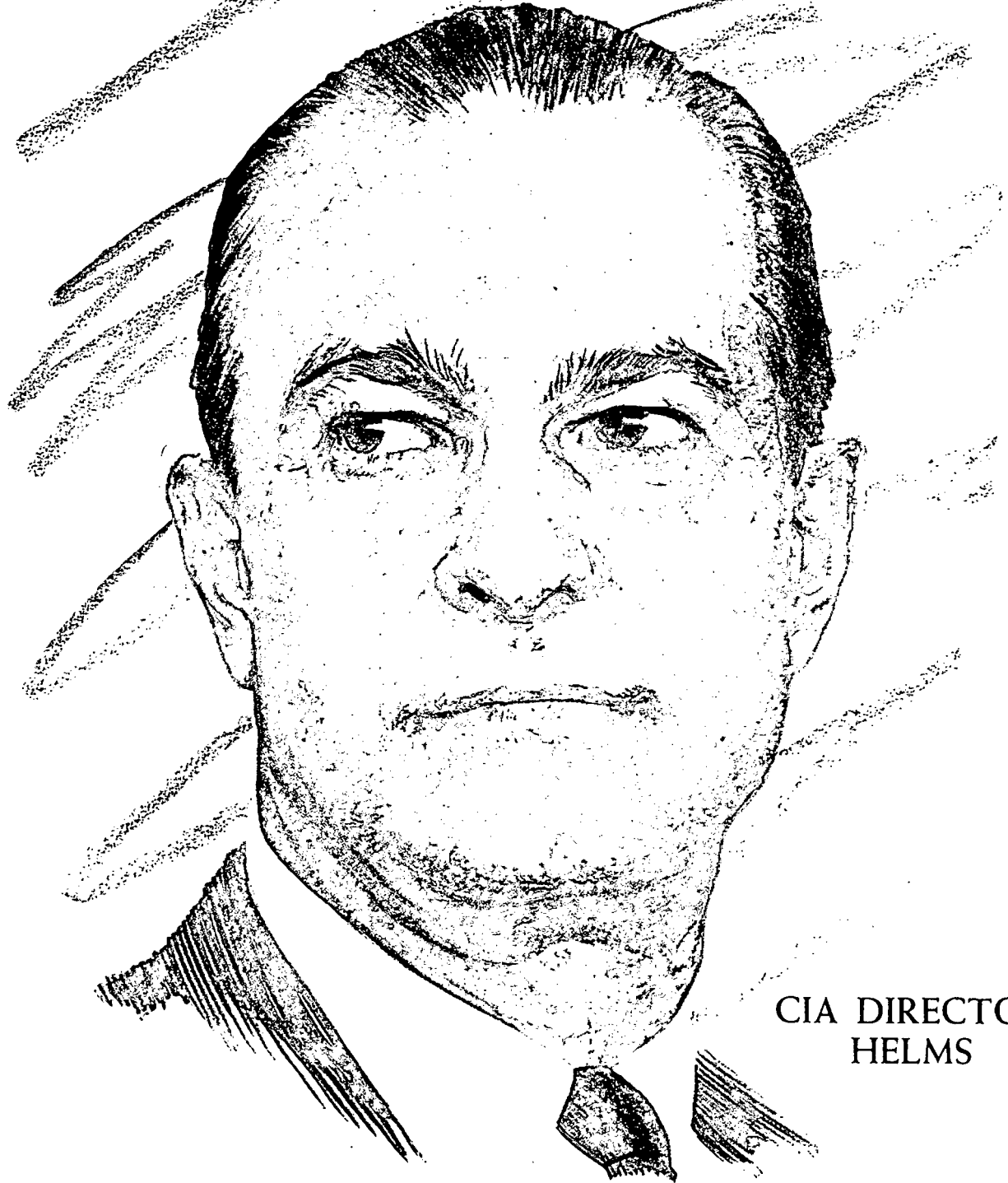


*The CIA and the Students*

# TIME

THE WEEKLY NEWSMAGAZINE



*Boris Chelintin*

CIA DIRECTOR  
HELMS

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# TIME

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## THE NATION

### THE ADMINISTRATION

#### The Silent Service

(See Cover)

*What enables the wise sovereign and the good general to strike and conquer, and achieve things beyond the reach of ordinary men, is foreknowledge.*

—Sun Tzu, 6th Century B.C.

Chinese military theorist

Inside a U.S. ferret satellite flashing around the earth at 17,000 m.p.h., supersensitive instruments intercept and flick back to Virginia a radio message between Moscow and a Soviet submarine in the Pacific. In Laos, an American listens attentively to the words of a cocktail waiter, then slips him a bar of silver. In an office of the U.S. embassy in Bonn, a rotund Sovietologist digests a stack of reports that may originate from any one of a thousand sources—a barber in East Berlin, a whorehouse madam in Vienna, a U.S. electronics salesman in Darmstadt, an Eastern European propaganda broadside. At an airfield on Taiwan, a black U-2 reconnaissance plane with a Nationalist Chinese pilot at the controls soars off the runway, bound for skies 15 miles above Red China on a photographic mission.

Such is the spider-web scope and space-age sophistication of the U.S. Central Intelligence Agency, the nation's deep-secret seeker of foreknowledge in the dim, cold demi-world of international intelligence. CIA is America's chief combatant in what Secretary of State Dean Rusk calls "a tough struggle going on in the back alleys all over the world, a never-ending war, and there's no quarter asked and none given."

**Cacophony of Protest.** So cloaked and gagged is CIA's operation that a majority of Americans cannot recite even its most dramatic feats: its pinpoint reporting about day-by-day developments leading to the explosion of Red China's first nuclear device, its brilliant success in wiretapping Soviet army headquarters in East Berlin,\* its nick-of-time revelation in 1962 that Russian missile bases were abuilding in Cuba. Even more mysterious to most Americans than CIA itself is its director, Richard McGarrah Helms, 53, an intense, con-

\* Accomplished by digging and wiring a tunnel from West to East Berlin, which caved in only because East German street laborers inadvertently hit a weak spot while working on a routine job in 1956.

trolled, self-effacing professional who holds one of the most delicate and crucial posts in official Washington—and whose name has yet to appear in *Who's Who in America*. Dick Helms has been, in Washington parlance, a "spook" for nearly 25 years. He is a veteran of some of the agency's most labyrinthine operations—from masterminding double

the emotionalism of young Americans who worship honesty. It aroused the outrage of many in the academic community who—mistakenly—regard CIA as an evil manipulator of foreign policy. And the furor showed again how readily Americans, who, while seldom acknowledging the quiet and generally successful performance of their intelligence com-



STUDENTS ARRIVING FOR WORLD YOUTH FESTIVAL IN MOSCOW (1957)  
Once again, a spotlight on the tightrope of paradoxes.

agents working at the very heart of Kremlin intelligence to supervising covert U.S. operations that kept the Congo out of Communist control.

Yet no amount of expertise in back-alley battling or electronic espionage could have prepared Helms or CIA for the cacophony of protest that arose last week over yet another facet of U.S. intelligence—the agency's undercover funding of American and international students' associations.

The controversy once again spotlighted the shadowy tightrope of paradoxes that the Helmsmen must walk in the interests of a nation that cherishes openness and fair play. The debate pitted the Puritan ethic against the pragmatism of cold-war survival. It matched the conspiratorial methods necessarily practiced by intelligence agencies against

munity, will howl their indignation at the first hint of misjudgment.

"Sinister Specter." The story—and the storm—broke early in the week when *Ramparts*, the sensation-seeking New Left-leaning monthly, took full-page newspaper ads to trumpet an article scheduled for its March issue that would "document" how CIA "infiltrated and subverted the world of American student leaders." The story, according to *Ramparts*, was a "case study in the corruption of youthly idealism," and would prove that "CIA owes the youth of this country an apology." CIA's involvement with the academic community has been a target of *Ramparts* before: an article last April lambasted Michigan State University for providing cover for five CIA agents during a federally financed project to train South

10,000-word article on the U.S. National Student Association was larded with pejorative clichés about “the sinister specter” of CIA mixing with a student group.

Factually at least, the piece was essentially accurate. N.S.A., the nation's largest student organization, represents the campus governments of some 300 colleges. It arranges hundreds of foreign trips and wide-ranging student exchange programs, and holds an annual National Student Congress to debate a few domestic issues and countless international questions ranging from “Whither Africa?” to “How Now, Chairman Mao?” The association was founded in 1947 by 24 American campus leaders, including White House Aide Douglass

along, its representatives continued to attend a series of international student rallies. Invariably, they found themselves outmaneuvered, outshouted and outfinanced by Communist student organizations that went out of their way to impress delegates from the underdeveloped, uncommitted nations of Africa, Asia and Latin America.

PPPM. The U.S., as leader of the free world, could not comfortably sit by while Moscow made its grandstand play for the imaginations and loyalties of the world's youth. National student organizations were proliferating everywhere, and in 1950, N.S.A. and 20 other groups formed the International Student Conference as the West's counterweight to the aggressive International Union of Students, a Communist-subsidized youth

U.S. Youth Council in New York. Over the past 15 years, funds were donated to one organization or another in the name of the Independence Foundation, the J. Frederick Brown Foundation, and the Sidney and Esther Rabb Charitable Foundation, all of Boston, the San Jacinto Fund of Houston, the Foundation for Youth and Student Affairs of New York. In several cases, the forms that tax-exempt foundations are required to submit as public records with the Internal Revenue Service were strangely missing from the files of district offices.

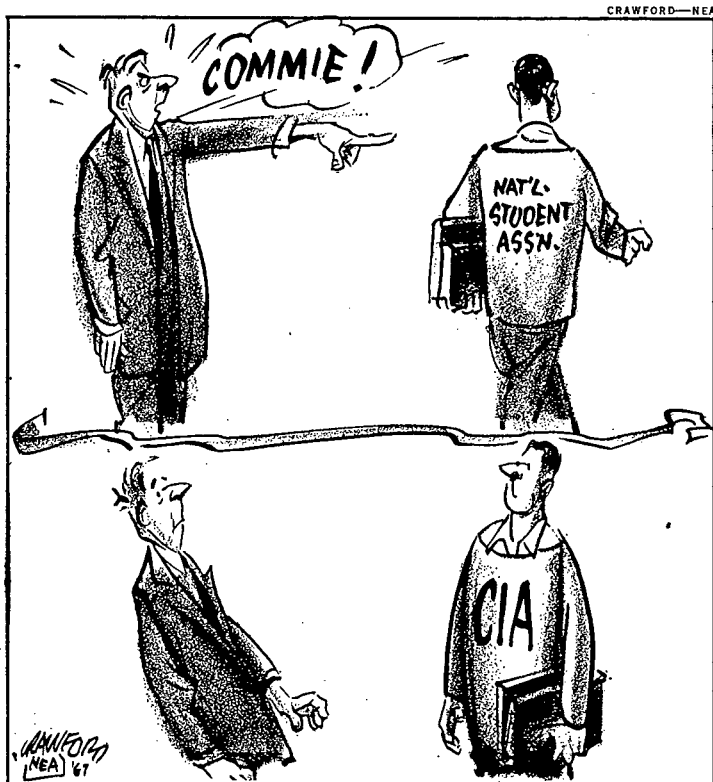
The San Jacinto Fund has neither a listed phone nor an office address, operates out of the office of an accountant. Others, too, proved to be desk-drawer operations—without staff, office space or listed telephone numbers. Dummy fronts or not, these foundations over the past 15 years had contributed as much as 80% of N.S.A.'s budget.

Ignored Success. From the first, the operation was supposed to be accomplished with characteristic CIA attention to secrecy. Only N.S.A. presidents (who serve one-year terms) and a couple of other top officers were told about the arrangement. They were required to sign a national-security pledge that they would never reveal that information—at the risk of a maximum 20-year prison sentence for violating its terms. Over the years, N.S.A. actually did have dribbles of cash coming from the Ford and Rockefeller foundations, as well as from the State Department, but CIA was by far the most generous banker.

The CIA money was earmarked for the international program only, but the agency made no attempt to influence the students' policies. In the years since the CIA fund began, N.S.A. has taken many vigorous anti-Administration stands: it castigated the U.S. intervention in the Dominican Republic and has consistently condemned Viet Nam policy. Some critics argue that the State Department should have supplied the heavy financing, but N.S.A. as a result might have been much more restricted in its independence of expression. The CIA-N.S.A. arrangement seemed to be mutually profitable.

The students finally had the money to carry out their growing foreign exchange programs. CIA was able to guarantee first-class student representation at international affairs. The fulminations against CIA last week were based largely on the assumption that students had been “manipulated” for espionage purposes, but most critics chose to ignore the success of N.S.A. delegates in representing the U.S. abroad with vigor, eloquence and sophistication.

The Firm. Even in 1965, there were growing rumors among many students that most of N.S.A.'s money was coming from the Federal Government. CIA had not yet been publicly fingered as the association's moneybags, but the State Department was a subject of dark suspicion. That year, N.S.A. President-to-be-



CARTOONIST'S VIEW OF HOW THINGS DO CHANGE  
Nothing in the desk drawer but cash.

Cater, then a recent Harvard graduate, after a trip to the 1946 World Student Congress in Prague, where lavishly financed Communist groups stole the show; one of their organizers was Kom-somol Leader Aleksandr Shelepin, who was later to head the Soviet internal security agency.

From its inception, N.S.A. had financial problems; membership dues were minimal (they still add no more than \$18,000 to an annual budget of some \$800,000). Private foundations were not enthusiastic about contributing, partly because in those Red-scare days N.S.A. was thought to be too left-wing; the House Un-American Activities Committee even planted two agents among student association delegates to the 1962 Helsinki World Youth Festival. Nevertheless, N.S.A. managed to limp

front. The logical instrument of U.S. policy was CIA. The agency institutionalized its direct financial support of N.S.A. under its PPPM (Psychological, Political and Paramilitary) program, in 1952. William Dentzer, now a U.S. AID director in Peru, was the N.S.A. president that year, and he made the deal whereby CIA would secretly funnel cash into the N.S.A. treasury through congeries of private pipelines.

The use of front foundations to handle CIA money is an old technique. More than a score of obscure philanthropies have turned out to be contributors of millions to free-world student groups, notably the World Assembly of Youth in Brussels, the International Student Conference, which is headquartered in The Netherlands, the Independent Research Service in Washington, and the

iversity of Oregon, was invited to a room at Arlington's Marriott Motor Hotel. Two CIA men met him for what had become an annual routine for top N.S.A. officials: they told him that he would have access to important facts about the organization if he would sign the security pledge. He agreed. First, he learned that he had been judged "witty" (CIA jargon for the one who passes security clearance) and second, that nearly all of N.S.A.'s funds came from "the firm" (code slang for CIA).

That struck the idealistic young Sherburne as all wrong and "destructive of a democratic organization." He decided to try to dig up money for N.S.A. elsewhere. He hired eight young staffers, told them he had just enough money to pay their salaries for two months, and sent them out to solicit funds so they could keep their jobs. Eventually, they managed to raise \$400,000, including some \$180,000 from the Office of Economic Opportunity, to coordinate a program for tutoring deprived children.

As Sherburne's term of office came to an end in mid-1966, he felt he had accomplished everything necessary to clean up the CIA situation once and for all. He had even negotiated a cagey deal whereby the CIA-linked Independence Foundation agreed to turn over its lease on a converted stone house to N.S.A. for 15 years—without mentioning to the agency that he was about to sever their connection.

**Big Brotherism.** Sherburne made one little slip. He broke his secrecy pledge to confess the CIA connection to one of his staff men—red-bearded, New Leftist Michael Wood, 24, from California's Pomona College. Wood insisted that Sherburne make a dramatic public renunciation of the CIA ties. Sherburne refused, arguing reasonably enough that the relationship was about to end and that nothing would be gained by stirring up a storm. Wood compiled a 50-page letter to *Ramparts*, which then embarked on a two-month investigation of the CIA-N.S.A. liaison.

Sherburne and the current N.S.A. president, Rhodes Scholar Eugene Groves, 23, tried to dissuade *Ramparts* from printing the article. The CIA was not very happy either, and put heavy pressure on N.S.A. men to deny whatever the magazine published. Gene Groves refused, called a press conference and admitted all—adding that N.S.A.'s connection with CIA had been terminated. The State Department also issued a stiff little corroboration that N.S.A. had been subsidized since the early 1950s.

Almost instantly, there arose a chorus of indignation against "Big Brotherism." "It is a poisonous business," said Harvard College Dean John Monro. "Something very important in our national life, the real independence and freedom of our institutions, has been brought into question." Cried Minnesota's Democratic Senator Eugene McCarthy, a longtime CIA critic: "Where



FORMER N.S.A. PRESIDENT SHERBURNE  
A witty deal.

do you draw the line? Is it all right for the CIA to tell us that 'everything goes'? This is what Hitler said. Where do we put a stop to all this?"

Up to Pittsburgh? President Johnson resorted to the hoary political expedient of naming a committee. CIA Director Helms, Under Secretary of State Nicholas Katzenbach, and Health, Education and Welfare Secretary John Gardner were appointed to review the operations of the CIA and other Government agencies to see if they "endanger the integrity and independence of the educational community." The President's action was not calculated to defend the agency. Gripped one of the agency's old-timers: "The CIA has become a dirty household word; it's become fashionable to knock it. Maybe we ought to just give headquarters to the Defense Department for an annex and go up to Pittsburgh, rent an apartment and start all over again."



N.S.A. PRESIDENT GROVES  
A firm admission.

though legally well within its mandate, was not the agency's unilateral decision. New York Senator Robert Kennedy, who was fully aware of all intelligence operations while he was Attorney General, said last week that the CIA money funnel was an act "of the Government itself acting through a representative of the President." True enough. Three Presidents—Eisenhower, Kennedy and Johnson—knew all along about the CIA-N.S.A. contract.

**No Abracadabra.** A good deal of the protest over spies and scholars seemed less than realistic—and somewhat surprising, considering that the majority of the younger critics have practically been raised on the glamour fiction of James Bond, Alec Leamas and *The Man from U.N.C.L.E.* At any rate, the CIA-N.S.A. alliance never was based on any kind of abracadabra espionage.

Says Dennis Shaul, 28, an Akron attorney who was N.S.A. president in 1962-63: "If I were president now, I would continue to accept CIA funds. CIA had nothing to do with how the money was spent; there were no strings on us." Writer Gloria Steinem, an official of the Independent Research Service in the late '50s when it was CIA-funded, actually considered the agency's support beneficial: "The CIA's most important impact was that it made us unafraid to go ahead and do what we thought was right. It increased, not diminished, our freedom of action."

Allen Dulles, who was CIA director from 1953 to 1961 and drew up a blueprint for operating the agency after it was created in 1947, said last week that the N.S.A. money was well spent as counter-Communist propaganda at youth conferences. "The Soviets had to retreat in this area," he said. "The conferences weren't paying off any more." Innocuous as its N.S.A. contributions may have been, CIA might well have foreseen the possibility of trouble ahead; it could have canceled its subsidy program in the early '60s when East-West student confrontations had subsided.

In the wake of the N.S.A. flap, it was also disclosed last week that CIA has been pumping money into international labor organizations, which have set themselves the laudable task of bringing fair labor standards and union democracy to underdeveloped nations. Among the labor groups identified as agency dependents was the international division of the American Newspaper Guild. Oddly enough, press pundits could not seem to raise the same kind of uproar over CIA involvement in their own union as they did over its supposed subversion of youth.

At any rate, the academic community's hand-wringing over the suspicious color of CIA money spent for national security did not seem wholly justified. There is hardly a university in the nation that does not accept—indeed depend on—hefty grants from the Defense Department. CIA itself uses doz-

Declassified and Approved For Release @ 50-Yr 2014/02/21 : CIA-RDP84-00161R000400210135-8  
—directly and without masquerade—\$300,000 to finance M.I.T.'s topflight Center for International Studies. Until last spring, M.I.T. continued to accept agency funds, then terminated the contract "for practical, not moral reasons."

Why? Indeed, Max Millikan, the sage director of M.I.T.'s International Center, frowned on the surge of CIA-phobia. "The number of my friends around here who have swallowed this 'invisible government' line is disturbing," he said. "They think there is an entirely separate foreign policy being concocted by people in dark corners. When they say that this kind of work is immoral, what they're saying is that it's immoral to have anything to do with telling the President what the world is really like."

Nevertheless, almost every time CIA calls attention to itself, there is a spate of demands that it be reviewed, reformed or removed. As a CIA man pointed out wryly last week, such criticism can only lead to great jubilation in the halls of Moscow's KGB, Department D—for Disinformation—the arm of Soviet counterespionage whose main function is to discredit CIA. Senate Minority Leader Everett Dirksen, when asked about increasing demands for heavier congressional surveillance over CIA, replied: "I don't believe in exploding our intelligence agency. The British don't do it."

One reason is that any full-time civilian department devoted to the dark arts of espionage is remarkably new to the U.S. Until Pearl Harbor, American espionage was essentially the property of the military services. The Japanese sneak attack was one of history's most flagrant failures of applied foreknowledge, Sun Tzu-style. To fill the vacuum, the Office of Strategic Services was hastily constituted during World War II, and it was from this agency that CIA evolved into a permanent peacetime department under the 1947 National Security Act.

"Significant Contributions" CIA is intelligence community, but it is *primus inter pares* and the right arm of the National Security Council. Master Spy Allen Dulles not only sketched its functions but also the kind of men the nation needed to attract to such duty. "The agency," he suggested to Congress, "should be directed by a relatively small but elite corps of men with a passion for anonymity and a willingness to stick at that particular job."

No one better personifies that description than Richard Helms, the man who now heads CIA. Although he has been with the agency since its start, no CIA chief ever came into office with such a passion for anonymity and downright disdain for public acclaim. His predecessors assumed the directorship after long public exposure in Government (Allen Dulles), industry (John McCone), or the military (General Walter Bedell Smith and Admiral William Raborn), with tangible accomplishments and medals to show for it. Richard Helms? He had a 1965 award from the National Civil Service League, the sort given annually to groups of career bureaucrats, for "significant contributions to excellence in Government." But who could say just what these contributions were?

His relative anonymity is ironic in view of his prewar background, which promised prominence as well as accomplishment. Helms's father was an aluminum sales executive who upon retirement took his family to live in Europe. The move stretched Richard's prep schooling from Orange, N.J., to Switzerland and Germany and gave him lifelong fluency in French and German. He returned to the U.S. to attend Williams College, class of 1935. Few

\* National Security Agency, Defense Intelligence Agency, Atomic Energy Commission, State Department Intelligence and Research, Air Force Intelligence, Army Intelligence, Naval Intelligence and the Federal Bureau of Investigation.

students accumulated more than his class and of the senior honor society, the editorship of the student newspaper and the senior yearbook. He was also voted most likely to succeed. Journalism would be his career, his goal a newspaper of his own.

Henie to Hitler. For a fast start, he became a United Press European correspondent—after agreeing to pay his own way to London in 1935. Two months later he went on to Germany, covering the 1936 Olympics and the Nazi Party rally with correspondents twice his age and many times his experience. His interview subjects ranged from Sonja Henie to Adolf Hitler. He returned to the U.S. after two years, settled for a job as office boy in the advertising department of the now defunct Indianapolis Times. By 1939, he was the paper's national advertising director. That year he married Divorcee Julia Bretzman Shields, a sculptor. They have one son, Dennis, 24, a student at the University of Virginia Law School.

What was to be his real career started in 1943, when Navy Lieut. Helms was transferred to the Office of Strategic Services, a switch that took him from desk duty in New York to Washington, Britain and finally Germany, where he worked under Allen Dulles. After his discharge in 1946, he went into the War Department's intelligence unit, then joined CIA when it was founded.

"Dirty Tricks." Helms's public record for the next five years is a total blank. When he surfaced in 1952, it was as deputy to the chief of the plans division, the so-called "dirty tricks" department, which handles espionage and other undercover operations. Thirteen years later, he was to make a rare autobiographical effusion: "I would suppose that you would describe it as working my way up through the ranks during the years."

Helms became head of the plans division in 1962, when CIA's top echelon was reorganized as a result of the Bay of Pigs fiasco. At this stage, the agency was smarting under severe external criticism and riven by intramural factionalism. Helms, even-tempered and affable, managed to avoid office politics and grudges.

By the time John McCone resigned in 1965, Helms was one of his recommendations as a successor—a natural choice on the basis of experience and ability. He had recruited, trained, assigned and directed many of CIA's most trusted operations agents, and unlike many of his colleagues, he got along well with the State Department and the Pentagon. Nonetheless, President Johnson picked Admiral Raborn as director and made Helms the first deputy. There was a tacit understanding that Raborn's tour would be short and that Helms would use this period to establish himself with the Congressmen who oversee the agency's operations. Senate confirmation was unanimous, and Helms took over last June.



CIA'S LANGLEY COMPLEX  
Where IBM's 360 outranks Fleming's 007.



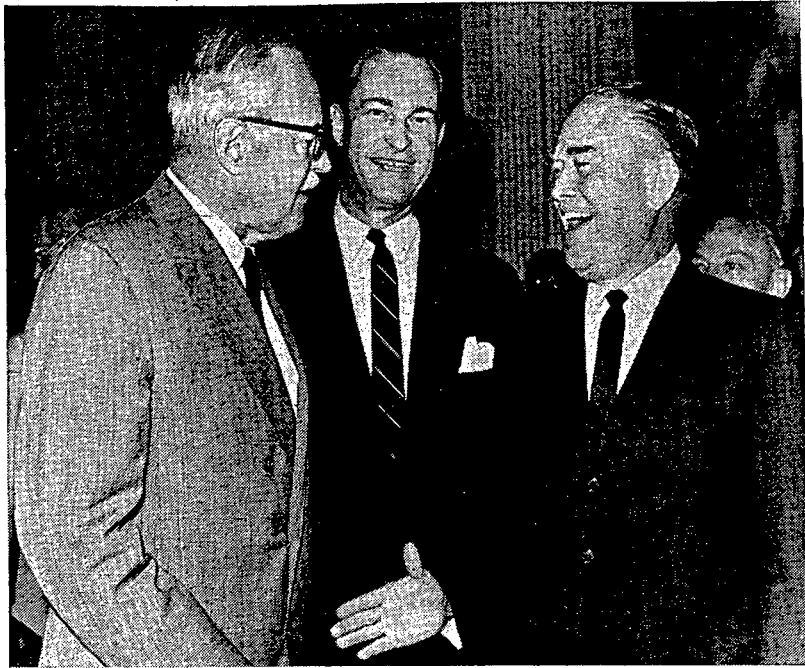
**Minus Anecdotes.** At the apex of the Western intelligence world, Helms remains withdrawn from public view. He has dramatic good looks—tall, lean, dark, with features reminiscent of Rudolph Valentino. Yet, says one close associate, “he is peculiarly minus anecdotes. There is no flamboyance.” He lives sedately with his wife in northwest Washington in a modest home from which they rarely join in Washington’s social whirl. In a city where most officials ritualistically tote bulging briefcases home, Helms usually goes home empty-handed—and by 7 p.m.

During the Senate committee hearing on his confirmation, Helms performed in a similarly low key, shunning any suggestion that he or CIA sought to be an invisible government. “The CIA takes no action without the appropriate approval of the appropriate officials,” he said, “and they are not in the CIA.”

The agency Helms runs goes by a number of nicknames—the Third Force, the Silent Service, the Other Agency (among DOS men overseas) and *La Compañía* (in Latin America). The budget is \$500 million a year, an amount that is largely hidden in Defense appropriations and is not subject to item-by-item scrutiny by the Congress. Nevertheless, CIA must account for every penny it spends to a specially trained top-secret team of the Budget Bureau. It is also under the supervision of a top-level Administration group whose membership includes Dick Helms; State Department’s Katzenbach; Cyrus R. Vance, Deputy Secretary of Defense; and White House Aide Walt W. Rostow. The group meets at least once a week, examines in great detail every single “black” (covert) operation proposed. Even for “white” (overt) functions, it must approve expenditures as small as \$10,000 if they involve particularly sensitive schemes. There are also CIA watchdog committees in both houses of Congress.

CIA headquarters is an eight-story white concrete building in a wooded, isolated section of Langley, Va., eight miles from Washington. Though once heralded by a profusion of highway signs, state policemen appeared one night in 1961—on specific orders from then Attorney General Robert Kennedy—and tore every one of them down; now the only marker says BPR (for Bureau of Public Roads).

The agency’s workaday labors, the tedious accumulation and evaluation of infinite quantities of minutiae, have more in common with IBM’s 360 than with Ian Fleming’s 007. The task demands high intelligence as well as patience. A State Department veteran once said: “You’ll find more liberal intellectuals per square inch at CIA than anywhere else in the Government.” Indeed, the agency is staffed from top to bottom with some of the nation’s best-qualified experts; 30% have Ph.Ds. They are linguists, economists, cartographers, psychiatrists, agronomists, chem-



DULLES, HELMS &amp; RABORN

*From the heart of the Kremlin to the coverts of the Congo.*

ists, even anthropologists and foresters. CIA experts, it is said, could completely staff a middle-sized college.

The “Get.” A scant fraction of the agency’s 15,000-odd employees actually go out into the cold. At Langley’s elaborate seventh-floor operations center, a bank of high-speed (100 words per minute) printers receive top-secret traffic from the National Security Agency, diplomatic reports from embassies overseas, information from the Pentagon’s Defense Intelligence Agency, as well as data from CIA men around the world. In Helms’s office, there are “secure” red, grey, blue or white direct-line phones with scramblers attached—on which the President often calls.

The operations room is hooked into the White House Situation Room, the Pentagon’s military command post, and the State Department through a near-miraculous phalanx of teletype machines. One data page per minute can be fed in, encoded, flashed to one of the centers, then decoded the instant it arrives. Down the hall from the operations center is a room papered with huge maps. On one set, the war in Viet Nam is plotted with up-to-the-hour reports of combat action and other trouble spots. Another chart may track the course of a Soviet ship bound from Odessa to Cuba—along with U.S. surveillance forces in the area.

One major purpose of all the influx and indexing is the daily compilation of a slim white 8-in. by 10½-in. document that is delivered to the White House in a black CIA car every evening between 6 and 7 o’clock. It bears CIA’s emblem stamped in blue, is entitled “The President’s Daily Brief,” usually runs between three and six pages of single-spaced type, and covers the key intelligence “get” of the day. At times, it may have included such fascinating data as the results of a

urinalysis pinched from a Vienna hospital while a major world leader was a patient, or the latest bedroom exploits of Indonesia’s Sukarno or U-2 photographs taken over China.

**Big Boot.** The agency’s overseas operations are diversified almost beyond belief. CIA men may control an entire airline (such as Air America, which runs cargo and operatives in Laos, Thailand and Viet Nam), a full-scale broadcasting operation (such as Radio Free Europe). They may pose as missionaries, businessmen, travel agents, brokers or bartenders. They may be seeking infinitely minute pieces of information by paying a paltry \$50 to a Hungarian going home for a visit so that he will take a short drive out of his way to check on the number of Russian troops in Szekesfehervar. Or they may be arranging a revolution—as they did when Premier Mossadegh was deposed in 1953, or when Colonel Jacobo Arbenz was overthrown in Guatemala in 1954.

CIA can boot its errors almost as far as its successes. There was the Bay of Pigs. CIA failed to interpret properly the consistent East German warnings that preceded the Berlin Wall. The agency made a foolish attempt to bribe security police in Singapore.

Naturally enough, CIA’s gaffes inspire derisive headlines throughout the world. Just as properly, its successes are little known and seldom disclosed. In an open society like the U.S., there will always be a degree of conflict between the public nature of policymaking and the secret, empirical processes by which decisions must be made and implemented. What is usually overlooked, when CIA is the subject of controversy, is that it is only an arm—and a well-regulated one—of the U.S. Government. It does not, and cannot, manipulate American policies. It can only serve them.