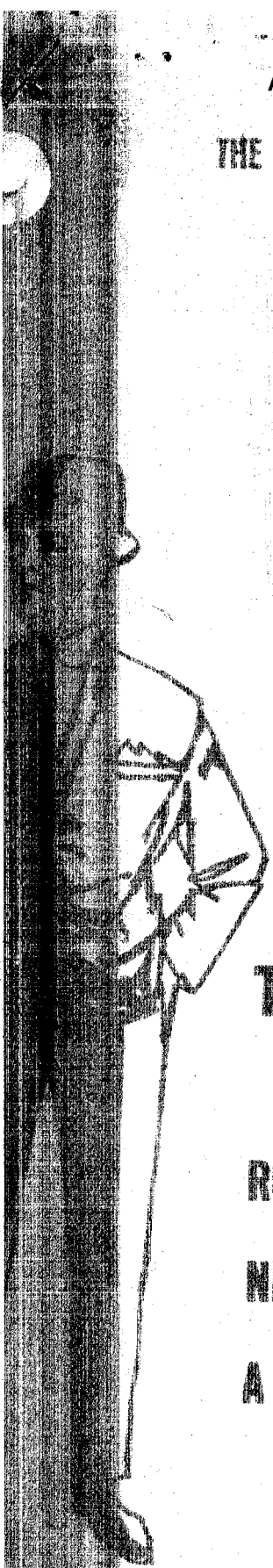


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THE

# PROGRESSIVE



## THE MAN IN THE GRAY FLANNEL SHEET

Wilma Dykeman

ROCKEFELLER IN WASHINGTON

David C. Williams

NEW RAID ON THE TREASURY

I. F. Stone

A CAPITALIST ON RUSSIA

Cyrus S. Eaton



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## The Central Intelligence Agency

# Daggers against Diplomacy

by CHARLES EDMUNDSON

**I**N HIS RECENT *Saturday Evening Post* article, "The Story Behind Quemoy: How We Drifted Close to War," Stewart Alsop tells of the part played by the Central Intelligence Agency in almost starting war with Communist China in 1954 and again in 1958. For the first time a mass-circulation publication revealed that beginning early in 1950 the CIA supported and master-minded "commando-type guerrilla raids on the [Chinese] mainland, which were sometimes mounted in battalion strength . . ."

Alsop does not, of course, tell all of the CIA's activities in heightening tensions in the Far East. But he does describe in detail the role of "Western Enterprises, Inc." (a cover name for the CIA project) in raiding the mainland from Quemoy and the Tachens:

"The Western Enterprises—ostensibly 'soldiers of fortune'—were responsible for organizing and equipping the Nationalist guerrillas who raided the mainland from the offshore islands . . . Until early 1954, the islands were pretty much their exclusive playground. By that time they had settled themselves pretty comfortably on the islands."

Although neither the White House nor Congress had yet made up its mind whether the offshore islands belonged to Mao Tse-tung or Chiang Kai-shek, the CIA decided

the matter for itself and proceeded with systematic raids against the mainland. The results, direct and indirect, were enough to provoke the brink-of-war crises of September 1954 and October 1958. The United States and the world were twice taken to the precipice by a secret bureau whose activities are unknown to Congress, the press, and the people until long after the event—if they are ever known.

The raids from Quemoy and the Tachens are not isolated instances of CIA activity. They are representative. As currently operated, the CIA is far more than an intelligence-gathering organization. It is an activist group which steps in boldly to dictate foreign policy in areas not covered by decisions of Congress, the State Department, or the White House. The CIA operates clandestinely in every country in the world, including several where the State Department and the press are forbidden. It executes its projects without concern over the reaction of the public. The incidents it provokes are never acknowledged, yet can be decisive in shaping—or misshaping—public opinion and foreign policy.

All the machinery of government publicity is used to make CIA-induced incidents serve preconceived domestic ends. The public can thus be propagandized into believing whatever the CIA and its Old Guard allies in the State Department or the military want it to believe.

Not long ago I asked a distinguished career ambassador, "When CIA operatives are at work in the country to which you are accredited, don't the incidents which they create shape policy in such a way as to take

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control largely out of your hands?" "I couldn't agree with you more," the ambassador replied. He told of CIA activities in his country which had damaged American prestige and influence over a whole continent.

The CIA works under the direction of the National Security Council, the nation's supreme body in deciding military policy. Chairman of the NSC is the President himself and there are four other members: the Vice President, Secretary of State, Secretary of Defense, and the director of the Office of Defense Mobilization. The director of the CIA is not a member, but as its adviser on all intelligence matters he sits in on most important sessions and has a voice in Security Council discussions and decisions.

According to the basic statute, the CIA's functions are limited to gathering and interpreting intelligence. A final "catch-all" clause, however, authorizes the CIA to perform such "other functions and duties" relating to security intelligence as the National Security Council may direct. This would not appear to authorize the organization of "guerrilla raids . . . in battalion strength" or the deployment of *agents provocateurs* in the territory of cold war adversaries. But the CIA has engaged in such activities on a broad scale.

Funds are not lacking for any schemes the CIA may see fit to adopt. In his book, *Central Intelligence and National Security*, Harry Howe Ransom, a political scientist at Harvard, quotes estimates of national intelligence expenditures as high as two billion dollars a year. "Several hundreds of millions of dollars annually," he writes, may be budgeted directly to the CIA, with the rest going to the Army, Air Force, Navy, State Department, and several other agencies which also gather intelligence. Nobody knows the exact amount the CIA gets. The Bureau of the Budget is forbidden by law to disclose the figure. Congress itself, carefully blindfolded, passes CIA appropriations as disguised items in the budgets of other bureaus.

The CIA's total personnel, American and foreign, is estimated at about 16,000 persons. The "Little Penta-

gon" being built for the CIA across the river from Washington—at a total cost of \$55,000,000—will have a capacity of at least 10,000 persons. Small wonder that more thoughtful Senators and Representatives are disturbed to see such a rich and far-flung empire operating in the vital fields of foreign affairs, hidden from the eyes of Congress and the press.

In reality, the press, with correspondents in most foreign capitals, knows much more about CIA operations than does Congress. Many foreign correspondents with whom I have talked would like nothing better than to report how the CIA often distorts international relations. But the editors at home long ago decided to regard the CIA as a sacred cow.

Perhaps the most glaring failure of the press, from the standpoint of public policy, has been its acquiescence in the State Department's repeated and sometimes incendiary statements that all the Americans held prisoner in Communist China are held illegally and in violation of international law. Every well-informed correspondent and editor in Washington knows that many of the prisoners have been U.S. intelligence agents, whom China has as much right to hold as the United States has to imprison Rudolph Ivanovich Abel, the Soviet "master spy."

The reading and comparison of scattered items (always buried obscurely on inside pages) in the *New York Times* is sufficient to show that at least some of the prisoners are CIA agents. Confessions by some agents who have been released and others still held have been printed in the *Times*, the *Washington Post*, and other newspapers. At a press conference December 3, 1956, President Eisenhower pointedly refused, contrary to Secretary Dulles' practice, to say that all the Chinese prisoners are illegally held.

But such items go unnoticed, and when Secretary Dulles or Assistant Secretary Walter Robertson make speeches saying that the imprisonment of all the men is illegal, barbarous, and an affront to the dignity of the United States, doubtless 99 per cent of the public believes them.

It is understandable that newspaper editors are reluctant to print the full story of U.S. intelligence agents captured in China. But to pro-

tect the integrity of public opinion they might at least warn Secretary Dulles that they will not forever remain silent while the State Department belligerently misrepresents facts. They could at least refuse to cooperate in the effort to propagandize and bamboozle the American public to the point where a rational China policy becomes a political impossibility.

President Eisenhower, according to his biographer, Robert J. Donovan, questions the wisdom of driving "the Chinese ever deeper into an unnatural alliance with Russia." But the Dulles brothers have been doing just that. Besides the raids from the offshore islands, "Western Enterprises, Inc." for several years helped supply and direct a large remnant of Nationalist Chinese forces against the Communist Chinese from the northern border of Burma.

The Nationalist Chinese were never more than a nuisance to Communist China, but they were a real peril to Burma, which feared that Peking might retaliate against the Burmese for harboring hostile forces. When Burma's own army was unable to deal with the Nationalist Chinese, Prime Minister U Nu protested to the U.S. ambassador in Rangoon. After this proved useless he took his case to the United Nations. Feeling mounted so high among Asian and African delegates that something had to be done. Eventually a four-power conference—the United States, Burma, Nationalist China, and Thailand—was held and as a result 7,000 Nationalist Chinese and their dependents were evacuated to Formosa, although some 3,000 of Chiang's veterans still linger in Burma.

In this period the CIA and the Air Force cooperated in running an "Air Resupply and Communications Wing." The wing's "mission in a global war," explained the *New York Times*, "would be to fly into enemy territory and drop supplies to United States or allied agents operating there." Operations over China were extensive and occasionally a plane was shot down or accidentally crashed. Early in 1953 the plane of Colonel John Knex Arnold, commander of the 581st Air Resupply

and Communications Wing, was shot down over Chiffa, and Colonel Arnold and 13 other Americans were captured. After two and a half years the Chinese released all 14 of them. At a press conference arranged by the U.S. Air Force in Tokyo, Colonel Arnold said that under pressure he had "told the Chinese things they shouldn't know." By this time some members of Congress had become concerned over the trouble-making potential of the "Air Resupply and Communications Wing" and the operation was suspended.



In mid-August of 1953, the CIA brought off what it apparently regards as its most dramatic coup. This was the overthrow of Prime Minister Mohammed Mossadegh of Iran accomplished with all the packed drama of a television scenario. The CIA was so proud of this masterpiece that it leaked the details to Richard and Gladys Harkness for a remarkable story published in the *Saturday Evening Post* November 6, 1954.

The coup was planned in a picturesque hostility in the Swiss Alps. Allen Dulles flew there on August 10, 1953, to join his wife, ostensibly for a vacation. Soon they were joined by Lou Henderson, U.S. ambassador to Iran, and by Princess Ashraf, the attractive and strong-minded brunette twin sister of the Shah. By a remarkable coincidence the late Brigadier General H. Norman Schwarzkopf, formerly U.S. adviser to the Iranian Gendarmerie, happened to be touring the Middle East, and was in Tehran, the capital of Iran, at the same time.

The Shah sent a military detachment to inform him that he was dismissed. When Mossadegh refused to resign and took charge of the capital with armored jeeps and tanks, the Shah and his wife fled to Rome.

Others did not give up so easily. Some members of the Iranian Army had remained loyal and the support of others was won with black bags comfortably filled with *rials* (a total of \$19,000,000 was spent). A few days after the flight of the Shah an innocent-looking troupe of jugglers and trapeze artists began a parade toward the heart of Tehran. Their numbers

swelled miraculously and they began to chant "Down with Mossadegh," "Long Live the Shah!" The chant became an angry shout. The paraders were transformed into an aroused populace. As if by pre-arrangement, pro-Shah elements of the Army joined the demonstration. After a half day of bitter fighting, Mossadegh was overthrown, and the Shah and his bride flew back to the capital.

In the background of all this were, of course, the oil fields on the north shore of the Persian Gulf. It is not irrelevant that Sullivan and Cromwell, the Dulles brothers' former law firm, is the longtime legal counsel of the Anglo-Iranian Oil Co., whose billion dollar property interest on the Persian Gulf was saved by Mossadegh's overthrow. The international oil cartel, whose American members were then and still are under prosecution by the U.S. Department of Justice, found it easier to negotiate with the Shah than with Mossadegh, whose efforts to deal with American independent oil companies had been frowned upon by the State Department.

Congress seemed well enough pleased by what happened in Iran, but three months later it was jolted by reports out of East Germany. On November 17, 1953, the *New York Times* reported that the East German government had seized scores of persons whom it accused of being *agents provocateurs*. They had been caught, the East Germans claimed, with plans to blast railroad bridges and stations, burn factories and government buildings, and assassinate officials. In the prisoners' pockets were found, the East Germans said, faked food stamps and counterfeit bank drafts to upset food rationing and bank credit.

Something else piqued Congressional interest. Most of the captured agents were former Nazis, headed by Gustav Gehlen, who had been a major general in the Nazi Army, and papers found on the captured agents included a list of West German anti-Nazis for slaying. Apparently the former Nazis were using their spy roles as cover for settling old scores.

An informal committee of Congress, with Senator Mansfield in the lead, demanded to know what was going on. Army intelligence, which was also operating in Germany, hastily gave the CIA full credit for

the Gehlen affair, and this view was supported in the trials in East Germany. Four of the Gehlen group were executed, 11 were given life imprisonment, and those who escaped to West Germany were presumably culled from the American payroll. Thereafter intelligence operations in Germany were limited mostly to such ventures as digging a 2,000-foot tunnel into East Berlin to tap Communist telephone and telegraph trunk lines—an enterprise discovered in 1956.

Using the CIA, the United States is able to react quickly when an alien power or ideology shows sign of gaining ground in the Western Hemisphere. In May, 1954, the CIA found that a secret shipment of 1900 tons of arms from Czechoslovakia was being unloaded at Puerto Barrios, Guatemala. Although there were no Communists in the cabinet of President Jacobo Arbenz Guzman, his government had been charged with Communist sympathies. Allen Dulles warned the National Security Council that action was urgent. Two Globemasters loaded with arms were flown to Honduras and Nicaragua. Within a week an exiled Guatemalan officer was leading an armed force across the border from Honduras and the Arbenz government was doomed. The coup deposing Arbenz was so easily executed that the State Department apparently forgot to do much subsequently about the conditions which helped give rise to pro-Communist sentiment in Guatemala.



It is not generally known that Radio Free Europe, which appeals for public contributions through the press, radio, and television, is an arm of the CIA and depends on the CIA for most of its funds. When a knowledgeable correspondent like Cyrus Sulzberger of the *New York Times* refers to Radio Free Europe as a private agency he puts the word "private" in quotation marks. Most of the Free Europe Committee directors are industrialists such as Irving S. Olds, former board chairman of United States Steel, and Eugene Holman, head of Standard Oil of New Jersey. One may reasonably question if the ideas of such men are suited

to the development of propaganda appealing to repressed populations.

According to Dr. Frederick L. Schuman, Woodrow Wilson professor of government at Williams College, "Radio Free Europe is designed to conduct psychological warfare more vigorously than the Voice of America, with the object of instigating revolution and promoting what *Life* magazine called 'the necessary disintegration of the Soviet system.'" In 1956 Leslie Bain, Budapest correspondent for *The Reporter*, blamed Radio Free Europe for helping raise the Hungarian revolution to a tempo which uselessly sacrificed thousands of Hungarian patriots after their cause had proved hopeless. The broadcasts, he wrote, kept repeating a refrain from Ambassador Lodge's speech in the U.S., "America will not fail you . . . America will not fail you," after it was clear that nobody was going to Hungary's aid.



In the spring of 1958 the Oxford University magazine *Isis* lifted a corner of the U.S. British espionage curtain and revealed part of what was behind it. The authors were Paul Thompson, 22, and William Miller, 24, assistant editors of *Isis* and former members of "a secret branch of the Royal Navy." When the authors were prosecuted for breaching the British Official Secrets Act, the public prosecutor stated in court that "parts" of their story were true. The Associated Press quoted the Thompson-Miller article:

"All along the frontier between East and West from Iraq to the Baltic and perhaps farther are monitoring stations avidly recording the least squeak from Russian transmitters, ships, tanks, airplanes, troops and control stations.

"It is believed, perhaps rightly, that this flagrant breach of the Geneva Convention can provide accurate estimates of the size and type of Russian arms and troops and the nature of their tactical methods.

"In order to get this information, the West has been willing to go to extraordinary lengths of deception. British Embassies usually contain monitoring spies . . .

"An airplane loses its way. Behind the frontier, tape recorders excitedly read the irritated exchanges of Russian pilots, and when the latter sometimes force the airplane to land, an international incident is created and reported in the usual fashion."

Accounts in the American press complement the story of the Oxford students. Hanson Baldwin of the *New York Times* and others have written of flights by the U.S. Air Force across the boundaries of Russia. In the January, 1958 issue of *Missiles and Rockets*, Associate Editor Seabrook Hull gave some details:

"The Strategic Air Command still provides the United States with an overwhelming retaliatory power over the Union of Soviet Socialist Republics, according to Pentagon experts . . . Numerous and continuing SAC flights over the sovereign territory of the U.S.S.R. demonstrate this . . . Their [SAC] aircraft continue to fly over the Soviet Union with a relative degree of immunity. It is true that modern Russian fighters attack our bombers with major advantages of altitude, speed and maneuverability. It is also true that they score some hits. But so far no attacks have been made by the Russians with missiles [possibly] because they don't want to tip their hands."

*Time* more than once has written of U.S. military planes making spy-flights over Russia. In its November 3, 1958, issue *Time* quoted "Soviet refugees" as saying that "high-altitude U.S. photo-reconnaissance planes flying in from the West made a night-

time penetration of Russian airspace in late 1956 or early 1957." *Time* said on its own authority that the Russians had seen such planes on their radar—"proof that they are not asleep at their oscilloscope."

The most fundamental of all civil liberties is the right of the citizen to make up his mind on public issues without having the facts concealed or distorted by his government. The record shows that the CIA, in cooperation with the State Department, systematically contravenes this principle. A few examples of what is happening creep obscurely into some of the better newspapers, but nowhere, save in a few liberal publications, are Americans warned of the potential consequence of the far-flung operations of the secrecy-ridden CIA.

Public opinion can with effort make itself felt in the most public of government bureaucracies. But bureaucracy operating in the dark, utterly insulated from public or Congressional opinion in the delicate field of foreign affairs, is about as far removed from the democratic process as it is possible to conceive. Democracy is vitiated at home. Abroad, CIA activities are used by leaders like Mao Tse-tung to stir up hatred of the United States and generate more support for Communist dictatorship.

For four years men like Senators Mansfield, Morse, and Kefauver have tried to get Congress to set up a committee to keep check on the CIA just as the Joint Committee on Atomic Energy keeps Congress reassured in that vital field. Congressional participation in the supervision of the CIA has been recommended by the Hoover Committee on Government Reorganization, by a special Hoover Commission task force headed by General Mark Clark, and by the Senate Rules Committee. But a bill to achieve this has not been passed by either house. Four such bills died in committee in the past session.

Other bills are being prepared for the current session of Congress, and the temper of the new Congress is likely to prove more favorable. But the needed legislation will not be passed unless the public and the press demand action. Too many men high in government gloat over the cops-and-robbers exploits of the younger of the Brothers Dulles.

