

# This week in history: December 23-29

23 December 2013

## 25 years ago: US was warned about Lockerbie bombing in advance

An official State Department document warning of an impending bombing attempt “against a Pan American aircraft flying from Frankfurt ... to the US” was published in the media on December 23, 1988—two days after the Lockerbie crash. The unclassified “security bulletin” was distributed to all US diplomatic posts in Europe on December 9 by the State Department under the marking, “For official use only.”

The document describes a telephone call by an “unidentified individual” to a US diplomatic facility in Europe on December 5. The caller named two individuals—“Yassan Garadat” in Finland and “Abdullah” in Frankfurt—who, within the next two weeks, would provide a “device” to an unwitting Finnish woman in Helsinki, who would in turn take it to Frankfurt and “eventually onto the US-bound flight.”

The doomed Flight 103, which crashed in Lockerbie, Scotland, originated from Frankfurt on a Boeing 727. It was eventually bound for Detroit after changing to a 747 at London and departing for New York City.

The final point of the bulletin under the designation “action required,” stated: “No agency or organization not on direct dissemination for this security bulletin may use or incorporate any part of this document in any other communication without specific approval of the director of civil aviation security.” The public release of the bulletin on December 23 resulted in an immediate international outcry.

Relatives of those killed were reportedly angry over the US failure to alert travelers. The head of the Justice Department’s Nazi-hunting unit, Neal Sher, who had lost one of his aides in the crash, objected publicly to the failure of the State Department to notify all government agencies of the warning, saying, “I’m very upset. People in my office travel all over the world all the time.”

The following day, the media published statements from “industry representatives” in London declaring that warning travelers every time a sabotage threat to an airliner was received, would cause chaos to an international aviation

system already operating “under severe strain.”

## 50 years ago: FBI adopts aim of “neutralizing Martin Luther King, Jr.”

At a December 23, 1963 meeting at its Washington DC headquarters, the US Federal Bureau of Investigation (FBI) launched a plan whose stated aim was “neutralizing Martin Luther King, Jr., as an effective Negro leader.” The gathering and the memo describing it came to light in the late 1970s in hearings held by the Select Committee on Assassinations of the US House of Representatives.

At the 1963 gathering, high-ranking FBI figures, including Assistant Director W.C. Sullivan, met with agents from the Atlanta field office to discuss plans to “discredit” King. The scheme eventually included suggestions made to the civil rights leader that he commit suicide.

Among specific measures outlined, the meeting called on agents to investigate “all members” of King’s organization, the Southern Christian Leadership Conference (SCLC), “locate and monitor” the funding and donors to the SCLC, “continue to keep close watch on King’s personal activities,” and at the proper moment “expose King.” The memo celebrated the “excellent information” tapping King’s phone lines had so far produced that could be used against him, including evidence of extramarital affairs.

FBI head J. Edgar Hoover viewed King as a communist—he was not—and a dangerous subversive because of his association with the mass movement of oppressed black workers in the South against the system of racial apartheid known as Jim Crow segregation. The FBI harassment of King, which included bugging his telephone lines and harassment of him and his wife, Coretta Scott King, began under the Kennedy administration with the specific approval of Attorney General Robert Kennedy, and continued until King’s assassination in 1968.

## 75 years ago: Fascist offensive in Spain

General Francisco Franco's fascist forces, heavily bolstered by crack mechanised Italian troop units, launched a fresh offensive on the Catalan front on December 23, 1938. An intensive artillery barrage opened the attack with air bombing inflicting heavy casualties on Republican forces.

The initial attacks took place in the Tremp sector where Republican troops succeeded in repelling the first efforts of the fascist advance. Troops under Franco's command attempted to cross the River Segre but again were beaten back with heavy casualties and retreated in disarray. Around Seros the attacks upon Republican lines were conducted by Italian Legionnaires who initially were successful in their attempt to occupy the strategically crucial Serra Grossa heights. However, a costly counterattack saw the positions retaken by the Republic.

By December 26 it was clear Franco's offensive was gathering momentum. As a result of the operations in the south, the previously precarious bridgehead on the left flank of the Segre near Seros had been reinforced, becoming a solid foothold some 250 square miles in area. Nine villages had been captured and the fascists were wiping out the remaining Republican resistance. In addition, from their positions near Granadella, the fascist advance guard were approaching the mountain range which slopes down to the Mediterranean near Tarragona and the Republican positions on the lower Ebro appeared increasingly fraught.

Further north, Franco's troops were within striking distance of Borjas Blancas, a large village lying on the road and railway from Tarragona to Lerida, two of the main feeders of the Republican side. The village was bombed from the air twice on Christmas Day morning with 23 buildings destroyed and 14 people killed.

While Barcelona had by now enjoyed over two weeks free from the terror of air raids, other towns held by the Republic had not been so fortunate. On the day of the Catalan Christmas offensive Valls, north of Tarragona, was bombed from the air. During the previous week fascist aviation, predominately German and Italian, had mercilessly attacked towns and villages throughout Catalonia, frequently behind the Ebro line and well beyond the war zones. Over 150 civilians had been reported killed in these indiscriminate raids.

## 100 years ago: Woodrow Wilson signs US Federal Reserve Act

On December 23, 1913, US President Woodrow Wilson signed the Federal Reserve Act into law, establishing the central banking system known as the Federal Reserve System. The Federal Reserve was granted the authority to issue Federal Reserve Notes or US dollars, as well as Federal Reserve bank notes as legal tender.

The move was a watershed in the consolidation of finance capital's control over the US economy. The Federal Reserve Board would be unelected, its chair and membership selected by the president and confirmed by the Senate, and the members of its 12 regional banks—which were not formally part of the federal government—also chosen by appointment. In practice, powerful bankers and their allies were put in these positions.

The establishment of the Federal Reserve followed a major financial crisis in 1907 that was triggered by a failed attempt to corner the stock of the United Copper Company. The failed scheme led to a run on the banks that had financed the plan and then quickly spread to affiliated banks and trusts. This resulted in the collapse of the Knickerbocker Trust Company—New York City's third-largest trust.

The failure of Knickerbocker raised concerns about the solvency of the city's trusts. Regional banks withdrew their reserves. The panic extended across the nation as large numbers of people withdrew deposits from regional banks. The New York Stock Exchange plunged by 50 percent from its peak the previous year and teetered on the brink of collapse. The crisis was only stemmed by the intervention of financier J. P. Morgan, who pledged large sums of his own money, and convinced other New York bankers to do the same.

After an investigation into the 1907 panic, the Aldrich-Vreeland Act in 1908 created the National Monetary Commission, which recommended the creation of the Federal Reserve System. A major reason for establishing the central banking system was the need for a lender of last resort to bail out the banks in a crisis and to allow credit to expand and contract within the US economy. In addition, although a major industrial nation, the United States was the only power whose currency did not function as an international medium of exchange. The Federal Reserve System gave the dollar an international status.



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