sort of Nordic cosmopolitan" and admits in his *Diaries* that, "if I really had my pick of places to live in, I would probably choose Norway." Only one who fails to appreciate American liberty could prefer to live in the shadow of the Soviet Union.

Kennan admits that one can read his *Diaries* and conclude that he sees in America "only ugliness, vulgarity, and deterioration." The only good things he can find about America are "the magnificence of those purely natural beauties that have not yet fallen victim to commercial development" and "the personalities of many fellow citizens I have been privileged to know."

How sad that he doesn't credit the greatness and uniqueness of our precious religious, intellectual, political, and economic freedoms. Other countries have spectacular natural beauties, but no other country has the liberty we enjoy or the wealth which liberty produces.

A 1988 entry in Kennan's *Diaries* reveals his bitterness that "the dominant political forces" of this country do not defer to what he calls our "intellectual and artistic intelligentsia." We can be glad they don't, and that is because Ronald Reagan ushered in a new era of leaders who have faith in America.

Phyllis Schlafly is the author of 13 books, including five books on defense and foreign policy: *Kissinger on the Couch* (1975) and *Ambush at Vladivostok* (1976) covering the Kissinger years; and *The Gravediggers* (1964), *Strike From Space* (1965), and *The Betrayers* (1968) covering the McNamara years. She is a member of the Commission on the Bicentennial of the United States Constitution, by appointment of President Reagan. She is an attorney, admitted to the practice of law in Illinois, Missouri, the District of Columbia, and the U.S. Supreme Court.

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