



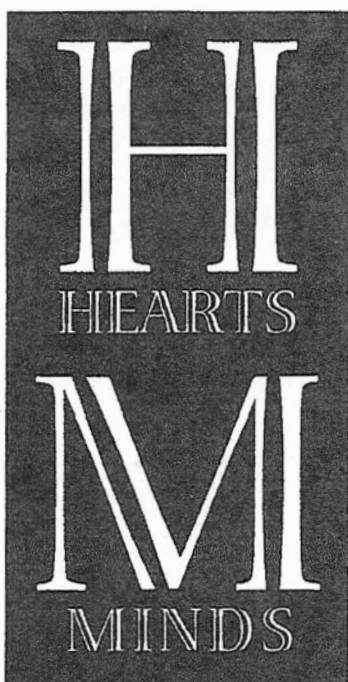
# IH HEARTS M MINDS

Three Case Studies of the CIA's Covert Support  
of American Anti-Communist Groups  
in the Cold War, 1949-1967

Michael Warner

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1999

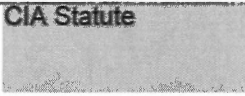
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*To the Memory of Michael Josselson*

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## Acknowledgments (U)

This book took a little longer than I had anticipated when I proposed it in 1992. I hope that readers will find the time well spent, for the story of the Agency's involvement with American voluntary groups is a fascinating one. That which is interesting in the narrative to follow owes little to my own efforts and much to the dedicated and often brilliant men and women who ran the operations and the associations that cooperated with the CIA. This is their story, not mine, and I was indeed lucky to have some of them go out of their way to assist my project. I would like to thank all those who consented to be interviewed. I must also express particular gratitude to others who generously shared memories, insights, and sometimes even documents, especially Arnold Beichman, Tom Braden, Leonard Bushkoff, Philip Cherry, Cleveland Cram, Lorraine Norton Eliot, Burton Gerber, Sam Halpern, Richard Helms, Paul Henze, CIA Irving Kristol, Walter Laqueur, Melvin Lasky, Sue McClellan, CIA David Murphy, Edward Overton, Walter Pforzheimer, Walter Raymond, John Richardson, Evan Thomas, and one more individual who wished to remain anonymous. Several present and former colleagues and Agency officers likewise merit thanks for their production assistance or their comments on drafts, particularly Hank Appelbaum, Paul Arnold, CIA Statute Nicholas Cullather, Ben Fischer, Gerald K. Haines, Fred Hitz, CIA Statute Scott Koch, Brian Latell, Diane Marvin, Mary McAuliffe, J. Kenneth McDonald, William McNair, James E. Miller, Kay Oliver, Floyd Paseman, Neal Petersen, David Robarge, Kevin Ruffner, CIA Statute Kathy Stricker, CIA Statute CIA Statute Many can share in what credit attaches to this book; the blame for any errors and omissions is mine alone. (S)



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## Foreword (U)

For most Americans, including journalists and scholars, mention of the Central Intelligence Agency (CIA) conjures up visions of spies, coup plots, or paramilitary operations. Even intelligence professionals are often only dimly aware of many of the more subtle, and sometimes more influential, CIA operations put in place to affect the world situation and to aid US strategic interests. This insightful volume by Dr. Michael Warner, Deputy Chief of the CIA History Staff, examines three CIA covert action programs in the 1950s and 1960s. These programs were designed to aid anti-Communist private, voluntary organizations during the early Cold War. The projects involved support for and cooperation with the National Student Association, the Congress for Cultural Freedom, and the American Friends of the Middle East. CIA support for such groups and organizations ended with the infamous "*Ramparts* flap" of 1967, which revealed the Agency's involvement with the National Student Association. ~~(S)~~

Fearing that the Soviet Union was winning the ideological and propaganda war for the hearts and minds of scholars, intellectuals, students, and groups of influence in the Third World, American Presidents from Harry Truman to Lyndon Johnson approved CIA programs to shore up and strengthen private anti-Communist US organizations. Dr. Warner carefully charts the evolution of this CIA cooperation with the three groups and attentively lays out CIA efforts to subsidize these organizations and to promote their non-Communist agendas abroad. Dr. Warner concludes that the CIA often found it difficult to reconcile the controversial domestic political stands of these client organizations on such issues as Vietnam, civil rights, and the Arab-Israeli dispute, with its overall goal of bolstering legitimate opposition to international Communism. (U)

*Hearts and Minds* manages to avoid both condemnation and nostalgia in depicting these long-term relationships. Dr. Warner's analysis of CIA's dealings with these organizations should be read by all intelligence officers and specialists interested in how the CIA, a secret intelligence organization, operates in a democratic society. Finally, it should be noted that the views expressed herein are the author's and do not necessarily represent those of the Central Intelligence Agency. (U)

Gerald K. Haines  
Chief Historian  
October 1998

## Introduction (U)

We are now conducting a cold war. . . . That cold war must have some objective, otherwise it would be senseless. It is conducted in the belief that if there is no war, if the two systems of government are allowed to live side by side, that ours because of its greater appeal to men everywhere—to mankind—in the long run will win out. That it will defeat all forms of dictatorial government because of its greater appeal to the human soul, the human heart, the human mind.

Dwight D. Eisenhower<sup>1</sup>

The Central Intelligence Agency spent almost two decades managing one of the most audacious enterprises ever launched by the United States Government. In fighting the Cold War, CIA officers funded and guided ostensibly private American voluntary organizations that sought to stem Communist expansion and influence among foreign peoples and governments. Many of these American associations were by no means small or obscure. In fact, their very success abroad depended in part on their authenticity at home, and that in turn flowed partly from their lucid opinions on controversial domestic issues. The CIA's covert subsidy programs represented something unique in American history. Never before had the US Government secretly created or penetrated private organizations on anything resembling such a scale, and, with the Cold War over, it is unlikely that the Agency will soon have the authority and the means to do anything like this again. (U)

This story has a clear beginning and a dramatic end. The CIA's use of domestic voluntary groups arose from the Truman administration's efforts to stanch the spread of Communism and give the Marshall Plan a chance to rebuild the economies and societies of Western Europe. The programs (which had no collective operational direction or codename) gained impetus from the Korean war, but by the mid-1960s CIA and the Johnson administration were seeking ways to extricate themselves from the dozens of individual covert projects that had been

<sup>1</sup> Eisenhower made this comment to personnel of the United States Information Agency; it is quoted in Walter L. Hixson, *Parting the Curtain: Propaganda, Culture, and the Cold War: 1945-1961* (New York: St. Martins, 1997), p. 24. (U)

initiated. This disengagement failed spectacularly in 1967 because of massive publicity surrounding well-documented allegations made by a hitherto obscure political magazine, *Ramparts*. (U)

This study examines three of the covert action projects in detail. The CIA provided the bulk of the operating budgets for the National Student Association (NSA), the American Friends of the Middle East (AFME), and the Congress for Cultural Freedom (CCF). Each emerged from the efforts of the CIA's Office of Policy Coordination's (OPC) efforts to halt the spread of Communism in Europe and the Third World during the early Cold War. OPC designed these programs around the assumption that Communist agents and ideology might soon win new adherents among important segments of foreign societies, ranging from European intellectuals, to Brazilian students, to educated Arab Muslims. This aspect of OPC's attack on Communism would be indirect; it would proceed by drying the pools of potential Communist support. But OPC as yet had few overseas assets, and it felt compelled to rely on the connections and expertise of concerned American citizens to extend its influence abroad. The American citizens whom the Agency tapped were (or soon became) witting leadership cadres who were dealing, on the Agency's behalf, with unwitting memberships and colleagues. (U)

OPC could not consult the telephone directory for well-connected American voluntary groups just waiting for secret subsidies to fight Communism abroad. Such organizations either had to be created *ex nihilo*, or their existing arrangements and policies had to change. A broad commonality of interests between CIA and its covert client organizations might well have developed spontaneously in response to Stalinism and the Korean war, but what actually occurred was that OPC secretly encouraged the movement toward parallel interests in the National Student Association and other organizations. CCF and AFME were created by OPC, and the National Student Association was actively steered by OPC agents and money toward activist anti-Communism abroad. The NSA case in particular illustrates a kind of Heisenberg Uncertainty Principle of covert action; the act of covertly subsidizing even an existing organization changes that organization, bringing its interests more into congruence with the clandestine service that sponsors it. (U)

In each of the three cases examined here, CIA case officers and assets jointly wielded substantial but clandestine influence over the organization's activities. In each case, moreover, CIA supervisors realized that the Agency had taken a dangerous gamble—and that the potential for public exposure and embarrassment was large. CIA officers and assets worked to manage and control this risk, but ultimately they also accepted it as a routine cost of business. Acceptance eventually bred complacency,

but that complacency could not last in the mid-1960s as spreading debates over the Vietnam war and US foreign policy in general seemed to heighten the risks of exposure out of proportion to the benefits produced by the respective operations. By then, however, it was too late, even though the Agency was extricating itself from all three operations in the months before the *Ramparts* flap. (S)

Each project evolved differently. The Congress for Cultural Freedom was really the creature of one remarkable American citizen 25X1

25X1 —Michael Josselson—who kept his organization focused on its original goals and minimized its need for cover and administrative support from American intellectuals. CIA created the American Friends of the Middle East to turn Muslims away from Communism. When its first director proved unmanageable, a strong (but generally compliant) board of directors took control of the organization, which then served as a rather elaborate covert support mechanism for other CIA projects. The National Student Association was unique among these three organizations in not owing its founding to CIA, although infusions of Agency money reoriented NSA early in its existence, giving it an international focus and influence that it might not have acquired on its own. The young men and women who ran the National Student Association were determined not to cede international student fellowship to the Communists, 25X1

where they persuaded the Agency's leaders to join the long struggle against Communist youth and student fronts. (S)

OPC's haste to meet the Soviet challenge caused operational flaws to be built into all three of these undertakings. The three operations were chosen for this study because collectively they represented the *modus* of CIA covert political action practices before the *Ramparts* revelations. They reflected the Agency's emphasis on covert subsidy projects and American voluntary organizations during the early Cold War. All were linked by a common funding network that led back to the CIA Directorate of Plans. All fell with the public collapse of that network, for reasons that invite scrutiny and comparison. Failure stemmed partly from poor CIA security practices that were only too evident even before the *Ramparts* flap, but also—and perhaps even more significantly—from a flaw in the design of the Agency's specific type of political action. (U)

The CIA's strategy of aiding the "non-Communist Left" in Europe and Asia guided the operations involving the National Student Association and the Congress for Cultural Freedom. In addition, this strategy indirectly justified the subsidy for the American Friends of the Middle East, which was not part of the non-Communist Left but which sought to

accomplish a similar goal—that of strengthening non-Western, even non-democratic, resistance to Communism. In all three operations the CIA proposed and took on the covert mission of promoting what US policy-makers regarded as America's true interests in an age when political exigencies supposedly imparted a harmful rigidity to declared US foreign policy. Various officials (inside and outside the Agency) occasionally complained that CIA support for such partisan organizations entangled the Agency in activities beyond its charter, but these complaints *by themselves* did not compel the Directorate of Plans to drop or reorient the projects in question. (S)

The three covert subsidy projects under study here took place with the knowledge and approval of higher authority. They began as pieces of the "psychological warfare" offensive mounted by the Democratic administration of Harry S. Truman. They continued and gained momentum under his Republican successor, Dwight D. Eisenhower. The CIA career of Allen Dulles began in the Truman administration, but he easily convinced his brother, Secretary of State John Foster Dulles, and President Eisenhower that the covert subsidy operations got results as American propaganda efforts shifted from psychological warfare toward encouraging a gradual "evolution" of Soviet and satellite attitudes toward the West.<sup>2</sup> Allen Dulles and his lieutenants later had no difficulty proving the worth of the operations to the Kennedy brothers, who were already enthusiastic about aiding the non-Communist Left and appreciated the subtle pragmatism of covert action. (U)

These operations thus were US Government policy initiatives as well as CIA projects. The internal CIA history of Allen Dulles's tenure as Director of Central Intelligence reflects the government-wide consensus:

The main objective of these activities was to oppose those Communist-dominated organizations which were closely controlled, ideologically as well as operationally, and which followed the current Soviet party line. Opposition by its very nature would have to manifest diversity and differences of view and be infused by the concept of free inquiry. Thus views expressed by representatives and members of the US-supported organizations in many cases were not necessarily shared by their sponsors . . . It took a fairly sophisticated point of view to understand that the public exhibition of unorthodox views was a potent weapon against monolithic Communist uniformity of action. There were plenty of people in the

<sup>2</sup> Walter Hixson contrasts "psychological warfare" with "cultural infiltration" in *Parting the Curtain*, pp. xii, 16, 101. (U)

US Government, including the Congress, who understood this, and if it had not been for them, CIA could not have funded these operations.<sup>3</sup> (U)

CIA acted from the beginning as an executive agent—not as a mere instrument—of the President and the NSC subsidizing American anti-Communist groups that constructively questioned US foreign policy. The Agency enjoyed wide latitude in deciding how and where to fund such groups. Client organizations, in addition, had wills of their own. CIA officers sponsored such groups as NSA, CCF, and AFME for their own reasons as well as those of the White House, and the details of those arrangements rarely if ever reached Presidents or national security advisers. Buried within the latter point is the core of an explanation of what happened before the *Ramparts* flap. (S)

By the time of President Kennedy's assassination, articulate critics on both the left and the right were assaulting the political assumptions under which OPC had originally undertaken its subsidy projects. The rising conservative movement (learning from Congress for Cultural Freedom veterans such as James Burnham and Sidney Hook) criticized US assistance to groups that wavered in their lukewarm support of American policies and even flirted with Marxism. The New Left, led briefly by university students disaffected with the National Student Association, blasted "the establishment" and its ways of co-opting Americans into the military-industrial complex. (U)

These 1960s shifts in the domestic political climate exposed the CIA's strategy of supporting the non-Communist Left to attacks from political thinkers who rejected the social democratic ideas tacitly endorsed by Agency subsidies. "Right-wing" anti-Communism distrusted all of the Left as too wedded to egalitarianism and social planning, while new thought on the left indicted both Communism and capitalism for complicity in building a dehumanizing, industrialized mass society. Here lay the irony of the Agency's strategy: it simply was not possible to subsidize some nonexistent generic form of anti-Communism, only different and mutually competing anti-Communist individuals and groups. (U)

Support for American voluntary groups working with the non-Communist Left—or Islamic anti-Communism, such as it was—by definition meant working with specific Americans within those client groups. Each of the three operations studied here endured because a core group

<sup>3</sup>Wayne G. Jackson, "Allen Dulles as DCI," Volume III, "Covert Activities," July 1973, National Archives and Records Administration, Record Group 263 (CIA), NN3-263-94-011, pp. 102-104. (U)



of dedicated, witting individuals acted as "brokers" between the Agency and the overt organization, keeping both client and sponsor committed to certain covert goals. CCF had Michael Josselson; NSA had its secret fraternity of witting officers and alumni; and AFME had the mercurial Garland Hopkins in the beginning, and later an activist board of directors. Without agents and officers of such high ability and commitment, the operations surveyed in this study would not have been possible. (S)

These "brokers" shared several qualities. They all were committed to the overlapping covert and overt goals shared by the CIA and its respective client organizations. They had remarkable abilities to accomplish tasks on both the "inside" and the "outside" of the operation—within the corridors of CIA and in the public eye. Finally, all of these brokers resigned themselves to the heavy security demands and the tactical compromises the Agency imposed on their operations. The inefficiencies created by CIA procedures weighed less, in the minds of these agents, than the good that CIA money did for their respective organizations. (S)

But these brokers inevitably had rivals and opponents as well. There were internal rivals in the case of NSA, and outside opponents in the cases of CCF and AFME. Their competitors could hardly have been expected to resist the temptation to exploit leaks about CIA support in order to influence or even harm the Agency's client organizations. (S)

Any investigation of the developing CIA operations and their eventual downfall needs strict methodological guidelines. This study could have been one of several things: a comparative history of CIA-affiliated, American-based, anti-Communist voluntary groups; an autopsy of the *Ramparts* flap; or an examination of CIA's largely indirect involvement in American domestic political debates. The study as written is none of these things per se.<sup>4</sup> Instead it is a little of all three—and indeed sheds light in all three areas. This is essentially a narrative of how CIA's leaders knowingly took a gamble at the outset of the Cold War, and then finally lost their wager in a spectacular and catastrophic fashion. It is a story worth telling in detail because of its intrinsic human and policy interest, because of the damage done to the CIA by the *Ramparts* revelations, and

<sup>4</sup>Indeed, the story of the *Ramparts* flap has already been told from CIA's perspective in two classified monographs. For the origins and development of the flap, see Anthony Marc Lewis, "The 1967 Crisis in Covert Action Operations: The *Ramparts* Exposures," December 1970, *Clandestine Services Historical Series 196*, CIA History Staff, (S). Philip W. Kaufman provides a comprehensive overview of CIA and US Government damage control efforts in "The 1967 Reappraisal and Readjustment in Covert Action Operations; The Katzenbach Committee Report," January 1971, *Clandestine Services History Program 384*, CIA History Staff. (S)

because an understanding of the rise and fall of covert action with American voluntary groups is itself crucial to further historical research in all three of the topics listed above. (U)

All three operations (along with many others of this type) survived so long because successive Directors of Central Intelligence and Deputy Directors for Plans perceived them as successful—that is, at providing operational and strategic benefits greater than their costs. Were these perceptions accurate? Comparing the accomplishments of the three projects is mixing apples and oranges, but some tentative judgments can nonetheless be made. The Congress for Cultural Freedom undoubtedly was a success, despite its being the most expensive of the three projects. CCF helped in the 1950s to refute the canard that art flourishes only under socialism, and in the 1960s it publicized the ways in which tyranny inevitably suppresses creative thought as well as personal freedom. On the other hand, the accomplishments of [the American Friends of the Middle East] operation, and especially those of the National Student Association operation, seem almost ephemeral today. [AFME doubtless bought America some good will among Arab elites 25X1

25X1 Perhaps the benefits outweighed the costs; perhaps only the CIA could have created and preserved [an AFME] long enough to allow the organization to live on without covert funds. NSA's accomplishments seem to diminish in hindsight. 25X1

25X1

25X1

(S)

This study tries to help contemporary readers to understand an era in the Agency's past and some of the reasons why that era ended in 1967. The story has continuing relevance to the ways of assessing the potential costs and benefits of covert political action. (U)

#### The Sources (U)

The bulk of the documents in this study reside in retired files of the Directorate of Operations. The DO preserved many of the relevant administrative, policy, and support files in good order, although a few minor gaps have opened during the intervening decades. Interviews with some three dozen retired managers, case officers, and agents fill in some of those gaps. The historical case studies produced by the History Staff's old

Clandestine Services History Program helped considerably in sketching out the basic plan for this study. Robert Knapp's classified history of the Agency, *The First Thirty Years*, proved to be an indispensable reference tool. Retired files held outside the Directorate of Operations—particularly by the Executive Registry, Office of Human Resource Management, and the Inspector General—also proved valuable. (U)

Reliable open sources on CIA covert activities with American voluntary organizations are rare. A few books on the CIA mention some of the operations and personalities, particularly John Ranelagh's *The Agency*; Burton Hersh's *The Old Boys*; Evan Thomas's *The Very Best Men*, and Peter Grose's *Gentleman Spy: The Life of Allen Dulles*. Peter Coleman's history of the Congress for Cultural Freedom, *The Liberal Conspiracy*, was essential. Walter L. Hixson's *Parting the Curtain* provided valuable policy context. Contemporary newspapers and periodicals often illuminated the circumstances of particular decisions and incidents. In some cases, the records of Congressional hearings and the Department of State's *Foreign Relations of the United States* series provided the specific policy contexts. (U)