

## X. THE DOMESTIC IMPACT OF FOREIGN CLANDESTINE OPERATIONS: THE CIA AND ACADEMIC INSTITUTIONS, THE MEDIA, AND RELIGIOUS INSTITUTIONS

Although its operational arena is outside the United States, CIA clandestine operations make use of American citizens as individuals or through American institutions. Clandestine activities that touch American institutions and individuals have taken many forms and are effected through a wide variety of means: *university officials and professors provide leads and make introductions for intelligence purposes*; <sup>1</sup> scholars and journalists collect intelligence; journalists devise and place propaganda; United States publications provide cover for CIA agents overseas.

These forms of clandestine cooperation had their origins in the early Cold War period when most Americans perceived a real threat of a communist imperium and were prepared to assist their government to counter that threat. As the communists pressed to influence and to control international organizations and movements, mass communications, and cultural institutions, the United States responded by involving American private institutions and individuals in the secret struggle over minds, institutions and ideas. Over time national perceptions would change as to the nature and seriousness of the communist ideological and institutional threat. Time and experience would also give increasing currency to doubts as to whether it made sense for a democracy to resort to practices such as the clandestine use of free American institutions and individuals—practices that tended to blur the very difference between “our” system and “theirs” that these covert programs were designed to preserve.

These covert relationships have attracted public concern and the attention of this Committee because of the importance Americans attach to the independence of private institutions. Americans recognize that insofar as universities, newspapers, and religious groups help mold the beliefs of the public and the policymakers, their diversity and legitimacy must be rigorously protected. It is through them that a society informs and criticizes itself, educates its young, interprets its history, and sets new goals.

At the same time, Americans also recognize the legitimacy and necessity of certain clandestine operations, particularly the collection of foreign intelligence. To conclude that certain sectors of American life must be placed “off limits” to clandestine operations inevitably raises questions not only on possible intelligence losses which would result from such a prohibition, but on whether the United States can

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<sup>1</sup> The material italicized in this report has been substantially abridge at the request of the executive agencies. The classified version of this material is available to members of the Senate under the provisions of Senate Resolution 21 and the Standing Rules of the Senate. See also p. IX.

afford to forego the clandestine use of our universities, our media, and our religious groups in competing with our adversaries.

In exploring this problem the Committee has given special attention to the CIA's past clandestine relationships with American institutions. The Committee has examined the past to illuminate the attitudes and perceptions that shaped these clandestine programs using American institutions and to determine whether the internal CIA regulations established in 1967 are sufficient to prevent the large scale programs of the past from being reinstated in the future.

Some of these concerns were addressed almost a decade ago during an investigation that proved to be a watershed in the Central Intelligence Agency's relationship to American institutions. President Lyndon Johnson, moved by public and congressional uproar over the 1967 disclosure of the CIA's covert funding of the National Student Association (NSA) and other domestic private institutions, established the Katzenbach Committee. The Committee, chaired by the then Under Secretary of State, Nicholas Katzenbach, directed its investigation primarily at the CIA's covert funding of American educational and private voluntary organizations. The recommendations of the Katzenbach Committee, although they had great impact on the CIA's operations, spoke only to the issue of the covert funding of institutions.

In its investigation the Committee has looked not only at the impact of foreign clandestine operations on American institutions but has focused particular attention on the covert use of *individuals*. It should be emphasized from the outset that the integrity of these institutions or individuals is not jeopardized by open contact or cooperation with Government intelligence institutions. United States Government support and cooperation, openly acknowledged, plays an essential role in American education. Equally important, Government policymakers draw on the technical expertise and advice available from academic consultants and university-related research organizations. Open and regular contact with Government agencies is a necessary part of the journalist's responsibility, as well.

A secret or a covert relationship with any of these institutions, however, is another matter, and requires careful evaluation, given the critical role these institutions play in maintaining the freedom of our society. In approaching the subject the Committee has inquired: Are the independence and integrity of American institutions in any way endangered by clandestine relationships with the Central Intelligence Agency? Should clandestine use of institutions or individuals within those institutions be permitted? If not, should there be explicit guidelines laid down to regulate Government clandestine support or operational use of such institutions or individuals? Should such guidelines be in the form of executive directives or by statute?

In addressing these issues, the Committee's access to CIA documents and files varied with the subject matter. In reviewing the clandestine activities that proceeded the Katzenbach Committee inquiry of 1967, the Select Committee had full and unfettered access to most files and documentation, with the single exception of records on media relationships. In addition, the Committee took extensive sworn testimony from virtually all of those involved in the management and review of the pre-1967 projects. Access to post-1967 material was far more re-

stricted: certain of the titles and names of authors of propaganda books published after 1967 were denied the Committee; access to files on the contemporary clandestine use of the American academic community was restricted to information which would provide the numbers of institutions and individuals involved and a description of the role of the individuals. As for the media and relationships with religious groups, the Committee inspected precis or summaries of all operational relationships since 1951 and then selected over 20 cases for closer inspection. The documents from these some 20 files were selected and screened by the Agency and, by mutual agreement, names of individuals and institutions were removed.

Therefore, the Committee has far from the full picture of the nature and extent of these relationships and the domestic impact of foreign clandestine operations. Nevertheless, it has enough to outline the dimensions of the problem and to underscore its serious nature. The conclusions and recommendations must necessarily be considered tentative and subject to careful review by the successor intelligence oversight committee(s) of the Congress.

In presenting the facts and issues associated with CIA covert relations with United States private institutions, this report is organized as follows: I. Covert Use of Academic and Voluntary Organizations. II. Covert Relationships with the United States Media. III. Covert Use of United States Religious Groups.

#### A. COVERT USE OF ACADEMIC AND VOLUNTARY ORGANIZATIONS

The Central Intelligence Agency has long-developed clandestine relationships with the American academic community, which range from academics making introductions for intelligence purposes<sup>2</sup> to intelligence collection while abroad, to academic research and writing where CIA sponsorship is hidden. The Agency has funded the activities of American private organizations around the world when those activities supported—or could be convinced to support—American foreign policy objectives. Until 1967 the Agency also maintained covert ties to American foundations in order to pass funds secretly to private groups whose work the CIA supported.

The relationships have varied according to whether made with an institution or an individual, whether the relationship is paid or unpaid, or whether the individuals are “witting”—i.e. aware—of CIA involvement. In some cases, covert involvement provided the CIA with little or no operational control of the institutions involved; funding was primarily a way to enable people to do things they wanted to do. In other cases, influence was exerted. Nor was the nature of these relationships necessarily static; in the case of some individuals support turned into influence, and finally even to operational use.

During the 1950s and 1960s, the CIA turned increasingly to covert action in the area of student and labor matters, cultural affairs, and community developments. The struggle with communism was seen to be, at center, a struggle between our institutions and theirs. The CIA subsidized, advised, and even helped develop “private” organizations that would compete with the communists around the world. Some of

<sup>2</sup> For explanation of italics, see footnote, p. 179.

these organizations were foreign; others were international; yet others were U.S.-based student, labor, cultural, or philanthropic organizations whose international activities the CIA subsidized.

The CIA's interest in the areas of student and labor matters, cultural affairs, and community development reached a peak in the mid-1960's. By 1967, when public disclosure of NSA's funding and the subsequent report of the Katzenbach Committee caused a major curtailment of these activities, interest in the major covert action efforts in these areas was already waning.

There appear to be two reasons for this. First, there was considerable skepticism within the CIA as to the effectiveness of this approach. It differed from classical CIA "tradecraft" in that the organizations funded were basically independent from CIA control. Richard Helms expressed this skepticism when he remarked in testimony before this committee,

The clandestine operator . . . is trained to believe that you really can't count on the honesty of your agent to do exactly what you want or to report accurately unless you own him body and soul.<sup>2a</sup>

Mr. Helms contended that "the clandestine operator sneered at the other kind of operation"—the aiding and abetting of people or organizations who are your "friends" or "have the same point of view that you do."

Skepticism of the clandestine operators was directed particularly at the Covert Action Staff/International Organizations Division, the CIA units which conducted the programs in the area of student and cultural exchange. Second, it became increasingly difficult to conceal the CIA funds that supported these activities as the scale of the operations grew. By fiscal year 1967, for example, over \$3 million was budgeted for youth and student programs and \$6 million for labor. Most of the funds were transmitted through legitimate or "devised" foundations—that is, fictitious entities established by the CIA.

#### *1. CIA Use of Private Foundations, Pre-1967*

The use of philanthropic organizations was a convenient way to pass funds, in that large amounts could be transferred rapidly, and in a form that need not alert unwitting officers of the recipient organizations to their source. In addition, foundation grants bestowed upon the recipient the apparent "blessing" of the foundation. The funding pattern involved a mixture of bona fide charitable foundations, devised foundations and funds, "front men" drawn from a list of America's most prominent citizens, and lawyers representing undisclosed clients.

The CIA's intrusion into the foundation field in the 1960s can only be described as massive. Excluding grants from the "Big Three"—Ford, Rockefeller, and Carnegie—of the 700 grants over \$10,000 given by 164 other foundations during the period 1963–1966, at least 108 involved partial or complete CIA funding. More importantly, CIA funding was involved in *nearly half* the grants the non-"Big Three" foundations made during this period in the field of international activities. In the same period more than one-third of the grants awarded by non-"Big Three" in the physical, life and social sciences also involved CIA funds.

<sup>2a</sup> Richard Helms testimony, 9/12/75, p. 25–26.

Bona fide foundations, rather than those controlled by the CIA, were considered the best and most plausible kind of funding cover for certain kinds of operations. A 1966 CIA study explained the use of legitimate foundations was the most effective way of concealing the CIA's hand as well as reassuring members of funded organizations that the organization was in fact supported by private funds. The Agency study contended that this technique was "particularly effective for democratically-run membership organizations, which need to assure their own unwitting members and collaborators, as well as their hostile critics, that they have genuine, respectable, private sources of income."

## 2. *The CIA's Foundation-funded Covert Activity, Pre-1967*

The philanthropic fronts used prior to 1967 funded a seemingly limitless range of covert action programs affecting youth groups, labor unions, universities, publishing houses, and other private institutions in the United States and abroad. The following list illustrates the diversity of these operations:

(1) The CIA assisted in the establishment in 1951 and the funding for over a decade of a research institute at a major American university. This assistance came as the result of a request from Under-secretary of State James Webb to General Bedell Smith, then Director of the CIA. Mr. Webb proposed that the center, which was to research worldwide political, economic, and social changes, be supported by the CIA in the interest of the entire intelligence community.

(2) *A project was undertaken in collaboration with a nationally prominent American business association. The object of the project was to promote a favorable image of America in a foreign country unfavorably disposed to America and to promote citizen-to-citizen contacts between Americans and influential segments of that country's society.*<sup>3</sup>

(3) The cooperation of an American labor organization in selected overseas labor activities.

(4) Support of an international organization of veterans and an international foundation for developing countries.

(5) Support of an organization of journalists and an international women's association.

(6) Partial support for an international educational exchange program run by a group of United States universities.

(7) Funding of a legitimate U.S. association of farm organizations. Agency funds were used to host foreign visitors, provide scholarships to an international cooperative training center at a United States university, and to reimburse the organization for various of its activities abroad. A CIA document prepared in 1967 notes that although the organization received some overt government funds from AID, the CIA should continue its covert funding because "programs funded by AID cannot address themselves to the same political goals toward which Agency operations are targeted because AID programs are part of official government-to-government programs and are designed for economic—not political—results."

<sup>3</sup> For explanation of italics, see footnote, p. 179.

*The Best Known Case: Covert Funding of the National Student Association*

CIA funding of the National Student Association (NSA) from 1952 to 1967 is a particularly good example of how the United States Government entered the field of covertly supporting "friends," of the vulnerabilities felt by the CIA in undertaking to support organizations and individuals that cannot be controlled, and of the operational temptation to move from support to "control."

The reason the CIA decided to help NSA is clear. In the years immediately after World War II the Soviet Union took the lead in trying to organize and propagandize the world student movement. The first Soviet Vice President of the International Union of Students, for example, was Alexander N. Shelepin, who later became Chairman of the Soviet State Security Committee (KGB). The American students who sought to compete with these communist-managed and directed student group were hampered by a lack of funds, while the communist groups had enough money to put on world youth festivals, conferences and forums, and regional conferences. In seeking funds at home, the American students found they were considered too far to the left in the general climate of McCarthyism and anti-intellectualism of the 1950s. Against this background, NSA officials, after being refused by the State Department and rebuffed by the Congress, were finally directed by the State Department in 1952 to the CIA.<sup>4</sup>

The CIA maintains that its funding efforts were based on shared interests, not on manipulation. CIA funding of the National Student Association appears to have been intended primarily to permit United States students to represent their own ideas, in their own way, in the international forums of the day. Nevertheless, the Committee has found instances in which the CIA moved from blank-check support to operational use of individual students.<sup>5</sup>

For example, over 250 U.S. students were sponsored by the CIA to attend youth festivals in Moscow, Vienna, and Helsinki and were used for missions such as reporting on Soviet and Third World personalities or observing Soviet security practices. A United States student, for example, was recruited in 1957 to serve as a CIA "asset" at the Sixth World Youth Festival in Moscow. According to CIA documents, he was instructed to report on Soviet counterintelligence measures and to purchase a piece of Soviet-manufactured equipment.

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<sup>4</sup> Under the agreed arrangement, CIA funds would support only the international division of the National Student Association; only the NSA President and the International Affairs Vice President would be witting of the CIA connection. Each year, after the election of new student leaders, the CIA held a secret briefing for the new officers, and elicited from them a secrecy agreement. During the 1960s however, witting National Student Association leaders became increasingly restive about the CIA sponsorship, until finally in 1967 one of them revealed the relationship to *Ramparts* magazine.

<sup>5</sup> "Operational use" of individuals as used in this report means recruitment, use, or training, on either a witting or unwitting basis, for intelligence purposes. That is, the individual is directed or "tasked" to do something for the CIA—as opposed to volunteering information. Such purposes include covert action, clandestine intelligence collection (espionage) and various kinds of support functions.

Although the CIA's involvement with the National Student Association was limited to the organization's international activities, CIA influence was felt to some extent in its domestic programs as well. The most direct way in which such influence may have been felt was in the selection process for NSA officers. The Summer International Seminars conducted for NSA leaders and potential leaders in the United States during the 1950's and 1960's were a vehicle for the Agency to identify new leaders and to promote their candidacy for elective positions in the National Student Association.

The Central Intelligence Agency's experience with the NSA underlines the basic problem of an action-oriented clandestine organization entering into a covert funding relationship with private organizations: support of friends turns into the control of their actions and ultimately to creation of new "friends."

### 3. *Cover is Blown: The Patman and Ramparts "Flaps"*

In a public hearing in 1964, Congressman Wright Patman, Chairman of the Subcommittee on Foundations of the House Committee on Problems of Small Businesses, revealed the names of eight of the CIA's funding instruments—the so-called "Patman Eight." These disclosures sharply jarred the Agency's confidence in the security of these philanthropic funding mechanisms.

The Patman disclosures led the CIA to take a hard look at this technique of funding, but not to reconsider the propriety of bringing the independence of America's foundations into question by using them as conduits for the funding of covert action projects. According to the Chief of the Covert Action Staff's Program and Evaluation Group:

The real lesson of the Patman Flap is not that we need to get out of the business of using foundation cover for funding, but that we need to get at it more professionally and extensively.

Despite the best efforts of the Agency throughout 1966 to shore up its vulnerable funding mechanisms, it became increasingly clear that *Ramparts* magazine, the *New York Times*, and the *Washington Post* were moving ever closer to unraveling not only the CIA's system of clandestine funding but to exposing the source of the support for the National Student Association. In an effort to determine whether there was foreign influence on funds behind the Ramparts exposé, the CIA, in coordination with the FBI, undertook through its own counterintelligence staff to prepare extensive reports on the *Ramparts* officers and staff members.<sup>6</sup>

At a press briefing on February 14, 1967, the State Department publicly confirmed a statement by leaders of NSA that their organization had received covert support from the CIA since the early 1950s. The NSA statement and disclosures in *Ramparts* magazine brought on a storm of public and congressional criticism. In response, President

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<sup>6</sup> The Agency appointed a special assistant to the Deputy Director for Plans, who was charged with "pulling together information on *Ramparts*, including any evidence of subversion [and] devising proposals for counteraction." In pursuing the "Communist ties" of *Ramparts* magazine, the "case" of managing editor, Robert Scheer, was one of the first to be developed and a report was sent on Scheer to Walt W. Rostow, Special Assistant to President Johnson.

Johnson organized a committee composed of Undersecretary of State Nicholas Katzenbach, Secretary of HEW John Gardner, and CIA Director Richard Helms to review government activities that may "endanger the integrity and independence of the educational community." The committee's life was short—43 days—but its recommendations, accepted by President Johnson on March 29, 1967, were to have a profound effect on the CIA's clandestine operations, both in the United States and abroad.

#### *4. The Katzenbach Committee*

President Johnson's concern for the integrity and independence of American institutions could have resulted in the Katzenbach Committee being charged with general review of the domestic impact of clandestine activities and their effect on American institutions; including consideration of whether all covert relationships should be prohibited, and, if not, what guidelines should be imposed on the use of institutions and individuals.

Instead, the Johnson Administration carefully and consciously limited the mandate of the Katzenbach Committee's investigation to the relationship between the CIA and "U.S. educational and private voluntary organizations which operate abroad." In a February 24 memorandum to Gardner and Helms, Katzenbach cited the narrowness of the mandate in listing problems faced by the Committee:

1. The narrow scope of this mandate, as compared with the demands, by Senator Mansfield, et al, that this flap be used as a springboard for a review of all clandestine financing by CIA.
2. More specifically, the exclusion in this mandate of relationships between CIA and American businesses abroad.
3. Focusing the mandate on CIA, rather than on all private organization relationships with government agencies.

In testimony before this Committee, Mr. Katzenbach said that his committee was designed by President Johnson not only to deal with the relationship of the CIA to educational and voluntary organizations, but to head off a full-scale congressional investigation.<sup>7</sup>

All other covert relationships were to be excluded from the investigation. In a memo to his colleagues, the Deputy Chief of the Covert Action Staff reported:

It is stated that the country operations funded by black bag [sterilized or laundered funds] were not to be included in the CIA's response to the Katzenbach Commission and emphasized that the focus of this paper was to be on organizations.

In addition the Katzenbach Committee did not undertake investigation of CIA domestic commercial operations, specifically those designed to provide cover for clandestine intelligence operations which

<sup>7</sup> Nicholas Katzenbach testimony, 10/11/75, p. 5. Katzenbach also said of the President's decision on membership:

"... he [the President] wanted John Gardner on it because he thought that would help politically in getting acceptance of whatever the recommendations turned out to be because he thought Helms would defend everything and wanted to continue everything. Gardner would want to stop everything. It was my job to come out with something in the middle." (*Ibid.*).



the U.S. directed at such targets as foreign students, foreign businessmen, foreign diplomatic and consular officials travelling or residing in the United States.

Despite the narrowness of its mandate, the actual investigation of the Katzenbach Committee was vigorous and thorough. After deliberation, the Committee issued the basic recommendation that:

It should be the policy of the United States Government that no federal agency shall provide any covert financial assistance or support, direct or indirect, to any of the nation's educational or private voluntary organizations.

In May 1967 the Deputy Director for Plans Desmond FitzGerald interpreted the post-Katzenbach ground rules in a circular to the field. He stated:

Several operational guidelines emerge:

- a. Covert relations with commercial U.S. organizations are not, repeat, not barred.
- b. Covert funding overseas of foreign-based international organizations is permitted.

He indicated that greater care would be needed in the conduct of clandestine operations, in order to prevent disclosures:

- a. The care required under the Katzenbach Report, with respect to the recruitment and use of U.S. students, and U.S. university professors, applies equally to the recruitment and use of foreign students. . . .

In simple terms, we are now in a different ballgame. Some of the basic ground rules have changed. When in doubt, ask HQs.

##### *5. A Different Ballgame: CIA Response to Katzenbach*

The policy guidelines established in the Katzenbach Report and supplemental guidelines with which the CIA interpreted the Report brought major adjustments in covert action programs and methods. Some 77 projects were examined at high levels within the CIA, and lists were drawn up of projects to be terminated, projects to be transferred to other sources of funding, projects to continue, and projects whose future required higher level decisions. The 303 Committee met frequently throughout 1967 and 1968 to deal with difficult questions, such as how to provide for continued funding of Radio Free Europe and Radio Liberty.

At the same time the Agency was withdrawing from support of a large number of domestically-based organizations, it moved rapidly to shelter certain high-priority operations from the Katzenbach prohibitions and to devise more secure funding mechanisms. This process was facilitated by what was termed "surge funding." The Katzenbach guidelines called for termination of CIA funding of domestically based U.S. organizations by December 31, 1967. With 303 Committee approval for the largest grants, the Agency "surge funded" a number of organizations, giving them advances before the December deadline which carried them in some cases for up to two years of operations. Radio Free Europe and Radio Liberty were so funded.

In adjusting to the "new ballgame," the appearance of contravening the Katzenbach guidelines, rather than specific regulations, was

seen as a reason not to continue relationships with certain institutions. At the same time, at least one case suggests that even a clean termination of funding with a private organization did not necessarily end the CIA's support of the policies and programs of the organization. A CIA report on termination plans for a large project in the Far East indicated that, with surge funding, the organization could continue into fiscal year 1969, and that thereafter "[the organization's] Board of Trustees will assume full responsibility for the organization and has pledged to continue its policies and range of activities."

The following are examples of the score of projects which the CIA reviewed in 1967 and decided to continue to fund:

(1) A publications and press institute that maintained a worldwide network of stringers and correspondents. A CIA report on the project asserted that it "exerts virtually no domestic influence in any quarter, although its publications are read by U.S. students."

(2) Several international trade union organizations.

(3) A foreign-based news feature service.

(4) A foreign-based research and publishing institute.

In reviewing the CIA's adjustments to the Katzenbach Committee's recommendations, the Committee found no violations of the policy the report sets forth. However, it is important to recognize how narrow the focus of the Katzenbach Committee's concern was. The problem was approached by the committee and by the CIA essentially as one of security: how to limit the damage caused by the revelations of CIA relationships with private U.S. institutions. Many of the restrictions developed by the CIA in response to the events of 1967 appear to be security measures aimed at preventing further public disclosures which could jeopardize sensitive CIA operations. They did not represent significant rethinking of where boundaries ought to be drawn in a free society. Moreover, although President Johnson adopted the Katzenbach report as policy, it was not issued as an executive order or enacted as a statute. Thus, it has no firm legal status.

#### *6. Post 1967 Relations with the U.S. Academic Community*

In analyzing the adequacy of the Katzenbach regulations and of the CIA's compliance with them, the Select Committee concentrated much of its attention on contemporary relationships between the CIA and the U.S. academic community. The Committee interprets "academic community" to include more than the Katzenbach Committee undoubtedly had in mind when it recommended prohibition of "covert financial assistance or support . . . to any of the nation's educational . . . organizations." "Academic community" has been interpreted by this Committee to include universities, university-related research centers, and the full range of individual scholars and school administrators, ranging from department heads to career counselors and to Ph.D. candidates engaged in teaching. The Committee has approached this inquiry with three principal questions:

(1) What is the extent and nature of CIA relationships with U.S. academic institutions and with individual American academics?

(2) What are the guidelines and ground rules governing CIA post-Katzenbach relations with the academic community?

(3) What issues are at stake; what threats, if any, do current relations pose for the independence of this influential sector of society?

The CIA relationships with the academic community are extensive and serve many purposes, including providing leads and making introductions for intelligence purposes, collaboration in research and analysis, intelligence collection abroad, and preparation of books and other propaganda materials.

The Select Committee's concentration has been on the area of clandestine relationships untouched by the Katzenbach Committee—individuals.

#### *7. Covert Relations with Individuals in the Academic Community*

As already noted, from the first days of the Katzenbach Committee, the CIA proceeded on the operating assumption that the inquiry was directed squarely at institutional relationships—not individuals in or affiliated with those private institutions. After the Katzenbach report, the Agency issued a basic instruction entitled "Restrictions on Operational Use of Certain Categories of Individuals." This instruction remains in force today. The instruction states that the "basic rule" for the use of human agents by the Operations Directorate is that "any consenting adult" may be used.

While all members of the American academic community, including students, certainly qualify as "consenting adults," the CIA since 1967 has been particularly sensitive to the risks associated with their use. In order to control and confine contacts with American academics, the handling of relationships with individuals associated with universities is largely confined to two CIA divisions of the Directorate of Operations—the Domestic Collection Division and the Foreign Resources Division. The Domestic Collection Division is the point of contact with large numbers of American academics who travel abroad or who are otherwise consulted on the subject of their expertise. The Foreign Resources Division, on the other hand, is the purely operational arm of the CIA in dealing with American academics. Altogether, DCD and FRD are currently in contact—ranging from the occasional debriefing to a continuing operational relationship—with many thousands of United States academics at hundreds of U.S. academic institutions.

It is imperative to underline that the majority of these relationships are purely for the purpose of asking an academic about his travels abroad or open informal consulting on subjects of the academic's expertise. The Committee sees no danger to the integrity of American private institutions in continuing such contacts; indeed, there are benefits to both the government and the universities in such contacts.

The CIA's Office of Personnel also maintains relationships with university administrators, sometimes in the placement office. These relationships, which are usually contractual, enable the CIA to approach suitable United States students for CIA employment.

The "operational use" of academics is another matter. It raises troubling questions as to preservation of the integrity of American academic institutions.

#### *8. Covert Use of the U.S. Academic Community*

*The Central Intelligence Agency is now using several hundred American academics*<sup>11</sup>, who in addition to providing leads and, on

<sup>11</sup> "Academics" includes administrators, faculty members and graduate students engaged in teaching.

*occasion, making introductions for intelligence purposes, occasionally write books and other material to be used for propaganda purposes abroad. Beyond these, an additional few score are used in an unwitting manner for minor activities.*

*These academics are located in over 100 American colleges, universities, and related institutes. At the majority of institutions, no one other than the individual concerned is aware of the CIA link. At the others, at least one university official is aware of the operational use made of academics on his campus. In addition, there are several American academics abroad who serve operational purposes, primarily the collection of intelligence.*<sup>12</sup>

The CIA considers these operational relationships with the United States academic community as perhaps its most sensitive domestic area and has strict controls governing these operations. According to the Agency's internal directives, the following distinctions govern the operational use of individuals: the CIA's directives prohibit the operational use of individuals who are receiving support under the Mutual Education and Cultural Exchange Act of 1961, commonly known as the Fulbright-Hays Act. Falling under this particular prohibition are teachers, research scholars, lecturers, and students who have been selected to receive scholarships or grants by the Board of Foreign Scholarships. This prohibition specifically does not apply to the several other categories of grantees supported by other provisions of the Fulbright-Hays Act, such as artists, athletes, leaders, specialists, or participants in international trade fairs or expositions, who do not come under the aegis of the President's Board of Foreign Scholarships. As far as the three major foundations—Ford, Rockefeller and Carnegie—are concerned, the prohibition extends to "persons actively participating in programs which are wholly sponsored and controlled by any of these foundations. Additionally, there will be no operational use made of the officials or employees of these organizations." (These large foundations were cited by a CIA official in 1966 before the 303 Committee as "a trouble area in New York City—reluctant to cooperate on joint ventures.")

## *2. Covert Relationships with Academic and Voluntary Organizations: Conclusions*

With respect to CIA covert relationships with private institutions and voluntary organizations, the Committee concludes:

(1) The CIA has adhered to the 1967 Katzenbach guidelines governing relationships with domestic private and voluntary institutions. The guidelines are so narrowly focused, however, that the covert use of American individuals from these institutions has continued.

(2) American academics are now being used for such operational purposes *as making introductions for intelligence purposes*<sup>12a</sup> and working for the Agency abroad. Although the numbers are not as great today as in 1966, there are no prohibitions to prevent an increase in the operational use of academics. The size of these operations is determined by the CIA.

(3) With the exception of those teachers, scholars and students who receive scholarships or grants from the Board of Foreign Scholar-

<sup>12</sup> For explanation of italics, see footnote, p. 179.

<sup>12a</sup> *Ibid.*

ships, the CIA is not prohibited from the operational use of all other categories of grantee support under the Fulbright-Hays Act (artists, athletes, leaders, specialists, etc.). Nor is there any prohibition on the operational use of individuals participating in any other exchange program funded by the United States Government.

In addressing the issues of the CIA's relationship to the American academic community the Committee is keenly aware that if the CIA is to serve the intelligence needs of the nation, it must have unfettered access to the best advice and judgment our universities can produce. But this advice and expertise can and should be openly sought—and openly given. Suspicion that such openness of intellectual encounter and exchange is complemented by covert operational exploitation of academics and students can only prejudice, if not destroy, the possibility of a full and fruitful exchange between the nation's best minds and the nation's most critical intelligence needs. To put these intellects in the service of the nation, trust and confidence must be maintained between our intelligence agencies and the academic community.

The Committee is disturbed both by the present practice of operationally using American academics and by the awareness that the restraints on expanding this practice are primarily those of sensitivity to the risks of disclosure and *not* an appreciation of dangers to the integrity of individuals and institutions. Nevertheless, the Committee does not recommend a legislative prohibition on the operational exploitation of individuals in private institutions by the intelligence agencies. The Committee views such legislation as both unenforceable and in itself an intrusion on the privacy and integrity of the American academic community. The Committee believes that it is the responsibility of private institutions and particularly the American academic community to set the professional and ethical standards of its members. This report on the nature and extent of covert individual relations with the CIA is intended to alert these institutions that there is a problem.

At the same time, the Committee recommends that the CIA amend its internal directives to require that individual academics used for operational purposes by the CIA, together with the President or equivalent official of the relevant academic institutions, be informed of the clandestine CIA relationship.

The Committee also feels strongly that there should be no operational use made of professors, lecturers, students, artists, and the like who are funded under United States Government-sponsored programs. The prohibition on the operational use of Fulbright grantees must be extended to other government-sponsored programs; and in this case the prohibition should be confirmed by law, given the direct responsibility of the Congress for these programs. It is unacceptable that Americans would go overseas under a cultural or academic exchange program funded openly by the United States Congress and at the same time serve an operational purpose directed by the Central Intelligence Agency.

#### B. COVERT RELATIONSHIPS WITH THE UNITED STATES MEDIA

In pursuing its foreign intelligence mission the Central Intelligence Agency has used the U.S. media for both the collection of intelligence

and for cover. Until February 1976, when it announced a new policy toward U.S. media personnel, the CIA maintained covert relationships with about 50 American journalists or employees of U.S. media organizations. *They are part of a network of several hundred foreign individuals around the world who provide intelligence for the CIA and at times attempt to influence foreign opinion through the use of covert propaganda. These individuals provide the CIA with direct access to a large number of foreign newspapers and periodicals, scores of press services and news agencies, radio and television stations, commercial book publishers, and other foreign media outlets.*<sup>13</sup>

The CIA has been particularly sensitive to the charge that CIA covert relationships with the American media jeopardize the credibility of the American press and risk the possibility of propagandizing the U.S. public. Former Director William Colby expressed this concern in recent testimony before the House Select Committee on Intelligence:

We have taken particular caution to ensure that our operations are focused abroad and not at the United States in order to influence the opinion of the American people about things from a CIA point of view.

As early as 1967, the CIA, in the wake of the National Student Association disclosure, moved to flatly prohibit the publication of books, magazines, or newspapers in the United States. More recently, George Bush, the new Director, undertook as one of his first actions to recognize the "special status afforded the American media under our Constitution" and therefore pledged that "CIA will not enter into any paid or contractual relationship with any full-time or part-time news correspondent accredited by any United States news service, newspaper, periodical, radio or television network or station."<sup>14</sup>

In approaching the subject of the CIA's relationship with the United States media, the Select Committee has been guided by several broad concerns. It has inquired into the covert publication of propaganda in order to assess its domestic impact; it has investigated the nature and purpose of the covert relationships that the CIA maintains with bona fide U.S. journalists; it has examined the use of journalistic "cover" by CIA agents; it has pursued the difficult issue of domestic "fallout" from CIA's foreign press placements and other propaganda activities. Throughout, it has compared current practice to the regulations restricting activities in this area, in order both to establish whether the CIA has complied with existing regulations, and, more important, in order to evaluate the adequacy of the regulations themselves.

### *1. Books and Publishing Houses*

Covert propaganda is the hidden exercise of the power of persuasion. In the world of covert propaganda, book publishing activities have a special place. In 1961 the Chief of the CIA's Covert Action

<sup>13</sup> For explanation of footnotes, see p. 179.

<sup>14</sup> George Bush statement, 2/11/76.

**Staff**, who had responsibility for the covert propaganda program, wrote:

Books differ from all other propaganda media, primarily because one single book can significantly change the reader's attitude and action to an extent unmatched by the impact of any other single medium . . . this is, of course, not true of all books at all times and with all readers—but it is true significantly often enough to make books the most important weapon of strategic (long-range) propaganda.

According to The Chief of the Covert Action Staff, the CIA's clandestine handling of book publishing and distribution could:

(a) Get books published or distributed abroad without revealing any U.S. influence, by covertly subsidizing foreign publications or booksellers.

(b) Get books published which should not be "contaminated" by any overt tie-in with the U.S. government, especially if the position of the author is "delicate."

(c) Get books published for operational reasons, regardless of commercial viability.

(d) Initiate and subsidize indigenous national or international organizations for book publishing or distributing purposes.

(e) Stimulate the writing of politically significant books by unknown foreign authors—either by directly subsidizing the author, if covert contact is feasible, or indirectly, through literary agents or publishers.

Well over a thousand books were produced, subsidized or sponsored by the CIA before the end of 1967. Approximately 25 percent of them were written in English. Many of them were published by cultural organizations which the CIA backed, and more often than not the author was unaware of CIA subsidization. Some books, however, involved direct collaboration between the CIA and the writer. The Chief of the Agency's propaganda unit wrote in 1961:

The advantage of our direct contact with the author is that we can acquaint him in great detail with our intentions; that we can provide him with whatever material we want him to include and that we can check the manuscript at every stage. Our control over the writer will have to be enforced usually by paying him for the time he works on the manuscript, or at least advancing him sums which he might have to repay' . . . [the Agency] must make sure the actual manuscript will correspond with our operational and propagandistic intention. . . .

The Committee has reviewed a few examples of what the Chief of the Covert Action Staff termed "books published for operational reasons regardless of commercial viability." Examples included:

(1) A book about the conflict in Indochina was produced in 1954 at the initiation of the CIA's Far East Division. A major U.S. publishing house under contract to the CIA published the book in French and English. Copies of both editions were distributed to foreign embassies

in the United States, and to selected newspapers and magazine editors both in the United States and abroad.

(2) A book about a student from a developing country who had studied in a communist country "was developed by [two area divisions of the CIA] and produced by the Domestic Operations Division . . . and has had a high impact in the U.S. as well as the [foreign area] market." The book, which was published by the European outlet of a U.S. publishing house, was published in condensed form in two major U.S. magazines. Eric Severeid, the CBS political commentator, in reviewing this book, spoke a larger truth than he knew when he suggested that "our propaganda services could do worse than to flood [foreign] university towns with this volume."

(3) Another CIA book, the *Penkovskiy Papers*, was published in the United States in 1965 "for operational reasons", but actually became commercially viable. The book was prepared and written by witting Agency assets who drew on actual case materials. Publication rights to the manuscript were sold to a publisher through a trust fund which was established for the purpose. The publisher was unaware of any U.S. Government interest.

The publishing program in the period before the National Student Association disclosures was large in volume and varied in taste. In 1967 alone the CIA published or subsidized well over 200 books, ranging from books on wildlife and safaris to translations of Machiavelli's *The Prince* into Swahili and works of T. S. Eliot into Russian, to a parody of the famous little red book of quotations from Mao entitled *Quotations from Chairman Liu*.

The publicity which in 1967 surrounded several CIA sponsored organizations and threatened to expose others caused the CIA to act quickly to limit its use of U.S. publishers. In direct response to the Katzenbach report, Deputy Director for Plans Desmond Fitzgerald ordered, "We will, under no circumstances, publish books, magazines or newspapers in the United States."

With this order, the CIA suspended direct publication and subsidization within the United States not only of books, but also of journals and newsletters, including: a magazine published by a United States-based proprietary for cultural and artistic exchange; a newsletter mailed to foreign students studying in North American universities under the sponsorship of a CIA proprietary foundation; and a publication on Latin American affairs published in the United States.

Thus since 1967 the CIA's publishing activities have almost entirely been confined to books and other materials published abroad. During the past few years, some 250 books have been published abroad, most of them in foreign languages.

As previously noted, the CIA has denied to the Committee a number of the titles and names of authors of the propaganda books published since 1967. Brief descriptions provided by the Agency indicate the breadth of subject matter, which includes the following topics, among many others:

- (1) Commercial ventures and commercial law in South Vietnam;
- (2) Indochina representation at the U.N.;
- (3) A memoir of the Korean War;



- (4) The prospects for European union;
- (5) Chile under Allende.

## 2. *Covert Use of U.S. Journalists and Media Institutions*

On February 11, 1976, the CIA announced new guidelines governing its relationship with U.S. media organizations:

Effective immediately, CIA will not enter into any paid or contractual relationship with any full-time or part-time news correspondent accredited by any U.S. news service, newspaper, periodical, radio or television network or station.<sup>16</sup>

Of the approximately 50 U.S. journalists or personnel of U.S. media organizations who were employed by the CIA or maintained some other covert relationship with the CIA at the time of the announcement, fewer than one-half will be terminated under the new CIA guidelines.

About half of the some 50 CIA relationships with the U.S. media were paid relationships, ranging from salaried operatives working under journalistic cover, to U.S. journalists serving as "independent contractors" for the CIA and being paid regularly for their services, to those who receive only occasional gifts and reimbursements from the CIA.<sup>17</sup>

*More than a dozen United States news organizations and commercial publishing houses formerly provided cover for CIA agents abroad. A few of these organizations were unaware that they provided this cover.*<sup>18</sup>

Although the variety of the CIA relationships with the U.S. media makes a systematic breakdown of them almost impossible, former CIA Director Colby has distinguished among four types of relationships.<sup>19</sup> These are:

- (1) Staff of general circulation, U.S. news organizations;
- (2) Staff of small, or limited circulation, U.S. publications;
- (3) Free-lance, stringers, propaganda writers, and employees of U.S. publishing houses;
- (4) Journalists with whom CIA maintains unpaid, occasional, covert contact.

While the CIA did not provide the names of its media agents or the names of the media organizations with which they are connected, the Committee reviewed summaries of their relationships and work with the CIA. Through this review the Committee found that as of February 1976:

- (1) The first category, which would include any staff member of a general circulation U.S. news organization who functions as a paid undercover contact of the CIA, appears to be virtually phased out. The

<sup>16</sup> According to the CIA, "accredited" applies to individuals who are "formally authorized by contract or issuance of press credentials to represent themselves as correspondents."

<sup>17</sup> Drawn from "operational case studies" provided to the Committee 12/16/75 and 10/21/75.

<sup>18</sup> For explanation of footnotes, see p. 179.

<sup>19</sup> On November 30, 1973, the *Washington Star-News* reported that Director Colby had ordered a review of CIA media relationships in September of that year, and reported that Colby would phase out the first category but maintain journalists in each of the other three categories. In his testimony to the House Select Committee on Intelligence on November 6, 1975, Colby made a general reference to these categories.

Committee has found only two current relationships that fit this category, both of which are being terminated under the CIA's February 11, 1976 stated policy.

The Committee has also found a small number of past relationships that fit this category. In some cases the cover arrangement consisted of reimbursing the U.S. newspaper for any articles by the CIA agent which the paper used. In at least one case the journalistic functions assumed by a CIA staff officer for cover purposes grew to a point where the officer concluded that he could not satisfactorily serve the requirements of both his (unwitting) U.S. media employers and the CIA, and therefore resigned from the CIA. He maintained contact, however, with the CIA and continued, very occasionally, to report to the CIA from the countries in which he worked.

(2) Of the less than ten relationships with writers for small, or limited circulation, U.S. publications, such as trade journals or newsletters, most are for cover purposes.

(3) The third, and largest, category of CIA relationships with the U.S. media includes free-lance journalists; "stringers" for newspapers, news magazines and news services; itinerant authors; propaganda writers; and agents working under cover as employees of U.S. publishing houses abroad. With the exception of the last group, the majority of the individuals in this category are bona fide writers or journalists or photographers. Most are paid by the CIA, and virtually all are witting; few, however, of the news organizations to which they contribute are aware of their CIA relationships.

(4) The fourth category of covert relationships resembles the kind of contact that journalists have with any other department of the U.S. Government in the routine performance of their journalistic duties. No money changes hands. The relationships are usually limited to occasional lunches, interviews, or telephone conversations during which information would be exchanged or verified. The difference, of course, is that the relationships are covert. The journalist either volunteers or is requested by the CIA to provide some sort of information about people with whom he is in contact. In several cases, the relationship began when the journalist approached a U.S. embassy officer to report that he was approached by a foreign intelligence officer; in others, the CIA initiated the relationship.

The first major step to impose restrictions on the use of U.S. journalists was taken by former Director Colby in the fall of 1973. According to Mr. Colby's letter to the Committee:<sup>21</sup>

(a) CIA will undertake no activity in which there is a risk of influencing domestic public opinion, either directly or indirectly. The Agency will continue its prohibition against placement of material in the American media. In certain instances, usually where the initiative is on the part of the media, CIA will occasionally provide factual non-attributable briefings to various elements of the media, but only in cases where we are sure that the senior editorial staff is aware of the source of the information provided.

<sup>21</sup> Letter from William Colby to the Select Committee, 10/21/75.

(b) As a general policy, the Agency will not make any clandestine use of staff employees of U.S. publications which have a substantial impact or influence on public opinion. This limitation includes cover use and any other activities which might be directed by CIA.

(c) A thorough review should be made of CIA use of non-staff journalists; i.e., stringers and free-lancers, and also those individuals involved in journalistic activities who are in non-sensitive journalist-related positions, primarily for cover backstopping. Our goal in this exercise is to reduce such usage to a minimum.

Mr. Colby's letter specified that operational use of staff—that is, full-time correspondents and other employees of major U.S. news magazines, newspapers, wire services, or television networks—was to be avoided. Use would be less restricted for “stringers” or occasional correspondents for these news organizations, as well as for correspondents working for smaller, technical, or specialized publications.

The public statement that the CIA issued on February 11, 1976, expressed a policy of even greater restraint:

—Effective immediately, CIA will not enter into any paid or contractual relationship with any full-time or part-time news correspondent accredited by any U.S. news service, newspaper, periodical, radio or television network or station.

—As soon as feasible, the Agency will bring existing relationships with individuals in these groups into conformity with this new policy.

—CIA recognizes that members of these groups (U.S. media and religious personnel) may wish to provide information to the CIA on matters of foreign intelligence of interest to the U.S. Government. The CIA will continue to welcome information volunteered by such individuals.<sup>22</sup>

From CIA testimony later that month, the Committee learned that this prohibition extends to non-Americans accredited to U.S. media organizations. Nevertheless, this prohibition does not cover “unaccredited” Americans serving in U.S. media organizations, or free-lance writers. As previously noted, the CIA has informed the Committee that, of the approximately 50 CIA relationships with U.S. journalists or employees of U.S. media organizations, fewer than one-half will be terminated under the new guidelines.<sup>23</sup>

### *3. Two Issues: “Fallout” and the Integrity of a Free Press*

In examining the CIA's past and present use of the U.S. media, the Committee finds two reasons for concern. The first is the potential, inherent in covert media operations, for manipulating or incidentally

<sup>22</sup> CIA instructions interpreting the new policy explain that “the term ‘contractual’ applies to any written or oral agreement obligating the Agency to provide financial remuneration including regular salaries, spot payments, or reimbursement of, out-of-pocket operational expenses or the provision of other material benefits that are clearly intended as a reward for services rendered the Agency.”

<sup>23</sup> CIA response of March 17, 1976 (76-0315/1).

misleading the American public. The second is the damage to the credibility and independence of a free press which may be caused by covert relationships with U.S. journalists and media organizations.

In his 1967 order prohibiting CIA publication in this country, then Deputy Director for plans Desmond FitzGerald raised the first issue. He stated:

Fallout in the United States from a foreign publication which we support is inevitable and consequently permissible.

In extensive testimony, CIA employees both past and present have conceded that there is no way to shield the American public from such "fallout." As a former senior official of the Agency put it in testimony:

There is no way in this increasingly small world of ours of insulating information that one puts out overseas and confining it to the area to where one puts it out. . . . When British intelligence was operating in the last century, they could plant an outrageous story in some local publication and feel fairly confident that no one else would ever hear about it, that would be the end of it. . . . That is no longer the case. Whether or not this type of overseas activity should be allowed to continue is subject to differing views and judgments. My own would be that we would be fools to relinquish it because it serves a very useful purpose.<sup>25</sup>

The same former CIA official continued:

If you plant an article in some paper overseas, and it is a hard-hitting article, or a revelation, there is no way of guaranteeing that it is not going to be picked up and published by the Associated Press in this country.<sup>25a</sup>

The domestic fallout of covert propaganda comes from many sources; books intended primarily for an English-speaking foreign audience, press placements that are picked up by international wire services, press services controlled by the CIA, and direct funding of foreign institutions that attempt to propagandize the United States public and Congress.

In the case of books, substantial fallout in the U.S. may be a necessary part of the propaganda process. For example, CIA records for 1967 state that certain books about China subsidized or even produced by the Agency "circulate principally in the U.S. as a prelude to later distribution abroad." Several of these books on China were widely reviewed in the United States, often in juxtaposition to the sympathetic view of the emerging China as presented by Edgar Snow. At least once, a book review for an Agency book which appeared in the *New York Times* was written by a CIA writer under contract. E. Howard Hunt, who had been in charge of contacts with U.S. publishers in the late 1960s, acknowledged in testimony before this Committee that CIA books circulated in the U.S., and suggested that such fallout may not have been unintentional.

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<sup>25</sup> Thomas H. Karamessines testimony of a former Deputy Director for plans, 10/22/75, p. 46.

<sup>25a</sup> Former Deputy Director for plans testimony, 10/22/75, p. 36.

*Question.* But, with anything that was published in English, the United States citizenry would become a likely audience for publication?

Mr. HUNT. A likely audience, definitely.

*Question.* Did you take some sort of steps to make sure that things that were published in English were kept out of or away from the American reading public?

Mr. HUNT. It was impossible because Praeger was a commercial U.S. publisher. His books had to be seen, had to be reviewed, had to be bought here, had to be read.

HUNT. If your targets are foreign, then where are they? They don't all necessarily read English, and we had a bilateral agreement with the British that we wouldn't propagandize their people. So unless the book goes into a lot of languages or it is published in India, for example, where English is a *lingua franca*, then you have some basic problems. And I think the way this was rationalized by the project review board . . . was that the ultimate target was foreign, which was true, but how much of the Praeger output actually got abroad for any impact I think is highly arguable.<sup>26</sup>

An American who reads one of these books which purportedly is authored by a Chinese defector would not know that his thoughts and opinions about China are possibly being shaped by an agency of the United States Government. Given the paucity of information and the inaccessibility of China in the 1960s, the CIA may have helped shape American attitudes toward the emerging China. The CIA considers such "fallout" inevitable.

Another example of the damages of "fallout" involved two proprietary news services that the CIA maintained in Europe. Inevitably these news services had U.S. subscribers. The larger of the two was subscribed to by over 30 U.S. newspapers. In an effort to reduce the problem of fallout, the CIA made a senior official at the major U.S. dailies aware that the CIA controlled these two press services.

A serious problem arises from the possible use of U.S. publications for press placements. Materials furnished to the Committee describe a relationship which poses this problem. It began in August 1967—after the Katzenbach Committee recommendations—and continued until May 1974. In this case, a U.S.-based executive of a major U.S. newspaper was contacted by the CIA "on a confidential basis in view of his access to information of intelligence and operational interests." The news executive served as a witting, unpaid collaborator for intelligence collection, and received briefings from the CIA which "were of porfessional benefit" to him. The CIA materials state that:

It was visualized that . . . propaganda (if agreeable to him) might be initially inserted in his paper and then be available for reprinting by Latin American news outlets. . . . There is no indication in the file that Subject agreed . . . or that he did place propaganda in his newspaper.<sup>27</sup>

<sup>26</sup> E. Howard Hunt testimony, 1/10/76 pp. 73, 74.

<sup>27</sup> CIA Operational case study #14.

The danger of CIA propaganda contaminating U.S. media—"fall-out"—occurs in virtually any instance of propaganda use. The possibility is quite real even when the CIA does not use any U.S. journalist or publication in carrying out the propaganda project. Where a CIA propaganda campaign causes stories to appear in many prestigious news outlets around the world, as occurred at the time of the Chilean elections in 1970, it is truly impossible to insulate the United States from propaganda fallout.

Indeed, CIA records for the September-October 1970 propaganda effort in Chile indicate that "replay" of propaganda in the U.S. was not unexpected. A cable summary for September 25, 1970 reports:

Sao Paulo, Tegucigalpa, Buenos Aires, Lima, Montevideo, Bogota, Mexico City report continued replay of Chile theme materials. Items also carried in *New York Times*, *Washington Post*. Propaganda activities continue to generate good coverage of Chile developments along our theme guidance. . . .<sup>28</sup>

The fallout problem is probably most serious when the U.S. public is dependent on the "polluted" media channel for its information on a particular subject. When news events have occurred in relatively isolated parts of the world, few major news organizations may have been able to cover them initially, and world-wide coverage reflects whatever propaganda predominates in the media of the area.

Another situation in which the effects of "fallout" in the United States may be significant is that in which specialized audiences in the United States—area study specialists, for example—may unknowingly rely heavily on materials produced by, or subsidized by, the CIA. The danger of this form of dependence is less now than it had been prior to the freer flow of Western travelers to the Soviet Union, Eastern Europe and China.

In its inquiry into the activities of a Vietnamese institution the Committee discovered a particularly unfortunate example of domestic fall-out of covert propaganda activities. The institution was a CIA-inspired creation. The intention of the CIA, according to its own records, was not to undertake propaganda against the United States. Whatever the design, the propaganda effort had an impact on the American public and congressional opinion. The CIA provided \$170,000 per year in 1974 and 1975 for the support of this institution's publications. The embassy in the United States distributed the magazine to American readers, including the offices of all United States Congressmen and Senators. The institution on at least one occasion invited a group of American Congressmen to Vietnam and sponsored their activities on at least part of their trip. Through this institution the CIA—however inadvertently—engaged in propagandizing the American public, including its Congress, on the controversial issue of U.S. involvement in Vietnam.

One particular kind of possible "fallout" has aroused official concern. That is fallout upon the U.S. Government of the CIA's "black propaganda"—propaganda that appears to originate from an unfriendly source. Because the source of black propaganda is so fully concealed, the CIA recognizes that it risks seriously misleading U.S. policy-

<sup>28</sup> Chile Task Force Log (R597).

makers. An Agency regulation specifies that the Directorate of Operations should notify appropriate elements of the DDI and the Intelligence Community if the results of a black operation might influence the thinking of senior U.S. officials or affect U.S. intelligence estimates. Regular coordination between the CIA and the State Department's INR has been instituted to prevent the self-deception of "senior U.S. officials" through black propaganda. It should be noted that this procedure applies only to black propaganda and only to "senior U.S. officials." No mechanism exists to protect the U.S. public and the Congress from fallout from black propaganda or any other propaganda.

The Committee recognizes that other countries make extensive use of the international media for their propaganda purposes. The United States public is not insulated from this propaganda either. It is clear, however, that the strongest defense a free country has from propaganda of any kind is a free and vigorous press that expresses diverse points of view. Similarly, the most effective way for this country to respond to the use of propaganda abroad is to permit American journalists and news organizations to pursue their work without jeopardizing their credibility in the eyes of the world through covert use of them.

### C. COVERT USE OF U.S. RELIGIOUS GROUPS

The Committee considers religious groups—like academia and the press—to be among the most important of our society's institutions. As such, any covert relationship that might either influence them or jeopardize their reputation is extremely sensitive. Moreover, operational use of U.S. religious organizations differs from the use of other elements of U.S. society. It is a special case, in that virtually all religions are inherently supra-national. Making operational use of U.S. religious groups for national purposes both violates their nature and undermines their bonds with kindred groups around the world.

In its examination of CIA relationships with domestic institutions, the Committee has focused exclusively on the use of U.S. religious organizations.

#### *1. Restrictions on the Use of Religious Personnel*

The CIA guidelines issued in the wake of the Katzenbach Committee report required prior approval by the DDO for operational use of any employee, staff member, or official of a U.S. educational or private organization. This restriction applied to operational use of these individuals who were affiliated with American religious organizations. The CIA has provided the Committee with no other regulations that apply specifically to the use of religious groups. In a letter to this Committee, however, Mr. Colby stated that the CIA used religious groups with great caution, and that their use required special approval within the Agency:

Deputy Director for Operations regulations require the Deputy Director for Operations' approval for the use of religious groups. He has the responsibility of ensuring that such operational use avoids infringement or damage to the individual religious personnel involved in their group. Such

use is carefully weighed and approvals in recent years have been relatively few in number.<sup>29</sup>

On February 11, 1976, the CIA announced:

CIA has no secret paid or contractual relationship with any American clergyman or missionary. This practice will be continued as a matter of policy.

The CIA has assured the Committee that the prohibition against "all paid or contractual relationships" is in fact a prohibition against any operational use of Americans following a religious vocation.

## *2. Scope of Relationships*

The number of American clergy or missionaries used by the CIA has been small. The CIA has informed the Committee of a total of 14 covert arrangements which involved direct operational use of 21 individuals.

Only four of these relationships were current in August 1975, and according to the CIA, they were used only for intelligence collection, or, in one case, for a minor role in preserving the cover of another asset.

The other ten relationships with U.S. religious personnel had been terminated before August 1975; four of them ended within the last five years. In six or seven cases, the CIA paid salaries, bonuses, or expenses to the religious personnel, or helped to fund projects run by them.

Most of the individuals were used for covert action purposes. Several were involved in large covert action projects of the mid-sixties, which were directed at "competing" with communism in the Third World.

## *3. Issues: "Fallout," Violation of Trust*

As several of the relationships—all terminated—involved the religious personnel in media activity, some of the same concerns must be voiced as when U. S. journalists are used covertly. The danger of U.S. "fallout" of CIA propaganda existed in three or four of the relationships with U.S. religious personnel.

The more serious issue, however, is the question of the confidentiality of the relationships among members of the clergy and their congregations.

Of the recent relationships, the most damaging would appear to be that of a U.S. priest serving the CIA as an informant on student and religious dissidence.

Of the earlier cases, one exemplifies the extent to which the CIA used confidential pastoral relationships. The CIA used the pastor of a church in a Third World country as a "principal agent" to carry out covert action projects, and as a spotter, assessor, asset developer, and recruiter. He collected information on political developments and on personalities. He passed CIA propaganda to the local press. According to the CIA's description of the case, the pastor's analyses were based on his long-term friendships with the personalities, and the agents under him were "well known to him in his professional life." At first the CIA provided only occasional gifts to the pastor in return

<sup>29</sup> Letter from William Colby to the Select Committee, 10/21/75.



for his services; later, for over ten years, the CIA paid him a salary that reached \$11,414 annually.

*4. The CIA aid U.S. Religious Organizations and Personnel: Conclusions and Recommendations*

The Committee welcomes the policy, announced by the CIA on February 11, 1976, that prohibits any operational use of Americans following a religious vocation.

The fact that relatively few American clergy or missionaries have been used by the CIA suggests that neither this country's capacity to collect intelligence nor its covert action capability would be seriously affected by a total ban on their operational use. Therefore, the Committee recommends that the CIA's recent prohibition on covert paid or contractual relationships between the Central Intelligence Agency and any American clergyman or missionary should be established by law.

