



# The Phyllis Schlafly Report

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## Who's Unhappy The Cold War Is Over?

Here we are, on the crest of a stunning victory for Ronald Reagan-brand conservatism over Communism, and an equally stunning victory of capitalism over socialism, both manifested by the dramatic uprisings of the Captive Nations. But the liberal media pundits have been putting out the ridiculous line that conservatives are unhappy because "the Cold War is over."

The problem with these liberal commentators is that they spend their time talking among themselves and don't understand conservatives at all. Liberals simply don't want to admit the obvious lessons of what is going on in Europe.

The truth is that conservatives and Reaganauts are completely vindicated by the dramatic turn of events in Eastern Europe, and conservatives can rise up every morning and say, "I told you so." We've said all along that Communism was the worst thing that could ever happen to any country, that socialism is a failed system which can NOT produce enough goods, and that the capitalist free-market system is the only way to prosperity.

Communism is the 20th century's most horrible demonstration of slavery, torture, and oppression. Communism is always imposed by "masters of deceit" and maintained by terror.

Communist-ruled countries are like giant slave labor prisons, in which people are kept only by barbed wire, mine fields, shark-infested waters, guard towers, and border patrols. Allow a crack in the Iron or Bamboo Curtain, and people come streaming out, willing to leave behind all their worldly possessions and often even other members of their own families.

Does anybody really think that the people behind the Iron Curtain suddenly discovered in 1989 that they were prisoners in the "evil empire" and wanted to get out? Certainly not! What happened was that Hungary opened a crack in the border in the summer of 1989 by letting their guards look the other way, and East Germans who were visiting in Hungary grabbed the chance to run out.

The hundreds of escapees quickly became thousands, and the little trickle became a mighty river of fleeing East Germans. In this age of television and communications technology, news traveled faster than ever before, and the demand for freedom became contagious.

The celebrity TV commentators are trying to manufacture a

myth out of whole cloth when they pontificate that conservatives are unhappy about this turn of events. Conservatives have been predicting the uprising of the captive peoples for decades and we are thrilled that our forecasts have come true!

Conservatives have always believed that what we've witnessed in 1989 could have happened in 1953 at the time of the death of Joseph Stalin. All behind the Iron Curtain, the oppressed people would have then risen up and thrown off their shackles IF they had received some signal of encouragement from the West.

Conservatives have always bitterly criticized the failure of the United States to respond to the cry of the Freedom Fighters for help during the Hungarian Revolution of 1956. We have repeatedly said that, if President Eisenhower had done only as much as President Bush did for Cory Aquino in the Philippines, or in giving speedy recognition to the post-Ceausescu regime in Romania, the Hungarian Freedom Fighters would have remained in control. But that word of support never came from the West, and the Communist slave state remained intact for another three decades.

For 40 years, conservatives have railed against the liberal lie that "poverty causes Communism." No evidence exists for that phony hypothesis. Communism is an ideology mouthed by well-to-do intellectuals who just talk about poverty in order to grab power.

Conservatives have always preached the reverse, namely, that *Communism causes poverty*. All Americans can now see on television every night that we are exactly right.

When the East Germans cross into West Berlin, the "sights" they seek are the food stores! Ask yourself, when you go on vacation, is the most exciting part of your trip a visit to the local grocery store?

At the end of World War II, the devastated, bombed-out country of West Germany was fortunate to have a conservative economist named Ludwig von Erhard chart his nation's course toward capitalism and private enterprise instead of toward socialism or even Keynesian-style government spending and regulation which was then so trendy in the West. Almost single-handedly, he laid the foundation for the West German prosperity of which the East Germans are so envious today.

What is so exciting about the events of this year is that now, because of television, all Americans can see the failure of

socialism and the proven superiority of a private-enterprise economy. We can even see the proof on television that the disparity between the living standards of the Party elite and the proletariat under Communism is far greater than between the rich and the poor in America.

History has vindicated the conservatives and, indeed, we are very happy about the exciting events of 1989.

### **Help Perestroika By Doing Nothing**

The new line that we are being fed repetitively from the media is: the United States must "help" perestroika succeed. Why we should do this, and what kind of help and at what price we are talking about, are left conveniently vague.

Perestroika means a restructuring of the Soviet system, but of all the things that need restructuring in the Soviet Union, number one on the list is food production. It falls 30 percent short of the nation's needs; shelves are bare and people must queue up in long lines for what food is available; such items as oranges and lettuce are unavailable at any price.

In the Soviet Union, 25 percent of the labor force is in agriculture; in the United States, the figure is 3 percent. In the U.S.S.R., the government owns and farms 98 percent of agricultural lands. The 2 percent in private hands produces one-fourth of the total agricultural output.

Of the food that is produced, a high percentage is lost due to waste. One-fourth of the grain harvest and one-half of the potato harvest never gets to market. Why? It rots before it can be harvested or while waiting for trucks that never arrive; it is spilled on rural roads or dribbles out of railroad cars on the track; and three times as much has to be used as seed for the next crop as U.S. farmers use.

How can Russia get more food? Any American could figure out the answer. Restore private property! Private property creates incentive, and incentive produces prosperity.

But there is no evidence that Mikhail Gorbachev wants that kind of restructuring. Indeed, he was the man in charge of agricultural production from 1978 until he became General Secretary of the Soviet Communist Party in 1985, so we can only conclude that he is not working on the solution — he is part of the problem.

How about the great socialist system that supposedly provides free medical care? Thirty percent of Soviet hospitals have no indoor toilets. Outside of major cities, 65 percent of Soviet hospitals have no hot water, 27 percent have no sewerage, and most needles are routinely reused on patient after patient. (Only the Party elite enjoy the comforts and cleanliness of a modern hospital where the entrance is guarded by the secret police.)

When it comes to Soviet housing, 25 percent of units have no hot water, 15 percent have no bathrooms, and families typically share kitchens and bathrooms with neighbors in cramped apartments. No wonder life expectancy is declining, hoarding is a way of life, and the only market that thrives is the black market.

Unable or unwilling to replace Communist collectivism with a free market or any partial facsimile thereof, Gorbachev is doing what so many dictators, kings and even presidents have done before him: travel abroad and create media events with foreign potentates in order to distract the public from the problems you haven't solved on the home front.

The game he is playing is so obvious. Play to the American

television audience which may be gullible enough to think that perestroika has something to do with freedom. Gorbachev's own constituents know better and, while Gorbachev's alleged popularity in the public opinion polls soars to new heights in the West, his rating with the men and women standing in long lines to buy a head of cabbage hasn't risen one iota.

The best way America can help perestroika succeed is to do nothing and let the inexorable demands of street demonstrators in the Soviet bloc escalate until the lack of food forces Gorbachev either to reorder priorities from military spending to domestic needs, or to move toward private property and economic freedom, or both. Sending U.S. dollars into the bottomless pit of trying to make collective farming and socialist industry marginally less wasteful is not only unjust to American taxpayers but a betrayal of the rising expectations of the people behind the Iron Curtain.

There is no evidence so far that Gorbachev is yet ready to make the tough choices necessary to bring prosperity to the U.S.S.R. Just before his Malta media event, he even complained that, since Americans objected when the Soviets tried to export their system to other countries, Americans now have no business trying to export our system to the Soviet bloc.

Gorbachev hasn't yet gotten the message of why Communist countries are poor and capitalist countries are rich. Economic freedom is the reason, and Gorbachev has done nothing to indicate he wants it.

Instead, he wants the fruits of capitalist prosperity to prop up his bankrupt socialist system. While Gorbachev has made a start in granting some elements of freedom to go to church and to engage in street demonstrations, he hasn't made any move whatsoever toward economic freedom without which perestroika cannot succeed.

### **The Dangerous Process Of Gorbomania**

All those who are caught up in the dangerous process of Gorbomania should come down to reality by studying an important speech given by Senator Malcolm Wallop (R-WY) at a NATO conference in the Hague. It should be must reading for American politicians and media.

Wallop pointed out that the military success of NATO has been so impressive that Americans increasingly believe that NATO is Europe's benefit and America's burden, and Europeans believe that NATO is America's benefit and Europe's burden. So, politicians on both sides of the Atlantic find it expedient to question their own nation's level of commitment.

The result is, according to Wallop, that "the twin Soviet goals since the founding of the alliance now stand a very real chance of attainment." Those goals are (1) decoupling of the United States from its European allies and (2) denuclearizing Europe.

Wallop called on NATO's 16 nations to assume the political burden of explaining to their own electorates "why we need military forces" and what these forces would have to do if we ever had to call on them. Wallop charged that, instead, the participants in NATO conferences avoid this main issue and discuss only relatively non-controversial topics.

He also criticized the way that several leaders, including some from the United States, have implied that nuclear weapons are evil in themselves and must be done away with. On the contrary, Wallop said, they have been "the very glue of

the Atlantic alliance for 40 years.”

Without nuclear weapons, the West would be at the mercy of the Soviets' overwhelming superiority in conventional weapons. He could have quoted Winston Churchill as saying that there would not have been a free man left in Western Europe if it were not for the American nuclear umbrella. The Soviets still in 1990 have more than 6,000 warheads with a combination of nuclear yield and accuracy capable of destroying most U.S. missiles, bombers, and submarines in port.

The growing impression that Mikhail Gorbachev has opened up a new era in which the Soviet Union poses no threat to the West is our major problem today. Western leaders, Wallop said, have engaged in “a kind of contest to see which politician can say the most outrageously reassuring things about the Soviet Union.”

This kind of grandstanding makes it very difficult to argue for effective military preparations, and we are in the process of weakening one another.

Wallop took his audience through an examination of what's going on in Russia. He called the recent Soviet elections “a well-executed purge” by which Gorbachev simply got rid of all his enemies. None of the Soviet officials driven out of power was part of Gorbachev's band. Wallop charged that Gorbachev is “ingenuously using the trappings of democracy to make the biggest power grab since Stalin.”

Wallop analyzed the so-called “reforms” ordered for the Soviet economy. No reform yet proposed, said Wallop, “has the slightest chance of improving it as a provider of civilian goods and services.”

In fact, Gorbachev's “reforms” are largely an attempt to bring the underground economy out into the open so it can be registered and taxed, and the result is to reduce the amount of independent economic activity. As Wallop explained, “Gorbachev does not seem to want to risk even the temporary creation of a class of people who do not have to look to the state for their daily bread.”

No one who holds power in the Soviet Union is willing to give up power and control just to boost the economy! “It is far more important to them that citizens be dependent on the state than that they be well-fed.”

Wallop issued a solemn warning to the NATO conferees that Gorbomania will appear to be in the short-term interests of the West, but actually is only in the interests of the Soviet Union. The situation calls for responsible words from politicians in all NATO countries.

Wallop said that our national security absolutely depends on “our willingness to recognize the political obscenity of Communist rule and the role of serious military forces in protecting ourselves.” He calls on us “to take up our heaviest burden” which, in the long run, will prove to be the most honorable and the safest.

### **Time To Take Back Our Canal**

Ask yourself the question, why is President Bush receiving such overwhelming approval (the ABC poll said 80 percent) for his invasion of Panama? Why did the usually super-cautious, non-risk-taking President feel that he could order an American expeditionary force to land in another country and take it over?

Surely the answer cannot be that Panama was run by a

corrupt, ruthless, drug-peddling, pro-Communist, anti-American thug who doesn't allow free elections and orders his minions to beat up or kill his opponents. On every continent, there are plenty of dictators with similar resumes.

Surely the answer cannot be that Manuel Noriega was one of the kingpins in the drug cartel. If that were the rationale, why don't we set fire to the drug production centers in Colombia and Bolivia instead of Noriega's police headquarters?

Surely the answer can't be that President Bush decided to reassert the Monroe Doctrine and chase foreign systems out of the Western Hemisphere. If that were the reason, a U.S. expeditionary force should land in Cuba in January and in Nicaragua in February.

Surely the answer can't be that President Bush had an overwhelming urge to “establish democracy” in Panama. Only a handful of countries around the world have ever had any “democracy” as we know it, and certainly Panama has never had any; its entire history is the story of one dictator being replaced by another, usually by a process of succession called a coup.

Surely the answer can't be that Americans have forgotten Vietnam and are ready to take on another foreign expedition to defend freedom over dictatorship. President Bush just sent General Brent Scowcroft on a mission to China that was the equivalent of re-recognizing the butchers of Tiananmen Square.

Surely the answer cannot be that Panama's strongman insulted America and Americans. That behavior is the daily sport of those who hang around the bars at the United Nations.

It's a great case of misplaced indignation to get ourselves in a stew about Noriega. He isn't one whit worse than his predecessor, the man with whom President Jimmy Carter signed the infamous Panama Treaties of 1977, Omar Torrijos, another pro-Communist, anti-American, drug-peddling dictator.

If we are going to start spreading democracy by offering a million dollar bounty for the head of a foreign dictator, why didn't we offer a similar sum for the head of Nicolae Ceausescu or Deng Xiaoping?

The answer to our questions is that there is something fundamentally different, geographically different, politically and even emotionally different, about our relationship with Panama. The difference is our Canal and the Treaties under which Panama is about to take it over.

The 1977 Panama Canal Treaties, which were signed by Jimmy Carter in 1977 and ratified by the U.S. Senate by one vote in 1978, are one of the great swindles of all time. The word “swindle” is appropriate because the American people were cheated out of the ownership of real estate that we had bought and paid for four times over.

Checks were drawn on the U.S. Treasury to pay \$40 million to the French company for the purchase of its assets after it gave up trying to build a canal, \$25 million to Colombia as settlement of its claims over the Canal Zone, \$10 million to the Republic of Panama for the purchase of the Canal Zone, and \$4.7 million for the purchase of 3,598 plots of land from individual landowners in the Zone.

All the relevant historical documents confirm that the Panama Canal and the Canal Zone around it are properties of the American taxpayers. The Canal Zone is probably the most

bought and paid for piece of real estate in history.

Sovereign rights over the Canal Zone were granted to the United States "in perpetuity" by Article III of our 1903 Treaty with Panama. This right of ownership was upheld by the U.S. Supreme Court in the 1907 case called *Wilson v. Shaw*.

All observers admit that at least 80 percent of the American people opposed giving away our Canal when President Jimmy Carter signed the Panama Treaties with Omar Torrijos in August 1977. The Senate ratified the Treaties in 1978 only after adding the DeConcini Reservation retaining unilateral U.S. rights to protect our Canal.

Terrible Torrijos then threw a tantrum and threatened to reject the Treaties. Instead of calling his bluff, Carter telephoned him and told him to "write his own reservation," which Torrijos did.

The result was that Panama accepted one version of the Treaties and the U.S. Senate a different version. The American people were never told about the deception.

History has given us another chance. We should nullify the Panama Treaties and assert our continuing management of this vital property.

### Grading President Bush

A *Newsweek* columnist has presumed to give a school grade to the President, deciding that George Bush deserves only the mediocre grade of "C" on his economic policies. On the budget deficit, however, this presumptuous writer gives Bush a "D" because Bush "won't agree to new taxes."

The *Newsweek* writer was scathing, even vitriolic, in his denunciation of George Bush for daring to oppose tax increases. He reached for his thesaurus to lace Bush with such uncharitable epithets as "false piety," "showmanship over substance," and "motivated by the crudest sort of short-term political calculus."

Contrary to the assumptions of this *Newsweek* oracle, the best way to grade a public official is on how well he fulfills his campaign promises. On that test, President Bush rates an "A" because he has stood firm on his pledge despite nightly hammering by the media.

The media have tried, ever since election night 1988, to get Bush to renege on his promise. First they used the media "stick" by saying he didn't really mean "read my lips"; then they tried the media "carrot" by defining "leadership" as supporting tax increases and "do-nothingism" as opposing tax increases; and finally they used every event and circumstance that came along (from the drug crisis to the San Francisco earthquake) as an excuse to get him to change his mind.

If the liberals really believe that tax increases are popular, why don't they just raise taxes? The Democrats clearly have the votes in Congress to do that. But they are afraid to do that because they know the public will side with George Bush.

The elections of November 1989 provided new proof of the current American anti-tax mentality. Several spending measures went down to crushing defeats, even though they were packaged in supposedly unbeatable wrappings and supported by all the "best" people.

In an upset victory in Washington State, voters decisively rejected by 2 to 1 a proposition for a small sales tax increase attractively titled the Children's Initiative, which would have financed programs widely promoted by the media and recommended by the "experts," such as early childhood

education, drug education in the schools, and child abuse prevention. The initiative was endorsed by everyone with any name I.D. and the Governor did bleeding-heart TV spots pointing the finger of shame at opponents. But, funny thing, the voters said no.

Michigan voters trounced two school financing proposals, which the Michigan Legislature had been working on for three years, to provide additional state funds for education. They were enthusiastically backed by Governor James Blanchard, and the Michigan Education Association was reputed to have spent \$2.5 million to achieve passage. One of the Michigan propositions would have raised the sales tax only 1/2 of 1 percent, with all the revenues to be used for schools; the voters said no by more than 2-1/2 to 1. The other Michigan proposition, also exclusively to benefit the schools, would have raised the sales tax 2 percent with an offset of temporary property tax relief; the voters said no by more than 3 to 1.

Earlier in 1989, in Fremont, California, the city council put to a referendum a proposition to raise taxes by a puny \$12 per household in order to provide daycare for employed parents. Again it was one of those propositions that "everyone" supported but, when the votes were counted, it lost 3-1/2 to 1 and the politicians were stunned.

The voters have clearly said, "No tax increases." George Bush has been reading our lips, and for that he deserves an "A" because that's democracy in action.

The total vindication of George Bush's steadfast opposition to all tax increases is the way the liberals are now salivating about ways to spend the so-called "peace dividend." Because of the dramatic events in Eastern Europe, the liberals are talking about cutting defense spending 50 percent. Even prominent Republicans are predicting an annual defense cut of at least \$15 billion. Of course, the liberals are lusting to transfer that money into new bureaucracies and new handouts, both domestic and foreign.

Conservatives should demand that any "peace dividend" be used to cut taxes and reduce the deficit. Senator Phil Gramm (D-TX) has already called for this, saying, "It would be a paradox if the Reagan policies that brought down the Berlin Wall resulted in more government for the American people."

**Now is the time for all of us to demand that Congress vote tax reductions for all Americans, starting with families with children.**

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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