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The Magazine For People Who Need To Know

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Hadda Be Playing on the Jukebox

Hadda be flashing like the Daily Double Hadda be playing on TeeVee Hadda be loudmouthed on the Comedy Hour Hadda be announced over Loud Speakers CIA & Mafia are in Cahoots Hadda be said in old ladies' language Hadda be said in American Headlines Kennedy stretched & smiled & got doublecrossed by low life goons & Agents

Rich bankers with Criminal Connections Dope pushers in CIA working with dope pushers

working with Big Time syndicate Tampa Florida Hadda be said with big mouth

Hadda be moaned over Factory foghorns

Hadda be chattered on Car Radio News Broadcast

Hadda be screamed in the kitchen

Hadda be yelled in the basement where uncles were fighting

Hadda be Howled on the streets by Newsboys to bus conductors

Hadda be foghorned in N.Y. Harbor Hadda echo under hard hats

Hadda turn up the Volume in University ballrooms Hadda be written in library books, footnoted

Hadda be in headlines of the Times & Le Monde

Hadda be barked over TV

Hadda be heard in side alleys thru bar room doors

Hadda be played on Wire Services

Hadda be bells ringing, Comedians stopt dead in the

middle of a joke in Las Vegas Hadda be FBI chief J. E. Hoover & Frank Costello syndicate mouthpiece meeting in Central Park together weekends in N.Y. reported posthumously Time

magazine Hadda be the Mafia & CIA together

started War on Cuba Bay of Pigs & Poison assassination headlines

Hadda be the Dope Cops & the Mafia

sold all that Heroin in America

Hadda be FBI & Organized Crime working together in

Cahoots "against the Commies"

let Lucky Luciano out of Jail take over Sicily Mediterranean drug trade

Hadda be Corsican goons in Office Strategic Services' Pay busted 1948 dock strikers in Marseilles, 'sixties port trans-shipment Indochina heroin

Hadda be ringing on Multinational Cashregisters world-wide laundry for organized Criminal money Hadda be CIA & Mafia & FBI together bigger than Nixon, bigger than War. Hadda be a gorged throat full of murder Hadda be mouth and ass a solid mass of rage a Red hot head, a scream in the back of the throat Hadda be in Kissinger's brain

Hadda be in Rockefeller's mouth

Hadda be Central Intelligence The family "Our Thing" the

Agency matia organized Crime FBI Dope Cops

& Multinational Corporations one big set of Criminal gangs working together in Cahoots Hit Men murderers everywhere outraged, on the make Secret drunk Brutal Dirty Rich

on top of a Slag heap of prisons, Industrial Cancer, plutonium smog, garbaged cities, grandmas' bedsores,

Fathers' resentments

Hadda be the Rulers wanted Law & Order they got rich on wanted Protection status quo, wanted Junkies wanted

Attica Wanted Kent State Wanted War in Indochina Hadda be CIA & the Mafia & the FBI

Multinational Capitalist's Strong arms squads, "Private

detective Agencies for the very rich" And their Armies, Navies and Air Force bombing Planes, Hadda be Capitalism the Vortex of this rage, this

competition man to man, horses' heads in the Capo's bed, turf & rumbles, hit men, gang wars across oceans,

bombing Cambodia settled the score when Soviet Pilots manned Egyptian fighter planes

Chile's red democracy bumped off with White House pots & pans a warning to Mediterranean governments Secret Police embraced for decades, NKVD & CIA keep

eachother's secrets, OGPU & DIA never hit their own, KGB & FBI one mind—brute force

world-wide, and full of money

Hadda be rich, hadda be powerful, hadda hire technology from Harvard

Hadda murder in Indonesia 500,000

Hadda murder in Indochina 2,000,000

Hadda murder in Czechoslovakia Hadda murder in Chile

Hadda murder in Russia

Hadda murder in America

—Allen Ginsberg

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AN ALERT AND A PLEA

1951

In April, 1976, the Board of Directors of the American Friends Service Committee stated unequivocally: "The CIA and the Internal Security Division of the FBI must be abolished."

CounterSpy could not agree more.

Based on our combined research of ten years and the stated mission of the CIA, CounterSpy has come to the unavoidable conclusion that the CIA is as bad as, if not worse, than the Nazis SS - which the CIA once embraced - and has thus gone beyond the pale of reform and must be abolished.

Given the abysmal failure of all U.S. governmental agencies, including the judiciary, to prevent CIA's crimes, CounterSpy uses the main instrument for deterring CIA crimes: exposure. Exposure not only of CIA officers but also of anyone who faci litates CIA missions. This is, because the latter constitute a functioning part of the total CIA; just as the German academics of the SD - who at Nuremberg defended their activities as separate from those of the Gestapo - were found to be contributing members of the total Gestapo. Secondly, the CIA's collaborating minions, particularly in foreign countries, more often than not, do the actual dirty work of assassination, torture, etc. Thus, based on these facts and the expressed concerns of many people from other countries, it is as (if not more) important to print the names of collaborators as it is the names of CIA case officers.

In this respect, CounterSpy and its spokespersons have never consciously disseminated false or inaccurate information. Due to the criminal clandestinity of the CIA, CIA collaborators have been mistaken for CIA officers. Why this is a matter of great concern is beyond us since logic, reinforced by the Nuremberg decisions, indicates that in terms of liability they cannot be separated. Whether one is assassinated by an officer, an agent, a consultant, or contract employee: he or she is still dead. Moreover, to name only officers is to limit the protection of the CIA's potential victims and to contribute to the misbelief of nonofficers that they are somehow separate from CIA crimes. Be that as it may, CounterSpy in the interest of non-divisiveness is happy to differentiate between officers and non-officers to be semantically exact.

As if the present CIA situation were not bad enough, the straight press has now stated, regarding the CIA's new pending charter that: "What started life as an administration code to curb the misdeeds of the intelligence agencies is evolving into a license for wide ranging secret activity at home and abroad.... Among other things, the agencies would be allowed to infiltrate domestic political and business organizations and spy on law abiding Americans abroad." (Washington Post, 3/31/79, p. A-2)

This is an emergency situation for all Americans.

If ever there was a need for a CounterSpy, it is right now. Counter-Spy is not perfect. CounterSpy has erred since it is human. CounterSpy does, however, have an undeniable

Approved For Release 2004/10/12: CfA-RDP88-01394R000016035000354 and is fulfilling a vital need. The latter is validated by the extent and intensity on unconscionable attacks against CounterSpy by the CIA and its apologists. For example, during the past year the most scurrilous venom has been directed at CounterSpy by: Time magazine, The Washington Star, which provides free space to CIA mouthpiece, Cord Meyer; Congressperson Larry McDonald whose "data" in the Congressional Record is from admitted informer and agent provocateur, John Reeves; Ray Cline and William E. Colby from the "whited sepulchre" of Georgetown University - Colby even from a church pulpit; and self-proclaimed practicing Christian, James Jesus Angleton (to name a few). In short, from their self-constructed shroud of flag and cross, they have, and continue to wage full scale psychological warfare against CounterSpy which suggests we are doing something right.

CounterSpy also believes it is fulfilling a vital need based on the national and international response it has received. During 1978-79, staff persons have spoken at the annual conventions of the AAUG and the U.S. Farmers Association; the Society of Iranian Physicians in North America; and the Universities of Princeton (twice), Georgetown, American, Howard, Pace, and D.C. Without exception, there was overwhelming endorsement of our work and pleas that we persevere.

CounterSpy is more than grateful for these expressions of support and the many persons who have written to endorse us. We, however, are only three delicate, sensitive human beings and the psychological warfare is wearing us down to the bone, particularly since we refuse to use CIA

such tactics dehumanize their users. It is, thus, apparent to us that to continue under the present conditions will waste us, so to speak, and we shall be useless to the struggle.

CounterSpy will, therefore, cease with this issue.

We shall resume only if individuals and organizations come forth and privately and publicly support CounterSpy in its work against the CIA.

We shall take the initiative of contacting individuals and organizations, including political and religious groups, churches, synagogues, unions, asundry associations, etc., to solicit support. But three persons can only do so much. Thus, we ask our readers to write us ASAP and do what they can to rally individuals and organizations in their local communities. As of this writing, a national organization of proven campaigners of the "good fight" has come forth in support. But, we need more and plea with urgency for it.

We should note here that Counter-Spy is genuinely open to criticism and reconsideration of all its policies and tactics including naming names.

'Together we can move mountains, alone we can't move at all."

Konrad Ege Peter Gribbin John Kelly

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Brazil and CIA

Peter Gribbin

In the rush to consolidate its role as the new leader of the so-called Free World, the U.S. government saw as a major task the containment of countries which, during the Second World War, had begun to pursue an independent course of development. If and when change was to occur, it was to be of a made-to-order variety, directed from Washington. To this end, the establishment of powerful, centralized police forces in Asia, Africa, and especially Latin America became a top priority.

The person the Eisenhower administration charged with organizing a task force on police training was Byron Engle. He was chosen because of his experiences training Japanese police after WW II and setting up a police advisory board in Turkey. Funding for the new police program supposedly came from the State Department, even though Engle had been with the CIA since 1947. This prompted FBI head J. Edgar Hoover to complain that the police program was just one more CIA cover. ²

When the Kennedy administration moved into Washington, Engle's program took on new life. The cabinet-level Counter-Intelligence (C-I) Group was headed by Maxwell Taylor, a former general who was later named U.S. Ambassador to South Viet Nam. The C-I Group along with the CIA was responsible for creating the Special Forces (Green Berets); new training in counter-insurgency at military schools from the National War College on down; and new ApprecedEthReReseige004/10/12

Service Institute, all designed to make members of the State Department, the CIA and the military branches knowledgeable in counter-insurgency techniques. In addition, a special Committee on Police and Police Training was set up under the direction of U. Alexis Johnson, who has worked handin-glove with the CIA throughout his Johnson later became deputy ambassador to South Viet Nam, but in his present capacity he appointed Engle as head of the new, expanded police program. After all, hadn't Engle once trained 100,000 Japanese police in only two months 23

In the Fall of 1961, just as Joao Goulart was taking over the presidency, the United States began an expanded influx of CIA agents and AID officials into Brazil. AID Public Safety advisers like Dan Mitrione were responsible for "improving" the Brazilian police forces. Engle sent CIA officer Lauren J. (Jack) Goin to Brazil under the cover of "adviser in scientific investigations". Before coming to Brazil, Goin had set up the first police advisory team in Indonesia which was instrumental in the CIAbacked coup which culminated in the documented killing of over three-hundred thousand Indonesians. He had also served with Engle when the first police advisory team was created in Turkey.4

ECONOMIC BACKGROUND

The Goulart regime of 1961-1964 represented the "fundamental contradiction between a government's responsibility to the citizens who elected it, and the obedience to the demands of foreign creditors expressed in the IMF stabilization programme. 115 A government which refuses to make any gesture toward meeting their conditions frequently finds its international credit for imports cut off which, in turn, increases the likelihood of a CIA-induced, right-weight-weight-1314R000100350003-4

A country in the throes of a balance of payments crisis is usually unable to obtain needed credit unless "significant policy changes are made" 6 For example, new loans may be obtained only through a change away from nationalist economic policies toward measures favoring foreign investment. As is being increasingly borne out by other Third World countries, Brazil's democratic system at the start of the 1960's proved unequal to the difficult challenge posed by the foreign exchange constraint. Since Goulart was elected by a 'populist' coalition of voters spanning class lines, the party system itself discouraged strategies that might put any significant group at a disadvantage. In this atmosphere, the coup of '64 became a sine qua non for new U.S. credit.

Previously, in 1958, President Juscelino Kubitschek had been forced to come to an agreement with the International Monetary Fund on certain stabilization measures in order to secure a \$300 million loan. (His predecessor, Getulio Vargas, had committed suicide in 1954. Behind him he left a document in which he blamed outside forces for helping to create the circumstances that drove him to take his life: "The foreign companies made profits of up to five hundred percent. They demonstrably deprived the state of more than a hundred million dollars by false evaluations of import goods. 118) But the president of the Bank of Brazil refused to go along with the government's proposed credit squeeze which would have caused a depression in the private sector. After floundering around for the greater part of 1958, instituting half-way measures unacceptable to the IMF, Kubitschek broke off negotiations and gave up hope for the American loan. He managed to obtain the needed foreign credit by means of a short-term, high-cost loan from private sources

abroad. But his successor, Janio Quadros, inherited a full-scale debt repayment crisis that could no longer be postponed.

Quadros immediately came to terms with the IMF and his foreign creditors. He abolished the "exchange auctions" which the Brazilian government, by auctioning off its foreign exchange reserves to the highest bidder/importer, had previously used as a source of revenue. 9 Certain exchange controls (subsidies) were established for "necessary" imports, effecting a devaluation of the Brazilian cruzeiro by fifty percent. The IMF was still not satisfied, however, and by July of 1961 it succeeded in forcing Quadros to abolish all exchange controls and to peg all exchange transactions at the (free) world market rate. 10

By meeting the IMF's demands, Quadros was able to negotiate new credits and reschedule payments due with his U.S. and European creditors. Inflation still raged, however, and when Quadros limited credit (like Kubitschek before him) he came up against strong political counterpressures. Hoping to win popular support and a new mandate to lead the country, Quadros resigned after only eight months in office.

Although some sources saw his resignation as being forced upon him by the CIA, Quadros had, in fact, been the U.S. government's last hope for bringing their brand of stability to Brazil within a democratic framework. In the New York Times of August 26, 1961, the mood of the State Department was described as "one of fear that the departure of President Quadros from Brazil's political scene, if it is not reversed, would plunge the country into serious political difficulties threatening its stability and interfering with the financial and economic stabilization programme."

Quadros' successor, Joao Goulart, whose political strength rested on the close ties he had fostered with the unions while Minister of Labor under Var-

gas, was to the left of the Brazilian political spectrum. The real threat—to industrialists, the army and foreign investors—was the likelihood that under Goulart organized labor would become the dominant political force in Brazil. If Quadros could not carry through his stabilization program, there seemed even less to hope for, in that respect, from Goulart.

During Goulart's presidency, the contradictions inherent in Brazil's post-war development reached the breaking point. Goulart had inherited the accumulated problems of fifteen years of inflation and foreign borrowing which none of his predecessors had successfully tackled. Brazil's last effort at economic stabilization within a democratic framework was made in 1963. The Three-Year plan, drawn up by Minister of Finance, Santiago Dantas, and Minister for Economic Planning, Celso Furtado, was made with one eye on the Brazilian electorate and the other on the IMF.12

On the one hand, this plan promised to carry out tax and agrarian reforms while resuming a high rate of growth. Simultaneously, however, it sought to curb inflation which was a precondition for receiving new credits and/or deferral of payments due. In 1963, this crushing debt repayment burden threatened to eat up 45 percent of Brazil's export earnings. 13 When the plan was presented to the IMF, the latter wanted more stringent conditions. These were: devaluation of the cruzeiro; exchange reform which meant abolishing subsidies on the import of wheat and petroleum; and, restrictions on the budget deficit (which translated into a cutback in government services) and on wage increases. These restrictions were designed to contract the money supply and depress the costs of goods and labor. Cheaper goods and labor (at the expense of the

workers) would make Brazilian products more competitive on the world market. But the contradictory elements of the Three-Year Plan soon exploded.

Brazil was able to head off imminent disaster when the Agency for International Development (AID) agreed to release \$400 million on the condition that the government stick to its austerity program. 14 The government's program was doomed to failure, however, because of a proposed 70 per cent wage increase to government employees - the military among them - whose support was necessary if Goulart was to stay in power. Caught between a rock and a hard place, Goulart gave in to the wage increase and held off on the proposed stabilization. The U.S. immediately suspended its aid disbursements.

Goulart further exacerbated American hostility towards him when he signed the Profit Remittance Law. 15 This law, which infuriated foreign investors, provided that profit remittances could be calculated only on the amount of capital originally brought into the country, and not on the (much larger) unremitted past profits which had been reinvested in Brazil. U.S. distaste for Goulart was expressed in the cutting-off of aid to his government while at the same time giving aid to certain conservative state governors (Carlos Lacerda in Guanabara and Adhemar de Barros in Sao Paulo) with whom it thought it could do business.

The final act of Goulart's futile attempt to placate both foreign and domestic interests was played out in the first quarter of 1964. Early in the year, Goulart held discussions on yet another exchange reform and rescheduling of Brazil's foreign debt with a three-men team from the IMF. But this attempt to come to terms with his creditors fell through

when, in a gesture towards the Left, he announced the expropriation and redistribution of privately owned land and the nationalization of private oil refineries. Unfortunately, these moves did more to mobilize the Right than they did to gain support from the Left. On April 1, 1964, the military quickly deposed Goulart and installed its own caretaker government.

The subsequent fifteen years have shown that with the overthrow of Joao Goulart, democracy in Brazil came to a screeching halt. After a shaky twenty years, basic political rightswere abandoned. Provisions of the First Institutional Act drawn up after the coup created a cassacao, or political death for ten years. These emergency powers soon gave way to a Second Institutional Act. The Fifth Institutional Act shut down Congress, suspended habeas corpus for political activity, and gave full autocratic power to the president. 16 Labor laws enacted after the coup rescinded virtually all job-related rights: the right to strike, to negotiate directly with the employers instead of the state, and to establish trade union representation within factories. 17 The destruction of democracy in Brazil was evidence of the impossibility of serving two masters. Goulart was never able to reconcile the legitimate demands of domestic pressure groups with the external economic constraints of Brazil's creditors. As a final ironic twist. Goulart's refusal to succumb to foreign pressures only served to irritate undemocratic forces inside Brazil to the point where they saw it in their interest to get rid of democracy and Goulart in one fell swoop.

Imperialism's Internal Allies: Brazil's National Enemies

In the fall of 1961, just as Joao Goulart was assuming the presidency,

the United States began to make contact with his right-wing opposition. At the same time, the CIA began a multifaceted penetration of Brazilian so ciety designed to influence that country's internal politics. Lincoln Gordon, U.S. Ambassador to Brazil, was appointed the same day that Goulart's predecessor, Janio Quadros resigned. Soon after his arrival in October, Gordon met with a right-wing admiral named Silvio Heck. Heck in formed Gordon of a poll of the armed services which revealed that over twothirds of the enlisted men opposed Goulart. Heck also hoped that when it came time to oust Goulart "the U.S. would take an understanding view." Although Gordon later determined that Heck's figures were exaggerated, he never once warned Goulart or his advisers of this conspiracy.

The CIA, for its part, took more than a passive interest in helping right-wing military forces come to power in Brazil. The overthrow of Goulart and the destruction of democracy in Brazil was effected through the manipulation of diverse social groups. Police, the military, political parties, labor unions, student federations and housewives's associations were all exploited in the interest of stirring up opposition to Goulart. Yet, while Washington's original intent may have been to replace Goulart with the strongman General Castello Branco, the guaranty of the coup's longterm success demanded an increase in U.S. material and training for the Brazilian security forces which continues to this day.

The military coup took as its first president Humberto Castello Branco, a man who had a long and close relationship with the United States military. During the Allied invasion of Italy in 1945, a number of prominent Brazilian officers participating in the campaign became exposed to American military ideas and tactics. 19 Castello Branco's

roomate in Italy was a CIA-coup engineer, then-Lieutenant Colonel Vernon (Dick) Walters. In 1964, Walters was the U.S. embassy's military attache, and the man most closely connected with Brazil's military leadership.

Since the end of World War II, Washington had used its role as policeman of the so-called Free World to justify expanding its influence in the Brazilian forces. Military planning between the two countries was co-ordinated by a Joint Brazil United States Military Commission (JBUSMC). In 1949, the Pentagon helped Brazil set up and staff the Escola Superior de Guerra (Advanced War College), a carbon copy of the U.S. National War College.

The Advanced War College is responsible for national security studies, development of military strategy, and ideas on nation building the last being taken from the Pentagon and the U.S. Army's experience in reconstructing postwar Japan. 21 To this day, the college has graduated over three thousand civilians and military managers indoctrinated in a right-wing military ideology and the belief that only the armed forces can lead Brazil to its proper destiny as the great power of Latin America. 22

Another Brazilian army general who was instrumental in the coup was Golbery do Couto e Silva. Like Castello Branco, Couto e Silva was a member of Brazil's military elite who became enamoured of U.S. military thinking while a member of the Allied expeditionary force in Italy in 1945. The Brazilian army's "Intellectual gray emminence", Couto e Silva was particularly influential in the formation of the Advanced War College, popularly known as the "Brazilian Sorbonne". At one point the head of Dow Chemical's

Brazilian section, Couto e Silva became head of Brazil's first national intelligence service, the SNI after the coup in 1964.

In the early 60's, the now-retired General Couto e Silva became the chief of staff at the Institute for Social Research Studies (IPES, in Portuguese). The leading inspiration at IPES was Glycon de Paiva²⁵, a mining engineer from the state of Minas Gerais. To avoid detection, IPES posed as an educational organization that donated money to reduce illiteracy among poor children. IPES' real work, however, was organizing opposition to Goulart and maintaining dossiers on anyone de Paiva considered an enemy.

Making the rounds of Brazil's major industrialists, de Paiva was able to appeal to their interests by translating his visceral hatred of communism into a simple message they could understand: Goulart wants to take away from you that which is yours. In this way, de Paiva was able to drum up close to \$20,000 a month in donations.

One immediate target of IPES' anti-Goulart campaign were housewives who de Paiva recognized as being receptive to warnings about the threat that communism posed to the Brazilian family and the values of society in general. He set up women's societies in all the major cities. In Rio de Janeiro it was called the Women's Campaign for Democracy (CAMDE)21. During the week of the coup in March, 1964, IPES organized a huge march against Goulart. In Sao Paulo 10,000 people joined a March of the Family with God for Freedom. Sao Paulo women presented a manifesto on behalf of Christian democracy, while at the same time the Archbishop of Sao Paulo forbade his bishops from participating in the march because he said it had been funded by the U.S. advertising agency, McCann Erickson. 28

of Dow Chemical's De Paiva's major concern, however, Approved For Release 2004/10/12: CIA-RDP88-01314R000100350003-4

was the threat posed by Goulart's openness towards the Left. In this respect, Couto e Silva's role in keeping files at IPES was twofold. On the one hand, he put paid agents in the Brazilian military to make sure that key men throughout the services remained loyal to the Brazilian "nation" and not to Goulart. At the same time, IPES placed paid informers in factories, schools, and government offices to report on supporters of Goulart. Petrobras, the state-owned oil company, received special attention as de Paiva was convinced that Goulart had many supporters there. Before Couto e Silva was finished, IPES had files on 400,000 "enemies" of Brazil.²⁹

Another part of the CIA's effort to create anti-Goulart sentiment in Brazil was the rigging of elections. Working through a front group called the Instituto Brasileiro de Acao Democratica (IBAD), the CIA channeled money into local political campaigns. IBAD, in turn, passed the money through its two branches, Democratic Popular Action (ADEP) and Sales Promotion, Inc. 30 In the 1962 elections, IBAD not only funded more than one thousand candidates but recruited them so that their first allegiance would be with IBAD and the CIA. At every level, from state deputies up to governorships, the CIA stacked the ballots in favor of its candidates.

In February, 1964, the CIA was nearly "burned" by a parliamentary investigation into its violation of election laws in 1962. 31 The CIA had spent close to \$20 million, but a scandal was averted by three developments: five of the nine members of investigating committee had themselves received CIA funds; three of banks involved - First National City Bank, the Bank of Chicago, and the Royal Bank of Canada - refused to

money deposited in the IBAD and the ADEP accounts; and lastly, Goulart, still hoping to appease Washington, saw to it that the final report was laundered.

The CIA also manipulated certain members of the student movement. The benefits of having assets in the universities, however, were not realized until after the overthrow of Goulart. largely ineffectual before the coup, the Grupo de Acao Patriotica (GAP) was later used to spy on members of the national student union (UNE). GAP was founded by Aristoteles Luis Drummond whose hero was the right-wing Admiral Silvio Heck. 32 During a radio talk show he did in Rio deJaneiro, Drummond expounded on GAP's determined defense of liberty and property, which he claimed only the military could safeguard. Not surprisingly, the interview was rebroadcast by the CIA's Voice of America. Later on, the CIA supplied Drummond with 50,000 books specializing in Cold War pamphlets on the communist menace and, more to the point, diatribes against the UNE. Still, GAP's following was small and whenever Drummond put up posters saying "GAP with Heck", he made sure it was in the dead of the night.

In the four years following the coup, however. Drummond and GAP came to play a key role in the new junta. For example, during a student demonstration in May of '68, protesting the discriminating cost of education, a military jeep was overturned and set on fire. next morning, Drummond was asked to speak about the incident with President Costa e Silva. Boarding a military aircraft, Drummond was flown to Brasilia where he spent an hour with the president identifying leaders of the demonstration and assuring Costa e Silva that they were communists who did not represent the majority of students.

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POLICE OPERATIONS

As opposition to the military junta increased, control of the state apparatus became synonymous with increased surveillance, arrests, and torture of those engaging in political activity. In response, Couto e Silva, the chief of staff at IPES, took his hundreds of thousands of files to Brasilia to set up the first national intelligence service, the SNI. 34 As with the creation of DINA in Chile, Brazil's SNI was set up immediately after a CIA-backed military coup. Inevitable, the SNI turned to its more powerful counterpart in the North. In police barracks all over Brazil it was common knowledge that many officers took money from, and reported directly to, the CIA stations. In return, the CIA and the SNI began to push the police for results. Hardpressed for incriminating evidence on subversives, the police concluded that nothing made a detainee more willing to talk than a little torture. Besides, working closely with the CIA opened one up to special stores of equipment. Everything from tear gas to field telephones (used to administer electric shocks) could be delivered immediately from the Panama branch of the CIA's Technical Services Division (TSD). Requesting such material through normal channels might take months.

Yet, the information on dissidents in Couto e Silva's files was inconclusive, and the processing of prisoners was cumbersome. An alternative resource had to be found. The sense of limitations on the part of the Brazilian police soon gave rise to vigilante groups which sought to appease the fears of Brazil's new leaders and their U.S. backers. One of the men who acted on these concerns was Henning Albert Boilesen, president

picion that Boilesen was in the pay of the CIA grew when he began soliciting money from wealthy industrialists for a new organization called Operacao Bandeirantes (OBAN)35. OBAN united the various military and police intelligence services into one paramilitary organization which knew no limits.

Esquadraos da Morte (Death Squads) were not a new phenomenon in Brazil. Before the coup they had been a source of extra income for off-duty policemen. If a thug needed a rival eliminated, he could arrange for a member of a Death Squad to get the job done. Despite salary increases from the AID, six years after the coup Death Squad executions by off-duty police personnel were still taking place. And now, a new wrinkle had been added. The "Ten for One" dictum meant that for every killing of a Death Squad member, ten people would die. When a Sao police investigator was killed in 1970, nearly twenty people were executed by the police. 36

U.S. AID officials knew of and supported police participation in Death Squads. In Uruguay, a CIA operations officer, William Cantrell, used the cover of an AID Public Safety Advisor to help set up the Department of Information and Intelligence (DII)³⁷. Cant rell's chauffeur, Nelson Bardesio was himself a member of the Death Squad in Montevideo. Under interrogation by Tupamaro guerillas in 1972, Bardesio testified that the DII served as a cover for the Death Squad. Bardesio's testimony further revealed that a Brazilian diplomat offered to set up radio communications between Brazilia and Montevideo. Uruguayan intelligence officials, claimed Bardesio, received Death Squad-type training in Brazil. The living link between the two countries' Death Squads is Sergio of a liquid gasp676026475 Release2004/10/12: @PerDR88-013441000400350003p4litical

police in Brazil. A leader in the elimination of the Brazilian Left, Fleury has been identified by hundreds of political prisoners as the man who supervised their torture. ³⁸ Through his work in the Death Squads, Fleury's infamy has spread from Sao Paulo to all of Brazil and on to Uruguay. On at least two occasions, he met with groups of Uruguayan police through CIA contacts. ³⁹

The systematic use of torture was also condoned if not encouraged by U.S. AID officials. Police in Brazil once speculated on what the Public Safety Advisor Dan Mitrione would do if he were witness to the torturing of a prisoner. One said he would leave. Another asked, "Where, the country?" "No", said the first; "leave the room." To this day, the U.S. Public Safety Program in Brazil has assisted in the training of over 100,000 federal and state police personnel. Moreover, 600 high-ranking officers have received training at the now-defunct International Police Academy (IPA) on the campus of Gégrgetown University in Washington, D. C. The United States is also responsible for the construction, equipping, and development of the curriculum and faculty of Brazil's National Police Academy, its National Telecommunications Center, and the National Institute of Criminalistics and Identification. 42

In the actual torturing of prisoners, the military and civilian police worked hand in hand. It was a common practice for prisoners to be taken from a prison run by the civilian police to one run by a branch of the military and then back again to a facility run by the police. CENIMAR, the navy's intelligence section, had its main prison and and torture center in the basement of the Ministry of the Navy, near the docks of the harbor in Rio de Janeiro. U.S. Navy officers based at the naval mission often heard screams from

across the courtyard. But none of them - not even mission commander, Rear Admiral C. Thor Hanson - ever raised the matter with their hosts. 43

From the CENIMAR facility, prisoners were shipped across Guanabara Bay by motor launch to a prison on the Isle of Flowers. Inside the low white buildings were interrogators who specialized in torture. The staff there was made up of members of the Department of Political and Social Order (DOPS). The island's commander was Clemente Jose Monteiro Filho, a graduate of the School of the Americas (commonly referred to as the escuela de golpes, the school of coups) at Fort Gulick in the The leader of Panama Canal Zone. interrogation and torture was Alfredo Poeck, a navy commander who had taken a three month course at the Special Warfare School at Fort Bragg in 1961.45

A common torture routine consisted of a preliminary beating by a flat wooden paddle with holes drilled through it called a palmatoria. This would be followed by a more concentrated application of electric wires to the genitals designed to elicit information from the victim. If this method failed, the prisoner was subjected to another, round with the palmatoria -- often for six hours at a time. 40 Today, Brazil's terror technology has advanced beyond the electric prod and the wooden paddle. Testimony from political prisoners verified by the Brazilian College of Lawyers lists among the newest inventions a refrigerated cubicle called a geladeira. Nude prisoners are boxed in the geladeira for several days at a time, receiving frequent dousing of ice-cold water. All the time, loudspeakers emit deafening sounds. One prisoner described this as a "machine to drive people crazy!47

The graduates of CIA-connected police programs in the U.S. are an undeniable concern to the Brazilian people. CounterSpy, speaking to this concern, is presenting the names of

these graduates during the 1961-64 periods. The entire list of Brazilian graduates of CIA - connected police programs is available on request.

ABREU, Antonio Candido (in U.S. from 4/15/63-7/15/63); AFFONSO, Leonel Archanjo (4/15/63-7/15/63); ALMEI-DA, Eudes Batista (7/15/63-10/15/63); ALMEIDA, Jose Tabosa (4/15/63-7/ 15/63); ANDRADE, Neylor Vasconcellos (4/15/63-7/15/63); ARAUJO, Taltibio Delivalle y (4/15/63-7/15/63); ARAUJO, Jose Eduardo (7/15/63-10/15/ 63); ARNAUT, Vilmar Leal (7/15/63-10/15/63); BARBOSA, Joaquim (4/15/63 -7/15/63); BOFFA, Carlos Alberto (7/ 15/63-10/15/63); BRANDAO, Raul (4/15/ 63-7/15/63); COSTA, Jose Luiz (7/15/63 -10/15/63); DA COSTA, Ismar Concalves (1/15/63-4/15/63); DANTAS, Walter (1/15/63-4/15/63); DE ABREU, Eudes Coutinho (1/15/63-4/15/63); DE ALMA-DA, Antonio Soares (4/15/63-7/15/63; DE ARRUDA, Firmiand Pacheco (1/15/ 63-4/15/63); FERNANDES, Antonio (7/ 15/63-10/15/63);FERNANDES, Oezer Carvalho (1/15/63-2/15/63); FERREIRA, Rubens Jose (7/15/63-10/15/63); FIR-MO SERENO, Joao (4/15/63-7/15/63); HOSTIN, Jose Mario (4/15/63-7/15/63); LAGE, Raimundo Valerio Dias (7/15/63 -10/15/63); MAFRA, Heitor Martins (7/15/63-10/15/63); NASCIMENTO, Ricardo Frazao do (4/15/63-7/15/63); NOGUEIRA, Hever da Silva (1/15/63-2/ 15/63); OLIVEIRA, Alceu Drummond (7/15/63-10/15/63); PEREIRA, Paulo Fernandes (1/15/63-4/15/63); RIBEI-RO, Arlindo Bento (7/15/63-10/15/63);1 ROSA, Helio Pestana (1/15/63-4/15/63) SARAIVA, Iaci Cruz (1/15/63-2/15/63); SILVA, Paulo Souza da (4/15/63-7/15/ 63); SILVA, Wilson Gomes da (7/15/63 -10/15/63); SILVEIRA FILHO, Paulo Agemiro da (7/15/63-10/15/63); SOUSA, Saulo Nunes (4/15/63-7/15/63); SOUZA Dilson de Almeida (1/15/63-4/15/63); TEIXEIRA, Dioran (7/15/63-10/15/63);

LABOR OPERATIONS

In this final section we will examine how CIA's subversion of Brazilian labor leaders and other trade union officials helped to topple Goulart. As such, we are making available to the people of Brazil the names of those persons who participated in special training sessions in the U.S. from 1961-1964. These courses were run by the American Institute for Free Labor Development (AIFLD) which, according to Philip Agee is a "CIA controlled labor center financed through AID¹¹⁴⁸. Before going into the names, however, it is important to trace the history of U.S. labor's cahoots with American foreign policy in Latin America.

Since the middle of the 1950's, the American Federation of Labor and the Congress of Industrial Organizations once they had merged to become the AFL-CIO - have taken on an increasingly active role in the implementation of American foreign policy. When the International Confederations of Free Trade Unions (ICFTU) was established as an anti-communist rival to the World Federation of Free Trade Unions (WFTU), the "Free World" acknowledged that Latin America would become the exclusive domain of the AFL-CIO in its Cold War counter-offensive against its perceived nemesis, Soviet Expansionism. 49

ICFTU's affiliate in the Western hemisphere was the Inter-American Regional Organization of Workers (ORIT). In both ideology and practice, ORIT mirrored the AFL-CIO which both funds and profits from its little sister to the South. ORIT's "prime goal is to fight Communism and to promote 'democratic trade-unionism'. It preaches reform within the existing capitalist system, denying the existence of class antagonism.... ORIT points to the U.S. as an

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can heap upon the working class and organized labor. "50 The principle sources of ORIT's funding has been the AFL-CIO, ICFTU's International Solidarity Fund, and other U.S. agencies. In 1961, its annual budget amounted to \$125,000, exclusive the grants. 51 The CIA has exercised considerable control over ORIT. In the early 60's, Morris Paladino was ORIT's Director of Education, Director of Organization and Assistant Secretary General. At the same time, Paladino was also the CIA's principal agent in ORIT, working out of the CIA's International Organizations (IO) Division in Mexico City. 52

Another creature of the AFL-CIO's work in the international arena is the American Institute for Free Labor Development (AIFLD). Inaugurated in 1962, AIFLD's board of directors testifies to the commonality of interests shared by the CIA and America's industrial and labor elite. AIFLD's executive director until 1966 was Serafino Romualdi, former Inter-American representative for the AFL-CIO. Other board members include AFL-CIO chief George Meany; Joseph Beirne, head of the Communication Workers of America and a collaborator in CIA labor operations through the Post, Telegraph and Telephone Workers International (PTTI); J. Peter Grace, an ex-President and present Chairman of the Board of AIFLD, and head of the W.R. Grace Company which has extensive interests in Latin America. Other business leaders who hold or have held executive positions include Charles Brinckerhoof, chairman of the board of the Anaconda Company; William M. Hickey, president of the United Corporation; Robert C. Hill, director, Merck and Company; Juan C. Trippe, chairman of the board, Pan American World Airways; Henry S. Woodbridge, chairman of the board, Tru-Temper Copper Corporation. ⁵³ A new member of AIFLD's board of directors was Nelson Rockefeller who joined shortly before his death. Aside from this illustrious crew, executives rounding out AIFLD's leadership come from Gulf Oil International, Johnson and Johnson International, Owens-Illinois, and members of the Institute of International Education and the Fund for International Social and Economic Education, both recipients of funding from CIA fronts. ⁵⁴

The extent to which AIFLD is under the aegis of the CIA is indicated by the fact that Serafino Romualdi, while at AIFLD, was still an agent of the CIA's International Organizations (IO) Division. Through the IO Division, Romualdi and William Doherty - former Inter-American Representative of the Post, Telegraph amd Telephone Workers International (PTTI) and now AIFLD's Social Projects Director- exercised day-to-day control of AIFLD for the CIA.

Unlike ORIT's out-front role in promoting pro-Western trade unionism, AIFLD is dedicated to "strengthening the democratic labor sector in terms of ... technical assistance and social projects ... primarily in the areas of education and training, manpower studies, cooperatives and housing. 1156 William Doherty is less equivocal when he points out that AIFLD is an example of the desirability of cooperation between employers and workers. He thus emphasizes AIFLD's main goal: to dispel the hostility of Latin American workers toward U.S. corporations. 57

A less optimistic but more realistic appraisal of AIFLD's role is given by Philip Agee in his book, Inside the Company. Speaking of its creation in 1962, he states that AIFLD is "Washing-

ton's answer to the limitations of current labour programmes undertaken through AID as well as through ORIT and CIA stations." The problem, says Agee, was "how to accelerate expansion of labour organizing activities in Latin America in order to deny workers to labour unions dominated by the extreme left and to reverse cummunist and Castroite penetration.

"AID programmes," says Agee, "are limited because of their direct dependence on the U.S. government... ORIT programmes are limited because its affiliates are weak or non-existent in some countries... The CIA station programmes are limited by personnel problems, but more so by the limits on the amount of money that can be channeled covertly through the stations and through international organizations like ORIT and ICFTU."59

Under the official cover of 'adult education', AIFLD sets up social projects such as workers' housing, credit unions and cooperatives. AIFLD's major task, however, is similar to ORIT's in that it seeks to organize anticommunist labor unions in Latin America. To this end, AIFLD set up training institutes which would carry on the teaching of courses presently being given by AIFLD members. And although administrate control of the training institutes in Washington would be by AIFLD, it was hoped that the institutes themselves would be headed by a sala ried CIA agents under operational control of the local CIA station.

A logical outcome of AIFLD's obsession with anti-communism was the direct participation of its trainees in the overthrow of Joao Goulart. Even before Goulart came to power, AFL-CIO leaders were critical of growing communist strength in both the labor movement and in Juscelino Kubitschek's government. In 1956, Romualdi, along with labor attache Irving Salert and U.S. Ambassador

James C. Dunn, arranged to have Brazilian labor leaders visit the U.S. AIFLD's goal was the "development of a core of labor leaders who, by commanding the enthusiastic support of the rank and file, could turn back Communist attempts to capture the Brazilian labor movement."

The 1960 elections saw Janio Quadros elected president and Goulart vice-president. During this time, Romualdi began to court Carlos Lacerda, the right-wing governor of Guanabara, the capital of which is Rio de Janeiro. When Quadros attempted to halt Brazil's raging inflation by limiting the supply of credit, pressure against him mounted. In August of '61, after only eight months in office, Quadros unexpectedly resigned. By doing this, he hoped to rally the nation behind him and thus give himself new popular support. But Lacerda, acting on the advice of Romualdi, saw to it that the expected communist call for a general strike would be defeated. Speaking to the opening session of the ORIT Convention being held in Rio, Lacerda said he would resign in order to lead "from the streets" the fight against Quadros. 62 During the convention, Romualdi and AFL-CIO Secretary-Treasurer William F. Schnitzler pressured the labor leaders into boycotting the proposed strike, 63

When the call for a general strike was issued on August 26, the Maritime Workers, the Central Committee of the Railway Unions and the Trade Union Committee for the Defense of Democracy representing over four million workers prevented their members from honoring the strike, thus causing its failure. 64

d in Juscelino Kubit- When news of ORIT's complicity with Lacerda's anti-government plans became known, Quadros' Minister of Labor threatened to outlaw ORIT in Approved For Release 2004/10/12: CIA-RDP88-01314R000100350003-4

Brazil. Only Quadros' resignation kept him from issuing the decree.

ORIT's relations with Quadros' successor were even worse. Early in 1962, an ORIT delegation headed by General Secretary Arturo Jauregui, Mexican Senator Manuel Pavon and Romu'aldi went to Brasilia to confer with Goulart. After waiting the whole day to speak with the president, the delegation left without even having had a chance to see Goulart. When Goulart came to New York later in the year, he innocently asked the AIFLD director," My dear Romualdi, when are you coming to visit me in Brasi-lia?"

Goulart's popularity steadily declined as inflation ate away the wages of Brazilian workers. Between 1958 and 1963, the cost of living increased by over 600 percent. ⁶⁷ To counter the combined criticism of industry, commerce, the military and the Church, Goulart began to take his case to the workers and oppressed people of Brazil's countryside. But Romualdi and his allies had other plans.

To undermine Goulart's support in organized labor, ORIT, AIFLD, and the American embassy worked to break up the left-dominated CGT (General Workers Command), the nation's largest progressive labor organization. Their efforts culminated at the Third National Labor Congress of 1962. U.S. labor specialist flown in especially for the occasion plotted strategy for the "democratic" trade union leaders. They convinced this minority bloc to pull out of the gathering, thus undermining the CGT's efforts to unify labor.

Meanwhile, the Movimento Democratico Sindical (MDS), under its
motto "God, private property and
free enterprise", received AIFLD
aid and advice in sponsoring meetings
and setting up trade-union courses.
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In addition, the Instituto Cultural do Trabalho (ICT) -- AIFLD's local affiliate partially financed by U.S. business concerns -- trained labor personnel and disseminated anticommunist propaganda. In response to growing radical peasant movements in the rural Northeast, AIFLD initiated a series of training and aid programs for reformist groups and leaders. 68

The close ties between AIFLD and the CIA went beyond the use of AIFLD trainees in CIA-sponsored coups. It is the CIA's desire to continue its penetration of labor unions as a means of silencing one of the main foci of opposition to the U.S. presence in Latin America. In Brazil, the CIA channeled \$30,000 to the International Federation of Petroleum and Chemical Workers (IFPCW) through its conduit the Andrew Hamilton Foundation. Of It was AIFLD's plan to get the IFPCW to affiliate with its anti-communist IFPCW counterpart in North America.

As a measure of the success of its payoff, sixteen major petroleum unions in Brazil failed to unite in a National Federation of Petroleum Workers which the CIA opposed. AIFLD was able to get these unions to align with the conservative IFPCW by awarding financial aid to unions taking such a course. At one point, the IFPCW representative in Brazil, Alberto Ramos, wrote to one A. Noguria, "I have with me 45 million cruzeiros (almost \$17,000) for you to distribute to the unions for campaigns in accordance with our plans." An itemized payoff sheet attached to the note listed the following recipients: \$875.00 to Dr. Jorge Filho of the Ministry of Labor; a bonus of \$312.50 to a reporter for favorable newspaper coverage; and \$140.63 to two labor leaders for helping the IFPCW defeat an opposition candidate for union office. However, because

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forced to end its Brazilian organizing efforts. 70

In the fall of '63, Romualdi and AIFLD vice-president Berent Friele -- "an old Brazilian hand belonging to the Rockefeller entourage"-- met with one of Goulart's chief opponents, Adhemar de Barros, governor of Sao Paulo. 71 De Barros told the two men of plans already under way to mobilize police and military contingents against Goulart. When he complained that the U.S. Embassy was not listening, Romualdi wrote to the embassy's labor attache, John Fishburn, "The Embassy's reaction, says Romualdi, was, of course, noncommittal." 172

Even before his pleas to the embassy fell on deaf ears, Romualdi had decided that "a substantial sector of labor's rank and file were fed up with the Goulart regime. 1173 Starting in 1963, AIFLD "trained in Washington a special all-Brazilian class of thirty-three participants. "74 After travelling to Western Europe and Israel with Romualdi, they returned to Brazil. Upon arrival, some went to the countryside to organize and conduct seminars. Others went to Rio, Sao Paulo and various industrial centers. Here then are the names of those persons who participated in CIA-directed labor training courses in the U.S. from 1961-1964.

ABATE, Hugo (in U.S. from 9/15/61-12/15/61); ABBUD, Jose (7/15/61-9/15/61); ABRITA, Antonio (8/15/63-10/15/63); ABRITTA, Ernane Souza (8/15/61-11/15/61); ALMEIDA, Gilson Dias de (6/15/63-9/15/63); ALMEIDA, Jose Gomes de* (1/15/63-3/15/63);AMANTE, Francisco Hegidio (7/15/ 61-9/15/61); ARAUJO, Paulo Henrique * (1/15/63-3/15/63); BARBOSA, Jose Sebastiao (7/15/63-9/15/63); BARBOSA, Onofre Martins (8/15/62-10/15/62); BARETA, Nelson (7/15/63 -10/15/63); BARRETO, Benjamin Bittencourt (9/15/61-12/15/61); BARRETO, Vincente de Paulo (5/15/

63-7/15/63); BARROS, Luiz Capitolino (7/15/63-10/15/63); BASTOS, Carlindo Martins (1/15/63-3/15/63);

BASTOS, Thodiano Conceigao da Silva * (1/15/63-3/15/63); BAYER. Wilfredo Marcos (9/15/61-12/15/61); BOTTEGA, Abilio (6/15/62-9/15/62); BRAGA, Nelson (5/15/63-7/15/63); BRANCO, Aparicio de Cerqueira (7/15/62-10/15/62); BRANCO, Eliseu Castelo * (1/15/63-3/15/63); BRA-SIEL, Wanderly Pimenta * (1/15/63-3/15/63); BUSSE, Ralf (8/15/62-10/ 15/62); CARVALHO, Antonio Nelson (10/15/62-12/15/62); CARVALHO, Aureo * (1/15/63-3/15/63); CASTAN-HEIR A, Bento * (1/15/63-3/15/63);CERQUEIRA, Jose de Arimateira (7/15/61-9/15/61); CESAR, Jose Oliveira (8/15/61-11/15/61); CON-TESINO, Erico Antonio (7/15/61-9/15/61); CORREA, Jose Benedicto (7/15/63-10/15/63); COSTA, Fortunato Batista de (6/15/63-9/15/63); COSTA, Jose Alives da (7/15/63-10/15/63);

CROCETTI, Mario Domingos * (1/15/63-3/15/63); CRUZ, Serafim Ferreira da (11/15/60-12/15/60); CUNHA, Euclides Veriato da (7/15/ 63-10/15/63); CUNHA, Joao Manoel (7/15/63-10/15/63); DA SILVA, Pedro Guedes (7/15/60-10/15/60); DANTAS, Antonio Cavalcanti (6/15/63-9/15/63); DE SILVA, Manoel Francisco (11/15/60-12/15/60); DIAS, Irineu Fran cisco (4/15/61-7/15/61); DIMBARRE, Alfredo (7/15/63-10/15/63); DIOGO, Nelson (6/15/63-9/15/63); FARACO DE MORIAS, Hermenegildo (8/15/61-10/15/ 61); FARIA, Geraldo Pio de * (1/15/63-3/15/63); FERREIRA, Alcides 15/63-3/15/63); FERREIRA, Jose Felix (10/15/63-12/15/63); FERREIRA, Sonia Apparecida (5/15/63-11/15/63); FLO-RENTINO, Primo Berto (10/15/63-12/ 15/63); FONSECA FILHO, Tristao Pereira da (6/15/62-9/15/62); FONSECA, Valdenor Flores da (7/15/63-10/15/63);

FRANCISCO, Alvise * (1/15/63-3/15/ 63); FREITAS, Jose Reis (10/15/63-12/ 15/63); GEVAERD, Cezlos Jose * (1/15/ 63-3/15/63); GIL, Waldomiro (8/15/62-10/15/62); GIRO, Guilherme (6/15/62-9/15/62); GOMES, Silvio (10/15/62-12/ 15/62); GOMES, Vicente de Paula (10/ 15/63-12/15/63); GONCALVES, Darci Manoel (6/15/63-9/15/63); GONCALVES, Osmar H. (7/15/61-9/15/61); GUIMA-RAES, Benedicto Luiz (8/15/61-11/15/ 61); HAUK, Helmuth (8/15/63-10/15/63); HELFENSTREIN, Werno (8/15/61-10/15/ 61); LEITE, Antonio Pereira (7/15/63-10/15/63); LEITE, Floriano Gomes (8/ 15/61-10/15/61); LENZI, Carlos Alberto Silveira (5/15/63-7/15/63); LIMA, Jose Bezerra de *(1/15/63-3/15/63); LIMA, Manoel Barbosa (6/15/62-9/15/62);

LIRANI, Julio (8/15/61-10/15/61); LUIZ, Jose Martinho (9/15/61-12/15/ 61); MACHADO FILHO, Antonio Rodriguez (8/15/63-10/15/63); MAGNANI, Fabio (8/15/63-10/15/63); MALUF, Edmundo Amin * (1/15/63-3/15/63); MAN-ZONI, Antenor (7/15/63-10/15/63); MARCASSA, Joao * (1/15/63-3/15/63); MARINHO, Dominiciano de Sousa (6/15/ 62-9/15/62); MARQUES, Ivo Bento * (1/15/63-3/15/63); MELLO Jr., Theodore Narciso (5/15/63-7/15/63); MELLO, Jose Gabriel de (8/15/61-10/15/61); MOREIRA, Joao Balbino Goncalves (6/15/62-9/15/62); MOREIRA, Pedro Martins (8/15/61-10/15/61); MUELLER, Cezar Francisco (9/15/61-12/15/61); NASCIMENTO, Luiz (8/15/61-3/15/61) NASCIMENTO, Zozimo Gomes * (1/ 15/63-3/15/63); NASCIMERTO, Djalma Paiva do *(1/15/63-3/15/63); NE-VES, Jose Ferreira (8/15/61-11/15/ 61);

NINA, Celso Afonso (8/15/63-10/ 15/63); NOGUEIRA, Paulo * (1/15/63) -3 /15/63); OLIVEIRA, Deodato (7/ 15/61-9/15/61); OLIVEIRA, Edward Ximenes de (8/15/61-11/15/61); OLI-VEIRA, Elieser da Silva*(1/15/63-3/15/63); OLIVEIRA. Jose Luiz de (7/15/63-10/A5663VedPFJVRelBase 2004/10/12: CIA-RDP88-01314R000100350003-4

de * (1/15/63-3/15/63); OLIVEIRA, Vbirajara Ferreira de (7/15/63-10/15/63); PAIVA, Carlos de * (1/15/ 63-3/15/63); PAIYAO, Miguel Santos de (1/15/61-4/15/61); PAULA, Elison Galdino de *(1/15/63-3/15/63);PEREIRA, Antenor (7/15/63-10/15/ 63); PEREIRA, Vitalino Alexandre (10/15/63-12/15/63); PINTO, Geraldo Servulo (10/15/62-12/15/62); PRIESS, Carlos Fernando (9/15/61-12/15/61); PROVENSI, Mario Jose (8/15/61-10/15/61); QUEIROZ, Martinho Martins (7/15/61-11/15/61); REGO, Ormilo Moraes (8/15/63-10)15/63);

REIMER, Getulio (8/15/62-10/15/ 62); REINALDO, Bernardino da Silva (7/15/63-10/15/63); REIS, Leopoldo Miguel Dos (7/15/61-9/15/61); RE-ZENDE, Osvaldo Gomes (8/15/62-10/15/62); RIBEIRO, Adair (7/15/61 -9/15/61); RIBEIRO, Nelio de Carvalho (8/15/63-10/15/63); RIBEIRO, Vbaldino Fontoura *(1/15/63-3/15/63); ROCHA, Hildebrando Pinheiro (6/15/63-9/15/63); ROQUE NETTO, Sebastiao Jose (8/15/61-10/15/61); SANTOS, Etavaldo Dantas dos (6/15/ 63-9/15/63); SANTOS, Reinaldo dos (9/15/61-12/15/61); SCOZ, Elzide (10/15/63-12/15/63); SILVA SOB-RINHO, Jose Domingues (8/15/62-10/15/62); SILVA, Alvimar Macedo (9/15/61-12/15/61); SILVA, Avelino da (8/15/61-10/15/61); SILVA, Edir Inacio da (10/15/62-12/15/62); SIL-VA, Francisco Narciso da (9/15/61 -12/15/61); SILVA, Helio Jose Nunes da (6/15/63-9/15/63);

SILVA, Horacio Arantes (6/15/62-9/ 15/62); SILVA, Humberto Ferreira (9/15/61-12/15/61); SILVA, Ivan (6/ 15/63-9/15/63); SILVA, Joao Baptista Raimundo da (7/15/61-9/15/61); SILVA, Julio Trajano da*(1/15/63-3/15/63); SILVA, Pauló da Cruz (7/15/63-10/15/ 63); SILVA, Waldomiro Luiz da (9/15/ 61-12/15/61); SILVEIRA, Jose Bernardino da (8/15/61-11/15/61); SILVEI-

RA Jr., Norberto Candido (9/15/61-12/ 15/61); SOUSA BARBOSA, Onessimo de (10/15/63-12/15/63); SOUTO, Carlos Ferreira (7/15/61-9/15/61); SOUZA, Adelino Rodrigues de (6/15/62-9/15/62); TORREKO DA COSTA, Carlos Coqueijo (3/15/62-5/15/62); VIANNA, Gilberto Luiz (7/15/63-10/15/63); WAIDT, Nilo (8/15/61-10/15/61);

(* designates participation in AIFLD training session in Washington, DC in the first three months of 1963.)

The role of AIFLD's trainees in the coup was made clear by the CIA's William C. Doherty, AIFLD Director of Social Projects at the time. At an AFL-CIO Labor News Conference in July, 1964, Doherty noted that the trainees "were very active in orga nizing workers... As a matter of fact, some of them were so active that they became intimately involved in some of the clandestine operations of the revolution [Washington's code-word for the coup | befor e it took place on April 1. What happened in Brazil.. did not just happen -- it was planned -- and planned months in advance. Many of the trade union leaders -- some of whom were actually trained in our institute -- were involved in the revolution [see above], and in the overthrow of the Goulart regime. 1175

AIFLD had succeeded in delivering the Brazilian labor movement from Communist leadership. Its supposed goal of creating an independent, democratic labor movement, however, was quickly abandoned. Two and one-half , years after the coup, AFL-CIO union leaders who went to Brazil under AID's exchange program returned with a devastating indictment of conditions for workers and unions in Brazil. In a New York Times dispatch from Rio

kers of America stated that "The leaders of unions here have the greatest fear I have ever seen in my life. They are afraid to raise their voices on behalf of their workers for fear of police reprisals." 76

In fact, AIFLD leaders supported the authoritarian measures taken by the military junta and provided rationales for its policies. After one of Serafino Romualdi's principal contacts, Adhemar de Barros, was deprived of his political rights for ten years, Romualdi stated equivocally that "it is still too early for a final judgement on the success or failure of the Brazilian 1964 revolution (sic!)"⁷⁷ To cement its solidarity with the new regime. William Doherty appeared on the same platform with Brazil's president, General Castello Branco, in April, 1966 to help lay the foundation for an AIFLD housing project in Sao Paulo. During his speech, Doherty declared that it was "appropriate that the ceremonies were taking place on the second anniversary of Brazil's democratic Revolution (sic)". 78

CONCLUSION

The denial of all political rights and the suppression of working class efforts to gain a more equitable share of Brazil's enormous natural wealth give the lie to to the country's "economic miracle" that foreign investors proclaim. 79 Whatever gains Brazil can speak of are realized by only a small elite. Furthermore, the markets which she can boast of are those for raw materials, agricultural products and manufactured goods. These markets are all export-oriented and thus. depend on the fluctuating prices of the world market. When we add to this the cheap cost of Brazilian labor, which is a prerequisite for keeping these goods competitive, is it any wonder that Brade Janeiro (November 23, 1966), zil's per capita GNP is one of the low-James Jones of Abstroio Refease 2004/10/12: CA POSS 31374R0001003506632419, the

cost of fueling Brazil's "economic miracle" is more than its people can tolerate.

Since the military coup of 1964, there has been a decline in the real wages of Brazilians amounting to almost 40 percent. 81 Brazil's gross foreign debt for 1978 is expected to reach a spectacular \$40 billion, with interest and amortization payments totalling \$8 billion. 82 The reason for the seeming paradox between a country so rich in natural resources yet one whose people suffer lifelong misery is quite simple, however: "for capitalists, both Brazilian and foreign, the masses are looked upon as costs, not customers: the lower their real wages, the higher the profits from selling to the local upper class and the international market. 1183

If cheap labor and an absence of political opposition have been considered Brazil's major investment advantages since 1964, events of recent years suggest that the attractiveness of Brazil to foreign investors may be on the decline. In 1978, Brazilian autoworkers paralyzed the industry with a major strike. 84 In 1969, bank robberies by revolutionary groups in Sao Paulo alone amounted to over \$1.5 million. 85

Brazil's rulers themselves have had to assume a "get-tough" attitude toward the U.S. in the wake of State Department reports on human rights violations. In order to gain credibility amongst their local backers, the Brazilians showed how badly they were miffed by cancelling in March, 1977 a 25-year old military assistance treaty between Washington and Brasilia. At the same time, Brazil turned down a \$50 million loan credit for the purchase of military supplies because of human rights demands attached to it by the U.S. Congress. 86 In September, 1977, the Brazilian Foreign Ministry announced the termination of a Brazilian-American military commislished in 1942 to coordinate World War II efforts. Also canceled were a 1967 pact governing the use of armaments imported from the U.S. and a 1952 agreement for U.S. participation in aerial mapping of Brazil. 87 Of the March rejection, chief of staff, General Moacir Barcelos Potyguara stated that the decision would cause no problems in Brazil's military preparedness.88

Unfortunately, this cavalier attitude will not effect the long-term military relations between the two countries. The March, 1977 announcement was to take place one year later. No mention was made of rejecting that which is already in the pipeline to Brazil. At the least, Brazil should benefit for years to come from its friendship with the U.S. Furthermore, U.S. opposition to Brazil's planned purchase of West German nuclear reprocessing technology seems to have subsided. In a recent visit to Brazil, Vice President Mondale backed away from criticizing the country's plans to build a uranium reprocessing plant capable of producing weapons-grade plutonium.89

As for Brazil's new president, Joao Baptista Figueiredo, and what lies in store for the Brazilian people, a few words must be said. For the unsuspecting, last month's appointment of Figueiredo as president appeared to usher in a new era of liberalization for that country's political situation. Pledging to continue the reforms (which included the closing of Congress for four months in 1977) initiated by his predecessor, Ernesto Geisel, Figueiredo declared that it would be his "unswerving purpose" to make Brazil a democrapy. He guaranteed freedom of expression for the "many segments of Brazilian public opinion. "90 But for those who have even the slightest familiarity with the man who is Brazil's fifth military head of state since the armed forces carried out a CIA-backed sion and a naApproved Forskete as 4004/10/12: CIA-REP 88-07944R 006 90 83 30 63 24 Figueiredo

is to be watched closely.

His background speaks to the intimate role the CIA has played in making Brazil one of the most repressive and, not surprisingly, one of the safest investment climates in Latin America. After the '64 coup, the CIA helped Brazil set up its first national intelligence service, the SNI. Figueiredo became the director of its Rio office. Later he was named head of the military police in Sas Paolo, after which he became then-President Emilio Medici's chief of staff. Before coming to Brasilia in 1974 to direct the SNI, Figueiredo commanded the Third Army in Porto Alegre. Given the documented penetration and usurpation of the SNI and the police forces by the CIA, can there remain any doubt that with Figueiredo's ascendancy to the executive office, Langley truly has their "man in Brazil"?

In an effort to dress up the seamy history of their new president, the National Renewal Alliance, the Government party, hired the largest advertising agency in Brazil to change Figueiredo's public image. The agency, Al Cantro Machado, which works closely with the huge New York ad agency, Doyle, Dane & Bernbach, replaced Figueiredo's dark glasses with clear, metal-framed ones, got him to tone down on insults such as "For me the smell of horses is better than the smell of people, "and, finally, succeeded in projecting him as almost a populist, anti-establishment figure.

But for the people of Brazil, the media blitz around "election" time contrasts sharply with the harsh conditions under which they have lived since the '64 coup. With the creation of the SNI and the imposition of successive Institutional Acts, the democratic freedoms Brazilians once enjoyed have been destroyed. The danger of living in South America's oldest police state, however, has not deterred them from struggling to achieve basic human rights Release 2004/10/12/iberalization.

Figueiredo took office on March 15, over 200,000 industrial workers were on strike in Sao Paulo demanding a wage hike of 78 percent to keep pace with Brazil's astronomical rate of inflation, up 44 percent over last year. 91

Contradicting his liberalization pledges and new image, Figueiredo, after only a week in office sent troops into Rio de Janeiro on Friday March 23rd. The troops seized the union headquarters and arrested 1,600 wor-

kers. Although the workers were released over the weekend, the Ministry of Labor unilaterally called for new union elections and issued a decree which stripped a group of union officials of their posts. The duly-elected head of the metal, mechanical and electrical workers' union, Luiz Inaco da Silva has been prohibited from running for reelection or participating in union activity. Although Inaco has denied that the strike was called to test the promised liberalization of the Figueiredo regime, the manner in which it was dealt with makes clear the government's intolerance of even legal opposition.

It is in the wake of this strike-breaking that Figueiredo's statement about 'fair-play' between Brazil's legislative and executive branches must be evaluated. During his inaugural address, he stated that "The game is just beginning and as soon as I am in office the ball will belong to me. If the politicians play well, fine. But if they play badly, I will put the ball under my arm and leave the field. 1192 If this warning was ambiguous at the time, Figueiredo's actions of last week have clarified any uncertainty that people may have had. Under the new president, the future of Brazil's 116 million people bodes ill. For, without the slightest hesitation, Figueiredo has removed democracy from the realm of political possibilities in Brazil and has tucked it away in his desk drawer where it will continue to gather dust as it has for the past fifteen years, to be brought

20

CIA OFFICERS IN BRAZIL AS OF AUGUST, 1978

BURTON, Stewart D. (born: 5 April 1928)

Burton has served in Brazil on three previous occasions: from 1952-1955 at the Consulate General in Sao Paulo as a Vice-Consul with the rank of S-11: from 1962-1964 at the Consulate in Curitiba as a ''political officer'' with the rank of R-5; and, from 1967-1970 at the Consulate General in Rio de Janeiro as a "political officer" progressing from R-4 to R-3. As of August, 1978, Burton was at the Embassy in Brasilia under the cover of "First Secretary. "

GRAVES, R. Martin (born: 1 July 1937)

Graves, also, has had previous experience in Brazil. In 1967 he was stationed in Recife as an Economic Officer with the rank of R-6. From 1968 to 1969 he served at the then-Embassy in Rio de Janeiro as a Political Officer with the rank of R-5. At the end of 1969 he was transferred to Sao Paulo where he served for three years as a Political Officer. After a stint in Saigon and back home at the State Department, Graves was reassigned to the Embassy in Brasilia as a Political Officer in January, 1976. In August, 1978 he was transferred to the Consulate General in Rio de Janeiro.

NEVES, Antonio L. (born: 15 June 1931)

Neves first came to Brazil in 1962 after seven years in the Department . of Army as an "analyst." His first assignment was at the then-Embassy in Rio de Janeiro as an Attache with the rank of R-6. He served for four vears in Brazil, after which he was assigned to Rome, and then the State Department in Washington. He reap-president Juan Bosch; invaded Approved For Release 2004/10/12; CIA-RDP88-01314R000100350003-4

peared at the Consulate General in Rio de Janeiro in August, 1978.

EDGER, David N. (born: 20 June 1945)

Edger taught public school in 1967-1968 g before serving as an "educator" in the Department of Army for five years. Upon joining the State Department in January, 1973, he was assigned to the Embassy in Santiago, Chile as a "political officer"; with the rank of R-7. As of August, 1978, he was working in the U.S. Embassy in Brasilia. His position is that of Second Secretary.

MALLET, John W. (born: 10 April 1945)

Mallet's Government Experience consists of two years as a "programs analyst" with the Department of Army from 1972-1974. When he joined the State Department in 1975, he was assigned to the Embassy in Santiago as a "political officer" with the rank of R-7. As of August, 1978, he has been at the Embassy in Brasilia working under the cover of Second Secretary.

CIA COLLABORATORS IN BRAZIL AS OF AUGUST, 1978

The following U.S. governmental employees have collaborated or worked with the CIA in a functional capacity.

ARENALES, Alfonso (born: 3/1/26)

Arenales joined the State Department in 1957 where he served as an "intelligence research analyst" for two years. He has served in Iran, Rio de Janeiro and the Dominican Republic. It should be noted that during Arenales' three years in the Dominican Republic (1964) -67), Lyndon Johnson and the CIA overthrew the democratically elected resident Juan Bosch; invaded the

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island with over 40,000 U.S. Marines; and sent in Brazilian troops to crush the popular resistance movement. Arenales is presently serving in the political section of the U.S. Embassy in Brasilia as a Consul.

HIGH, George Borman (b. 7/25/31)High joined the State Department in 1956 and served for two and onehalf years as an "intelligence research analyst". He has served in Angola and Lebanon (where he was an "Arab language-area trainee" at the Foreign Service Institute fieldschool). Back at the State Department, served as the desk officer for South Africa, Angola-Mozambique, and Madagascar, respectively. He has served in Equador, Argentina, and has been detailed to the Army War College. As of August, 1978, High was at the U.S. Embassy in Brasilia, serving as a Consul for Ministerial

POVENMIRE, Dale Miller (b. 6/6/30)

Affairs.

Povenmire joined the State Department in 1957 with the rank of R-8. In 1958 he was stationed in Santiago as a "political and economic officer". He spent the next three years at the State Department as an "intelligence research specialist". His next assignments were in Zanzibar and Paraguay. In 1966, Povenmire was back at the State Department as an "international relations officer". Two years later, he became a representative at the National Military Command Center of the Joint Chiefs of Staff at the Pentagon. He was then assigned to Venezuela and Portugal. As of August, 1978, he was the "labor officer" at the Consulate General in Sao Paulo.

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CIA in Iran John Kelly

As recently as January 26, 1979, President Carter stated: "We do not have any intention of interfering in the affairs of Iran, the internal affairs of their government."

Carter's obviously comic relief remark about no U.S. interference probably drew few laughs in Iran. It is on a par with Eisenhower's lie before the world that then-captured U-2 pilot, Gary Powers, was not a CIA agent. This lie, in conjunction with the CIA operations, had devastating effects for the world. It destroyed a pending U.S. - U.S.S.R. conference and unnecessarily prolonged the Cold War.

Carter's statement is of equal importance vis-a-vis the peaceful relations between the American and Iranian peoples. Let us, therefore, put it to the litmus test of the following collage of facts.

Since July 2 and continuing up to December, 1978, 3 there have been a reported 50-75 full-time CIA officers in Iran. There have also been "at least 100 retired intelligence specialists" 4 working for U.S. firms in Iran -- many of whom were thought to be still working for the CIA. 5

According to Jesse J. Leaf, Chief CIA Analyst on Iran, 1968-73, the CIA in Iran serviced the shah and his SAVAK. ⁶ Two major tasks of the CIA in Iran included the surreptitious monitoring and "combating" of antishah groups which also entailed joint operations with Israeli Mossad agents against Palestitians. A second major task was the policing of the oil fields.⁷

Within the oil workers and other industrial workers, the union structure was "run directly by SAVAK." SAVAK, in turn, was directed by the CIA. This CIA apparatus is still somewhat in place in Iran. An unknown number of CIA officers, agents, and Iranian collaborators are also still in Iran under direction of the same forces and political objectives.

Since 1950, according to the Pentagon, more than 15,000 Iranian officers and soldiers have been trained at U.S. military institutions. As the <u>Washington Star</u> observed: Part of what is believed to be a pro-U.S. bias among the military comes from this training; ... 110 Most of these "pro-U.S." military personnel are in place in Iran.

On September 11, 1978, President Carter personally telephoned the Shah of Iran--which by that time had been described as the worst violator of human rights by Amnesty International--to voice his total support.

In November, 1978, Carter called in former CIA Director, Richard M. Helms for secretive 'lengthy discussions' ll on Iran. Helms, a boyhood friend of the shah's, was in Teheran in 1953 to participate in the coup. 12 He is also guilty of many crimes against the Iranian people, including the running of SAVAK.

During Helm's tenure as CIA director, according to Jesse J. Leaf (cf supra), the CIA provided torture seminars to SAVAK officials. ¹³ Leaf was also instructed that the CIA had a specific "line" on Iran, viz., total support of the shah; and CIA bureaucrats and analysts—not to mention operatives—had to conform to this line. ¹⁴ Although the shah is now out of Iran, there is no indication that the CIA's political line on Iran has changed.

A man who has spent his career towing CIA lines, Robert Bowie, is now head of the CIA's Analysis Division. In November, 1978, Bowie along with Lt. Gen. E. F. Tighe, Director of the Defense Intelligence Agency, visited Iran for the White House. 15 Except to report that Tighe briefed the shah, the CIA and DIA would not confirm that it was a joint mission nor the objectives for the mission. Apparently, a classified special report of the trip has been filed with the White House. Its findings and recommendations have yet to be disclosed.

In December at the direction of National Security Advisor, Zbigniew Brzezinski--who has reportedly been in "frequent contact" with Ardeshir Zahedi 17 (see below)--Carter commissioned a report on Iran by George W. Ball. The findings and recommendations of the report have yet to be released. 18

In early January, 1979, the Deputy U.S. Forces in Europe Commander, Robert E. Huyser, was dispatched to Iran "to maintain contact with Iran's military" 19 and "to urge the military to remain united and loyal to the constitution (and thus to Bakhtiar)" 20. The White House maintained that Huyser was sent to inspect U.S. spy equipment. These statements were unlikely while being revealing. It was unlikely that the second-ranking U.S. military officer in Europe would personally inspect spy equipment. The statements were revealing in that they suggested Huyser is an intelligence operative. Intelligence operatives are the ones who implement coups, destabilizations, etc. One should remember that in August, 1953, Brigadier General H. Norman Schwartzkopf was dispatched to Iran for the purpose of "renewing contacts" 21 with the Iranian military. Schwartzkopf stayed in Iran during the shah's absence and proceeded to hand out \$10 million in CIA money to create pro-shah demonstra-Two weeks after Huyser's arrival in Iran there were unexpected, pro-shah demonstrations by military personnel and well-dressed Iranians

including women in fur coats (reminiscent of the CIA-induced anti-Allende demonstrations in Chile). According to the Washington Post: "The efforts to organize pro-shah demonstrations are now headed by some Iranian generals and Iranian ambassador to the U.S., Ardeshir Zahedi... 1123 Ardeshir Zahedi is the former son-in-law of the shah and the son of the late General Fazollah Zahedi who worked with the CIA and the shah to overthrow Prime Minister Mossadegh in 1953. 24 Not surprisingly, Zahedi is presently being investigated by the Justice Department and a U.S. grand jury for involvement with SAVAK and the CIA in creating the bogus pro-shah demonstrations in November, 1977 in the U.S. for the shah's visit. 25 One final observation on Huyser is the charge by Pravda that he "has been assigned the role of viceregent" 26 to direct the Iranian military. In 1953, the Soviet Union made a similar charge against H. Norman Schwartzkopf when he was in Iran, and history has demonstrated the validity of their charge. 21

Yet another concern is the newly-created 40-50 member White House Task Force on Iran headed by David Dunlop Newsom. Its goings-on are also never detailed, and its members consists of DOD, CIA, and Treasury Department agents. ²⁸ If the White House eschews intervention or even interference in Iran, why does this task force operate in secret and why are some of its members practiced interventionists? Newsom, by the way, is a graduate of the National War College ²⁹ which conducts courses on counterinsurgencies and coups.

In December, 1978, the Pentagon flew five water cannon riot-control trucks into Iran for the Iranian army. 30

As late as January, 1979, Carter sent "... 150,000 barrels of diesel fuel to keep Iranian military vehicles moving during the confrontation

over Khomeini's travel plans."31

There have also been published reports that the Carter administration was "encouraged" by the recent shooting and killing of demonstrators by the Iranian army. 32

Also of serious concern is the presence of CIA coup engineer, Vernon A. Walters (supposedly retired) in Marrakesh, Morocco where the shah is now residing. ³³ Walters, along with Averill Harriman, General Robert Landry (USAF), Walter Levy, then-CIA oil expert, and William Roundtree (State Dept.) went to Iran in 1951 ³⁴ to being the process which culminated in the overthrow of Mossadegh and the reinstallation of the shah. One should note here that the "sudden" coup in 1953 was a good two years in the making.

Of equally grave concern is what appears to be the re-activation of Kermit Roosevelt, the CIA officer most responsible for the re-installation of the shah in 1953. I have positively confirmed that Roosevelt has had recent discussions about Iran with State and CIA officials, including his personal friend, CIA Director, Stansfield Turner. In addition, Roosevelt has been in contact with a high official of British intelligence with whom he worked in Iran in 1953. (The British intelligence official has recently been dispatched to Saudi Arabia where he is formally employed as a consultant to the Saudi government. This same Saudi government also recently hired Raymond H. Close, recent CIA Chief of Station/Saudi Arabia, to head Saudi intelligence. 35) Without even knowing what Roosevelt is discussing, just invoking his advice suggests the CIA is studying the possibility of some form of intervention.

Finally, of grave concern is the New York Times report that in December, 1978 there were "dozens of specialists flown in to help the shah..." And, "the new arrivals, according to the embassy

sources, include a number of CIA specialists on Iran, in addition to diplomats and military personnel. Some have served in Iran before and have been sent back because of their experience. "36 This new infusion of CIA personnel speaks for itself given the mission of the CIA. It should be seen in light of the 50-175 CIA agents and officials already in Iran, and the fact that there has been no indication that any of these CIA personnel have left Iran.

Concomitant with the on-going White House, CIA and Pentagon machinations is what appears to be a concerted campaign in the economic world to clamor for the return of the shah and/or installation of a pro-West regime. The following analysis highlights this contention.

"Wall Street found itself over a barrel last week. The barrel was an oil barrel, and it was less than full because of the political troubles in Iran" 37.

At the end of the week referred to by the Monitor the Dow Jones industrial average dropped 25.12 points, closing to 834.63.

"There's no question that Iran is weighing on the market" was Dreyfus Corporation analyst, Monte Gordon's assessment. 39

Fueling these economic panics were Schlesinger's remarks before the Senate Energy Committee that the stoppage of Iranian oil was "prospectively more serious" vis-a-vis the U.S. economy, than the 1973-74 Middle East oil embargo; and that the prospect of an outright oil shortage "has grown more serious in recent weeks" More specifically, Schlesinger contended that the U.S. had about a 70-day supply of oil on hand in commercial inventories, not counting the government's strategic petroleum reserve, which he said was far below its target level.

The panic effects of Schlesinger's

remarks were instantaneous particularly since the 1973-74 Middle East oil embargo was a part of a chain of events producing the postwar period's deepest recession. "Schlesinger was the trigger"43 was the way one trader reacted. Accordingly, "As soon as his (Schlesinger's) remarks went out on the world's communication system, the dollar fell sharply and gold bounded to a new high of \$252 an ounce in (N.Y.Times, 2/9/79, p.1) London." Also affected that day was the Dow Jone Jones industrial average which closed with a loss of 6.84 points at 816.01.

The day following Schlesinger's remarks, Treasury Secretary W. Michael Blumenthal challenged the validity of these remarks. Blumenthal, in fact, indicated that no new economic crisis was in the offing and that both the Iranian oil curtailment and cancellation of arms orders would have only a limited impact on the American trade and balance of payments accounts. 45

Blumenthal, while appearing to be the "good guy", contributed to Schlesinger's panic-rousing by describing the Schlesinger statement as "clearly the type of thing that causes people to run to gold." Blumenthal also took the occasion to make the disturbing statement that "the U.S. stood ready to act to prevent a re-emergence of disorderly conditions" in foreign markets. (At least one analyst took this to mean unspecified "large scale intervention" by the U.S. government vis-a-vis foreign exchange markets. (48)

Schlesinger himself, through his new assistant, James Bishop, contradicted his assertion about the U.S. having about a 70-day supply of oil on hand by indicating that there was a comfortable supply of oil stocks which would last for more than a year.

Despite this reversal, Schlesinger continued his panic (so described by an unidentified, Schlesinger spokes-

person), ⁵⁰ agitating the next day before the House Science and Technology Committee by stating that "the effect of the Iranian situation is to advance the date when demand for oil overtakes supply for two years." Schlesinger also dragged out the National Security canard by suggesting that the U.S. might not have the oil to fill its one billion-barrel strategic petroleum reserve when the storage facilities are completed.

One objective of Schlesinger's blitz-krieg is to bring about Congress' decontrol of oil prices leading to higher oil and gasoline prices and, in turn, to greater profits for the oil companies which by the way have just experienced a year of record high profits. James R. Schlesinger, Jr. has serviced the interests of corporate profits throughout his career.

Indicative of this serving is Schlesinger's DOE which has been described as "... ill prepared for new oil gouging" begun by the oil companies even without the decontrol of oil prices. The DOE is ill-prepared because of Schlesinger and the relegation of only 7% of its employees 54 (many of whom are still occupied with the price gouging rampant during the 1973-74 Middle East oil embargo) to the task of monitoring oil gouging. Representative John D. Dingell and some DOE officials have also suggested that the Carter administration has not requested enough funds to support even these inadequate enforcement efforts. 55

The other possible objective of the Schlesinger-led campaign is to equate the absence of the shah with the economic hardships of the American people. This creates an atmosphere conducive to some form of U.S. governmental intervention in order to restore the shah or install a so-called pro-Western regime or force the present government to resume the shah's policies towards the U.S. It is important to remember

here that Schlesinger is both a former Secretary of Defense and a former Director of the CIA and is, therefore, well-versed in the devious operations of both. In 1973, for example, Schlesinger in tandem with Kissinger and Haig placed the U.S. on the brink of a war by initiating a world-wide nuclear alert (which activated the entire Strategic Air Command, the U.S.'s nuclear strike force)⁵⁶. Many people considered this alert as a veiled attempt to divert attention from Nixon's on-going Watergate crime exposes. Schlesinger, himself, suggested ulterior reasons for the alert by his assertion: "I think the probability of Soviet forces being enroute (the supposed reason for the alert) was considered by some to be low. " 57 He came even closer to suggesting the Watergate crisis as the motivation for the alert in the following statement:

"I think it was important in view of the circumstances that have raised a question or may have raised a question about the ability of the United States to react appropriately, firmly, and quickly, that this (alert) certainly scotched whatever myths have developed with regard to that possibility! 58

Interestingly, on the day after the newspapers published Schlesinger's Iranian remarks, the Washington Post (2/9/79, p. A-19) featured Kissinger's statement attributing the shah's loss of power to the "emasculation" of the CIA. Thus we have Kissinger, Schlesinger's partner in the alert operation, in syncopation, practically calling for a CIA intervention in Iran. Kissinger, by the way, (who has worked with the CIA since his days as a graduate student at Harvard) has been reportedly in "fre quent contact" with Ardeshir Zahedi. As mentioned, Zahedi has been charged with organizing recent, bogus, proshah demonstrations in Iran. Even "... some diplomats from his own embassy, have accused Zahedi of trying

to mount a plot to restore the shah to the throne by force."60

As if Schlesinger and Kissinger were not enough, General Alexander M. Haig, Jr. is now in print stating that "the events that have already taken place (in Iran) -- regardless of whether you're optimistic or pessimistic about the ultimate outcome -- do pose a serious threat to the interests of the Western world and will require subsequent modifications in Western politics...161

Recalling Carter's statement, in part, that "We do not have any intention of interfering in the affairs of Iran..."; we have to conclude, based on the above mentioned data, that this is a lie. Carter, himself, has been personally interfering in the affairs of Iran from the very beginning. Secondly, a powerful faction within the U.S. governmental -industrial complex has readied the option of a CIA/Pentagon intervention in Iran. This is not to say that a CIA/ Pentagon intervention in Iran is imminent. Rather, it is to highlight the existence of this apparatus-in-place, if you will. Publicizing of this CIA/Pentagon structure, aimed at Iran, will alert the Iranian people to this very real danger as well as provide their representatives with the wherewithal to initiate precautions and to approach Carter with some hard questions. Publicizing will also inform the American people in turn placing the CIA and the Pentagon on notice that they are being watched. Hopefully this will limit their interventionist capabilities. Finally, to give flesh to my charges, I am presenting the names and brief histories of nine U.S. governmental employees now in Iran who have worked or collaborated with the CIA in a functional capacity. Prior to this listing, I am presenting the names of CIA collaborators, and some CIA officers, known to have served in Iran during the 1951-53 Approved For Release 2004/10/12 : EHARDP88 07314R000 100350003 ecause

as mentioned, the recent influx of "CIA specialists" into Iran included persons with prior experience in Iran.

In addition to the the list of CIA associates, Iam presenting the names of 39 Iranians - obtained from the State Department through a Freedom of Information request -- who graduated from either police or labor training programs in the United States. As noted, simply training in the United States tends to give one a pro-U.S. bias. More to the point, the police graduates attended CIA-controlled programs such as the Office of Public the International Police Academy, and (two of them) even the CIA's bomb school at the Border Patrol Offices in Los Fresnos, Texas. These individuals were active members of the CIA/SAVAK structure and, at a minimum, were considered assets by the CIA to be called upon during crucial periods such as the present time in Iran. The labor graduates also attended CIA-connected programs such as the Office of International Visitors Program. Graduates of these CIAconnected labor programs have had documented involvement in CIA coups, destabilizations, and subversions in Brazil, Guyana, Chile, Indonesia, and South Vietnam. The Iranian graduates were members of the union structure which, as mentioned, was "run directly by SAVAK" which in turn, was directed by the CIA. Additionally, according to the Washington Post (2/7/79, p.A-14), in Iran "secret police masquerading as trade union officials were always present". As with the police graduates these individuals, as a minimum, were considered assets by the CIA to be called upon during crucial periods. Both they and the police graduates may still be operating. Thus, it is in the obvious interest of the Iranian people to know who they are.

Yet another final, important obser- dents studying around the world, parvation indicative of the CIA see 2004/90/12: CIA 1819 88-01314 18000160350003 14 probably

attitude towards Iran is that two paramilitary operations, of which the CIA was witting, have occurred in Iran since the installation of the Khomeini government.

On February 11, 1979, a raid, orchestrated by former CIA/Special Forces Colonel Arthur "Bull" Simons and 14 Americans with extensive intelligence histories, was instigated against the Gasre prison in Teheran to free two Americans, William Gaylord and Paul Chiapperroni. Another American freed in this raid was Mary Ellen Schneider, 43, of Bethesda, Maryland. der originally went to Iran in 1977 in the employ of a U.S. helicopter firm. While in prison, Schneider, oddly enough, instructed U.S. embassy officials not to inform her relatives or her friends about her imprisonment. Her American friends and relatives also indicated that they seldom heard from Schneider during her two years in Iran and were uncertain as to exactly what she was doing. (ibid.) Following her release from Gasre prison, Schneider did not go to the U.S. embassy, but simply phoned the embassy to say that she had been released and that was all. Shortly thereafter. Schneider was again arrested for undisclosed reasons.

The person who financed the prison raid and hired the Americans was right-wing millionaire, H. Ross Perot who has a history of involvement in CIA operations. Perot, prior to the raid, informed the White House, the State Department, the Pentagon, and the CIA through his friend, retired Admiral Thomas Moorer, a personal friend of CIA Director, Stansfield Turner. Gaylord and Chiapperroni are are employees of Perot's firm, Electronic Data Systems (EDS). EDS had a \$40 million computer contract with the shah and SAVAK for the compiling and processing of dossiers on Iranian students studying around the world, par-

why an illegal raid was undertaken to free Gaylord and Chiapperroni. It does not, however, explain the involvement of Mary Ellen Schneider and other unidentified Americans, including a Canadian, who were also freed. Interestingly, an unidentified EDS spokesperson denied the monitoring of Iranians by EDS, but admitted its surveillance of Saudis in the U.S. 64 (Certainly, little consolation to the Saudis).

On February 14, 1979, the U.S. Embassy in Teheran was sieged. There are many unanswered questions and mysterious aspects about this siege. The first is Ambassador William Sullivan's early order to the marines not to engage the attackers. 65 The second was the presence of the mysterious Mary Ellen Schneider who was temporarily living at the embassy although she is not supposedly a U.S. government employee. 66 A third disturbing aspect was the presence of UPI photographer, Thomas Karges, "who accompanied the attackers on the compound". 67 A fourth puzzling aspect was the direct radio/telephone contact -- even though the attackers supposedly cut the wires -- between the Pentagon and presumably the CIA and the besieged embassy. This contact was accomplished in part by two unidentified Iranians in Iran and Charles Watters, a 54 year-old ham radio operator and president of Sinco Engineering Company in Orlando, Florida. 68 Until recently. Watters' sister and her husband were "stationed in Teheran" 69 for undisclosed reasons. His brother-in-law "is still stationed in Teheran" 70. Watters is a part of a worldwide network of amateur radio operators who have been in frequent contact the past year of turmoil in Iran. Included in this network are Naiel Malhas of Amman, Jordan; Mr. Lee Winde, 35, of Laurel, Maryland; and, CIA communications specialist, Richard Price of PotomApprovéd FdaRélease 2004/10/12: CIA-RDP88-01314R000100350003-4

wing the embassy siege, the Soviet Union, which was monitoring Watters! broadcast according to Watters himcharged that the siege was a self, CIA/SAVAK creation "to create a pretext for open military intervention by the U.S. in Iran". The following day, Senate Minority Leader, Howard H. Baker, Jr. called for "Entebbe-type raids and economic sanctions" (4 in retaliation for the embassy siege.

Most people know of the criminal involvement of CIA officer Kermit Roosevelt and the previously mentioned, H. Norman Schwartzkopf. The following CIA officers and collaborators were also present in Iran in 1953:

STONE, Howard E.

(born: March 3, 1925). According to Agee and Wolf: "Stone was ordered to leave Syria for alleged participation with two others from the American Embassy in a coup against the Syrian government... In the ranks of the CIA Stone is known by his nickname, "Rocky", with a reputation as one of the Agency's best coup engineers". (Dirty Work, Lyle Stuart, Inc., Secaucus, New Jersey, 1978, p. 672). Stone, according to the U.S. State Department's Biographic Register (BR)1957, was sent to Iran in February, 1952 as a Foreign Service Staff Officer (S-9, political officer). Through 1952-53, Stone actually operated clandestinely for the CIA.

PALMER, Roy Vance (born: March 25, 1923) According to the BR, 1969, Palmer was the Chief of the Research Section of the U.S. Department of Defense. During 1951-52, the Pentagon researched, planned, and programmed the 1953 coup in Iran. In July, 1952, Palmer was sent to Teheran, Iran and was all of a sudden a Foreign Service

according to the <u>BR</u>, 1969. Throughout 1952 and 1953, Palmer operated clandestinely in Iran.

BARBIS, George Milton (born: July 8, 1926) Barbis is a CIA collaborator who served as a Foreign Service Reserve Officer (R-6) in Teheran, 1951-53. He later became an "intelligence research specialist". Barbis is a graduate of the National War College.

WALLER, John H. (born: May 8, 1923)
Waller is a CIA officer who operated clandestinely in Teheran, 1947-49;
Meshed 1949-50; and back in Teheran 11/1/50-8/29/53.

GOODWIN, Joseph Carl (born: October 3, 1910)
Goodwin was a CIA officer who operated clandestinely in Iran from September 4, 1952 to January 2, 1955.
Goodwin's direct involvement in 1953 coup operations is a matter of record (cf. New York Times, 12/27/77), p.40)
In on e operation, Goodwin, assisted by then New York Times reporter,
Kenneth Love, distributed CIA-prepared leaflets declaring Colonel Zahedi as the legitimate successor to Premier Mohammed Mossadegh.

SULLIVAN, William Healey
William H. Sullivan as of March, 1978,
was still U.S. Ambassador to Iran.
Sullivan has worked closely with the
CIA throughout his diplomatic career.
In Laos, he was intimately involved
with the CIA's war and personally targetted massive bombings which by
any definition constituted war crimes.
He has now been reportedly recalled
from Iran.

December, 1978, have worked or collaborated with the CIA in a functional capacity.

NAAS, Charles W. (Deputy Chief of Mission) Naas was born on January 24, 1925 in Massachusetts. From 1951 to 1954. Naas was an "intelligence research analyst" at the State Department. In 1955, he served as a "political officer/ R-5" in Karachi, Pakistan. He subsequently served in India, Afghanistan, Turkey (as 'political officer'), USUN (political security affairs), and as Director of Iranian Affairs/State. From 1973 to 1974, he was detailed to the Foreign Service Institute which conducts courses on counterinsurgency techniques.

LAMBRAKIS, George B. (Political Officer)

Lambrakis was born on June 4, 1931 in Illinois. His first governmental position was that of public affairs trainee/USIA in Saigon, Vietnam, followed by a stint as "provincial public affairs officer" (S-9) in Pakse-Savannakhet. He next served as an R-8 (Foreign Service Reserve Officer) at the State Department in January, 1957 and 4 months later became an "intelligence research specialist". He subsequently served in Guinea, the Federal Republic of Germany (FRG) (as "political officer"), Israel, Italy (at the NATO Defense College), England, and Beirut.

GOELZ, Louis P. (Chief Consul)
Goelz was born on February, 25,1927 in Pennsylvania. From 1952-55, he served as a "civilian research analyst" in the Department of the U.S. Air Force - a common CIA cover position at that time. From the USAF, he went directly to the State Department as an intelligence research analyst. He sub-

Brazil, Mexico, and knows Spanish.

MILLS, Robert H. (Administrative Officer) Mills was born on November 3, 1937. In 1967 he served as a public safety program assistant /R-6 for AID in Thailand, presumably involved in creating its counterinsurgency police programs. He subsequently served in Indonesia (as "political officer/R-6) and Kiev, U.S.S.R. He arrived in Teheran in December, 1978 to replace Robert L. Gingles. Robert H. Mills is a CIA officer.

MILLS, John Lamar (Economic-Commercial Officer) J. L. Mills was born on April 5, 1926 in Georgia. He previously served in San Salvador, Banghazi, Venezuela, and Bolivia. In 1959 he served as a "research intelligence specialist", and in 1969 attended the Naval War College. He arrived in Teheran in December, 1978, to replace Roger E. C. Brewin, another intelligence specialist.

HARARY, Joseph (Commercial Officer) Harary was born on December 28, 1917 in New York. His first position in the State Department was that of "intelligence research analyst" in 1950. He subsequently served in France, Dakar, India, and Indonesia. He also did stints in the AID and the Peace Corps. From 1964 to at least 1974, his classification is that of Foreign Service Reserve Officer (R). Harary arrived in Iran in December, 1978 to replace David E. Westley.

BANNERMAN, Robert B. (Regional Security Officer) Bannerman was born on May 2, 1940. He previously served in Peru; and in Cambodia and Laos during the illegal U.S. war in those countries. Following Indochina, he served in South Africa changing from a Foreign Service Staff Officepreyed For Release 2004/10/12: CHA-RDP88F01314R000109350003-4A-17,

Service Reserve Officer (R) classification.

METRINKO, Michael John (Principal Officer, Tabriz) Metrinko was born on November 11, 1946. He previously served as a Peace Corps Volunteer teacher in Turkey and Iran from 1968-73, then suddenly became a Foreign Service Reserve Officer/R-7.

TOMSETH, Victor L. (Principal Officer, Tabriz) Tomseth was born on April 14, 1941 in Oregon. From 1964-65, he was a Peace Corps volunteer in Nepal. In 1966 he was a Foreign Service Reserve Officer (R-7) at the Foreign Service Institute. From 1967-70, he served in Thailand during which time period the U.S. was engaged in a massive counterinsurgency in Indochina. He knows Thai and Farsi.

Without taking a position on their guilt or innocence, CounterSpy at this time is not printing the names of Iranian graduates of CIA connected labor and police programs given the on-going secret trials and summary executions. The identities of these Iranians are known to Iranians who need to know for their own protection.

REFERENCES

1) Transcript of Press Conference of January 26, 1979. As printed in the New York Times (NYT), 1/27/79, p.6. 2) NYT, 7/9/78, p.10. Undercover CIA officers who recently have been directly involved with the shah and SAVAK, both in and out of Iran, have included: William Owens, Henry Plastee, Donald Patterson, and Robert B. Phillips. (Cf.: Washington

A-18). All four of these CIA officers were involved in the CIA/Pentagon project, IBEX which surveilled and recorded the activities of Iranian citizens for SAVAK, the National Security Agency (NSA), and the CIA. IBEX also provided information to MOSSAD, the Israeli intelligence agency. These same four CIA officers may have been reactivated given the CIA's procedure of reactivating officers with prior experience in a given country, particularly during crisis periods such as at the present time.

In the same WP article, Bob Woodward reported that: "Fifteen CIA employees, operating under cover as the United States Advisory Team (USAT) draw up and expand plans for the sophisticated intelligence-gathering system." These CIA-covering advisory teams are still in Iran. As of February 27, 1979, there were 20 U.S. Air Force personnel at a monitoring site near Kabkan; and, 150 Americans, including 30 USAF personnel, at the monitoring station/Behshahr (WP, 3/1/79, p.A-13). While some of the U.S. personnel have been removed from the monitoring stations, they have not all left Iran.

One final note on IBEX was that a wealthy Iranian, Abolfath Mahvi, illegally obtained the IBEX contract for Rockwell international through his Aero Services Co. Ltd. (P.O. Box 1179, Reid House, Bermuda).

- 3) <u>WP</u>, 12/17/78, p. A-1.
- 4) <u>NYT</u>, 7/9/78, p.10
- 5) ibid. Some of the U.S. firms that hide CIA personnel in Iran have included: Rockwell International, Honeywell, Bell Helicopter International, Hewlett-Packard, Watkins-Johnson, and Electronic Data Systems (EDS). Given this history of hiding CIA and DIA personnel, one must view with concern the recent report that Iran's new Armed Forces Chief of Staff, Major General, Mohammed Vali Gharani

- has "...left the door open for the return to Iran of American defense contract personnel". (WP, 2/22/79, p. A-19). An undisclosed number of these employees are as close as Athens, Greece, waiting to return to Iran.
- 6) NYT, 1/7/79.
- 7) <u>WP</u>, 12/17/78, p. A-1.
- 8) Halliday, Fred. "Iran: Trade Unions and the Working Class Opposition", MeripReports, No. 71, v. 8, Oct.,1978, p. 11.
- 9) Washington Star (WS), 2/1/79, p. A-9. The same WS article noted that: " ... there are more than 1,500 Iranians receiving military training here (U.S.A.) including the Shah's son, a pilot, and an entire submarine crew." This presence, particularly the shah's son as a leader is of concern given that:" The freight handling facilities at McGuire Air Force Base supporting Imperial Iranian Air Force (IIAF) cargo operations is a unique arrangement between the U.S. Air Force and the HAF. " (Quote is from USAF Colonel, E. Arcene McSmith, Jr. in a letter to U.S. Representative Millicent Fenwick, dated Jan. 25, 1979) This "unique" military depot could serve as a secret staging area for activating the 1,500 Iranian military personnel, led by the shah's son.
- 10) ibid.
- 11) <u>WP</u>, 12/6/78, p. A-18
- 12) Demaris, Ovid, <u>Dirty Business</u>, Harper's Magazine Press, New York, 1974, p. 178.
- 13) NYT, 1/7/79.
- 14) ibid.
- 15) <u>WP</u>, 12/6/78, p. A-18.
- 16) ibid.
- 17) <u>WP</u>, 2/9/79, p. A-21. Of concern here is that: "Brzezinski reportedly favors a freer hand for the intelligence agencies..." (WP, 2/14/79, p. A-10).
- 18) <u>WP</u>, 12/15/78, p. A-1.
- 19) Christian Science Monitor, (CSM),
- 1/31/79, p. 2.
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left Iran on February 3, 1979 to the chants of "Death to Huyser" (NYT, 2/5/79, p. A-2). Left in Huyser's place, however, was a high-ranking Pentagon official, Eric Von Marbod, who has been in and out of Iran since 1975 (ibid.). Von Marbod has already been involved in CIA projects in Iran such as IBEX, and he has previously been charged with corruption by James Schlesinger, Jr. and even the shah. (WP, 1/2/77) Obviously, his presence in Iran is a matter of serious concern.

Following Huyer's return, Joseph Kraft, a CIA aficionado, reported that Huyser was in Iran to hold "the military men together in support of Bakhtiar; (and) to strengthen his hand the general carried a personal message from Carter pledging American support for the cohesion and viability of the Iranian armed forces... Thereafter Huyser bent his energies to shoring up the armed forces around Bakhtiar... Privately, Carter told visitors he expected Bakhtiar to prevail over Khomeini and that, if necessary, the armed forces would intervene to maintain constitutional order." (WP,2/25/79, p. B-7).

So much for Huyser's inspection of spy equipment, and Carter's non-interference in Iran!

- 21) Tully, Andrew, CIA: The Inside Story, Crest Books, New York, 1962, p. 8.
- 22) ibid.
- 23) WP, 12/17/78, p. A-l.
- 24) Tully, Andrew, p. 81.
- 25) WP, 2/9/79, pp. A-1, A-21.
- 26) CSM, 1/31/79, p. 2.
- 27) Tully, Andrew, p. 80.
- 28) WP, 1/3/79, p. A-14. Two CIA contacts on this task force on Iran are subcommittee chairpersons, Benjamin Huger Read and Henry Precht who formerly operated in Iran

On December 31, 1978, a disturbing turn of events occurred in that this CIA/Pentagon task force on Iran became the executive arm of U.S. policies for Iran. According to the WP: "A turning point appeard to have come December 31... where the focal point for shaping many of the American pronouncements and operational decisions on Iran was effectively shifted from the White House to the State Department, and particularly to the interagency task force headed by Undersecretary of State, David D. Newsom." (WP, 1/10/79, p. A-12)

- 29) The Biographic Register, 1974, p. 276.
- 30) WP, 12/15/78, p. A-35.
- 31) WP, 1/18/79, p. A-16.
- 32) ibid.
- 33) NYT, 2/3/79, p.7
- 34) Walters, Vernon, Silent Missions, Doubleday and Co., Inc. New York, 1978, p. 242.
- 35) WP , 12/20/77.
- 36) CSM, 2/5/79, p.13.
- 37) ibid.
- 38) ibid.
- 39) NYT, 2/8/79, p.1.
- 40) ibid.
- 41) ibid.
- 42) ibid.
- 43) ibid., p. D-1.
- 44) NYT, 2/9/79, p. A-1.
- 45) ibid., p. D-3.
- 46) ibid., p. A-1.
- 47) ibid.
- 48) ibid., p. D-6.
- 49) ibid., p. A-1.
- 50) NYT, 2/8/79, p. D-3.
- 51) NYT, 2/9/79, p. D-3.
- 52) ibid.
- 53) WP, 2/17/79, p. A-1.
- 54) ibid.
- 55) ibid., p. A-13
- 56) Kalb, M. and Kalb, B. Kissinger, Little, Brown and Company, Boston, 1974, p. 492.
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- 58) ibid.
- 59) WP, 2/9/79, p. A-21.
- 60) \overline{WP} , 2/7/70, p. A-14.
- 61) WP, 2/19/79, p. A-34.
- 62) Atlanta Journal (AJ), 2/20/79, p. A-1.
- 63) WP, 2/16/79, p. A-33.
- 64) WP Magazine, 2/11/79, p.5.
- 65) NYT, 2/15/79, p. A-1.
- 66) WP, 2/16/79, p. A-33.
- 67) WP, 2/15/79, p. A-15.
- 68) WS, 2/15/79, p. A-16.
- 69) ibid.
- 70) ibid.
- 71) WP, 2/19/79, pp. C-1, C-11.
- 72) ibid.
- 73) <u>WP</u>, 2/16/79, p. A-1.
- 74) AJ, 2/16/79, p. 18-A.

APPENDIX / UPDATE

Relative to reference # 5, it should be noted that while Major General Mohammed Vali Gharani has resigned, Iran's then-Defense Minister, Admiral Ahmad Madani has disclosed he "would welcome back the return of some (up to 200) American military experts" and that "discussions" are occurring between unidentified Iranian military attaches and U.S. officials in Washington, D.C. (WP, 3/28/79, p. A-1). The same Washington Postarticle revealed that there are still 25 U.S. military advisors, who served during the shah's reign, "directly attached to the U.S. Embassy'in Teheran, and that the 80,000-men national gendarmerie was to stay intact under the nominal heading of Ibrahim Jazdi who 'is accused by his adversaries of wanting to create a national guard as a personal power base. 11

Relative to Schlesinger's building sufficient...above the level of the of an atmosphere conductive to U.S. same period in 1977.. with stocks governmental intervention in Iran was Approved For Release 2004/10/12: CIA-RDP88-01314R000100350003tion of

the selective release of a CIA report which "painted a gloomy picture... of the nation's ability to recover from the loss of Iranian oil and warned of major shortage, higher prices and an economic slowdown". (WP, 3/22/79, p. A-7). The CIA report stated baldly that "the bottom line is that unless Iranian production is soon restored to a level of about three to four million barrels per day, or oil consumption is restrained, stocks will fall to abnormally low levels by midyear. This will inevitable lead to increased rationing of supplies by oil companies, higher prices, and curtailed economic growth. " (ibid.) The same day the Treasury Department warned that the threat to national security, vis-a-vis the world oil situation, is "greater now than at any time in the past" (ibid.) Even the title of the Post article -"U.S. Imperiled by Loss of Iran Oil Supplies, New CIA Report Claims", rather played into the panic agitating of Schlesinger.

Contradicting Schlesinger's propaganda is a recent article appropriately entitled: "Oil 'Facts' Don't Quite Match the Rhetoric" (Richard Halloran, NYT, 3/18/79, p. E-5). Halloran revealed the following facts: 1) The Congressional Research Service has reported a world-wide oil shortage of 80,000 barrels per day, not the 500-800,000 claimed by Schlesinger. 2) "Respectable challenges" to Schlesinger "suggest that the crisis talk is overblown". 3) During the Iranian oil cut-off, "demand for crude oil and its refined products, such as gasoline, has risen only 1.9 percent"; and supplies are up a solid 3.4 percent. "4) At this time, "an average of 250,000 barrels a day less than a year ago is being drained out" of U.S. oil stocks. 5) "The basic crude oil stocks appear to be quite sufficient...above the level of the same period in 1977.. with stocks

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domestic oil is up; imports of crude oil are up - not down, despite the loss of 900,000 Iranian barrels per day; and imports of refined products are up. "7) Gasoline "stocks appear healthy, dropping from last year's high to roughly the 1977 levels in December through February".

Despite the findings, Schlesinger is continuing his propaganda campaign. On March 30, 1979, he claimed before the House Energy and Power Subcommittee that the U.S. faces a severe lack of oil supplies which will produce "spot shortages at a minimum this summer. " And these shortages stem from the need to rebuild inventories drawn down during the Iranian crisis. (WP, 3/31/79, p.D-8). days after Schlesinger's tes-Two timony the Washington Post published the following statements which would appear to put the lie to Schlesinger's propaganda to create an atmosphere conducive to U.S. governmental intervention in Iran.

"Energy Secretary James R. Schlesinger has said repeatedly that the drop is production resulting from the Iranian revolution caused a world oil shortage of 2 million barrels a day or more of that shortfall affecting the United States."

According to a DOE memo, however, government analysts conclude that during the first two months of this year, world-wide production (including OPEC) was 60.1 million barrels a day compared with 57.3 million barrels a day last year. " (\underline{WP} , 4/1/79, p. A-1).

As John Berry concluded the "principal legacy" of the Iranian oil cut-off has been "much higher oil prices". (WP, 3/29/79, p. A-1).

An equally indefensible legacy, resulting from Schlesinger's propaganda campaign, would be justification for U.S. governmental intervention in Iran. As the above analysis and exposition of facts have indicated such a rational has no bearing in truth.

Finally, it should be mentioned that William E. Colby, former CIA Director, wrote vis-a-vis U.S. interference in Iran that "At this juncture, it is time to say a good word for 'interference'... [and] some CIA-styled 'interference' has been effective in support of America's interests. .. In this context, then, there is a good word to be said for interference, such as discreet assistance given to the Shah to activate the beneficiaries of the 'white revolution'". (WS, 1/19/79).

Colby has directed criminal CIA interventions for more than 25 years. His words can be legitimately considered as reflecting an option being studied by the CIA for a course of action in Iran. To say the least, Colby's words are a caveat for the Iranian people. Colby, by the way, has apparently taken a new interest in Iran and was seen attending an educational series on Islamism given by the Middle East Institute and the Islamic Center in Washington, DC.

U.S. Lebanese Right

Robin Rubin

The Lebanese emigre community in the United States has been organized in verious political and cultural groupings. Its successful impact upon American foreign policy has correlated with the larger objectives of the United States in the Middle East. The recent surge of activity initiated by Lebanese rightists and their American supporters, especially directed at Congress and the White House, and, to a lesser degree, the State Department and other governmental agencies (paralleling Zionist lobbying) has been a well-orchestrated campaign, organized by the seven year-old American Lebanese League (ALL). ALL was founded in Columbus, Ohio by several rightwing professional and business Lebanese-Americans and was transformed into an active national lobbying effort in May 1976, a critical period in the Lebanese crisis. Because rightwing and predominately Lebenese elements discovered the National Association of

sympathetic to backing isolationist and reactionary goals in Lebanon, the Monseigneur Elias Hayek, now the Executive-Director of ALL, generated support to split from NAAA, and thereby, forged ALL into a national organization. Robert Basil, a former Pentagon arms dealer during the Vietnam 60's, and presently a consultant (along with his brother-partner, Colonel Jack Basil, a former lobbyist for the National Rifle Association and ardent ALL supporter) in Robert Basil International, Inc., assumed what was termed "vigorously political and aggressive leadership" last year of ALL. ALL differs from other Lebanese organizations in its focus on the American government and its mostly U.S.-Lebanese political concerns. For example, the World Lebanese Cultural Union (WLCU), whose American chapter is based in Philadelphia and headed by a very successful car dealer, Anthony Abraham, vaguely parallels the World Zionist Organization in its structure. The WLCU plays an important role (especially in Latin America) in registering Lebanese Christian emigrants for Lebanese citizenship to help maintain the Maronite position in the population balance in Lebanon. (As ALL, the WLCU has close connections with the Lebanese "strident" right - the Pha ? lange (Kata'ib) and the National Liberal Party (Ahrar); unlike the more sophisticated ALL, the WLCU which enjoys Lebanese governmental support, distributes unsavory and racist tracts such as The One White Race.)

ALL zealously subscribes to Anwar Sadat's motto that the United States has at least 99 per cent of the cards in its hand vis-a-vis the Middle East imbroglio and acts upon that assumption. According to a high ALL official, their raison d'etre purports "to marshall the thoughts and attitudes of the American-Lebanese relations, but always placing a CIA-RDP88-01314R000100350003-4

Arab-America Approved For Relation of Lebanese relations, but always placing Arab-America Approved For Relations | And Interests paramount. And

ALL leadership and high-level staff is characterized more by its espousal of right-wing causes than a Christian ethos of Lebanon. They have been able to promote their politics because the events in the Middle East have brought the U.S. into increasing involvement there; and various representatives of the U.S. government have found incentives to promote special interest groups such as ALL.

ALL was able to transform itself from an ineffective "cultural" organization to a well-financed political structure, precisely with the help of essentially pro-Zionist, imperialist, and Cold warrior Congresspeople and other sympathetic members of the U.S. Government. Despite its extensive political activity, ALL is a tax-exempt organization, which circumvents that legality by operating political lobbying arm, the American Lebanese Information Center (ALIC). ALIC, whose staff writes position papers and supplies information to American officials, conducts a slick PR opertion, aimed at the government, media, and other sympathetic elements of the public. ALL and ALIC claim to represent 10,000 Lebanese-Americans of approximately one-million of that community living in the U.S. Informed sources contest even this number, and claim that it is grossly over-estimated, as ALL is not a popularlybased grass-roots organization, but rather it concentrates on a small nucleus of wealthy, conservative and highly visible members of the Lebanese community. Its hierarchy and obvious targets indicate that it ignores mass political organization in regional areas in favour of focusing on influencing the U.S. Government to achieve their goal of crushing their progressive foes.

Another influential lobbying group since the 1950s.

that works iApproved FeriRelease 2004/10/12: CIA-RDP88-01314R000100350003-4

ALIC, and in fact, is probably not in
and cold warrior, has indicated his

tegrated with them only because of the Foreign Agents Act, is the front for the Chamounist Ahrar (National Liberal Party), the Lebanese Information and Research Center. LIRC, headed by Ramsi Rahani, is almost totally funded by Ahrar and most of its staff are Lebanese rightist officials in the Ahrar in Lebanon. ALL, ALIC, and LIRC, arranged a press conference that Representatives Abraham Ka zen, Lester Wolff, Benjamin Gilman, Edward Derwinski, Robert Drinan, and Hollenbeck sponsored. Msgr. Elias Hayek, Executive-Director of ALL and ALIC; Alfred Madi, Secretary General of the Lebanese Christian Forces (and on the staff of LIRC); and May Rahani, Vice-President of the Trans-Century Foundation (and sister of Ramsi Rahani).

All conferees spoke about the positive role played by Israel in Lebanon and how Lebanese democracy and its laissez-faire capitalist system had been ruined by the Syrian occupation forces of the Arab Deterrent Forces.

Well-known pro-Zionist, anti-Soviet and "liberal-imperialist" Senators and Representatives such as Pat Moynihan, Richard Stone, Clifford Case, Henry Jackson, Edward Derwinski, Benjamin Gilman, Jonathan Bingham, and Abraham Kazen among others have energetically supported rightist Lebanese aims as they correspond with what these people see as the best method to further U.S. imperialist goals: the "zionisation" of Lebanon; propping up the pro-Western rightist cliques which support foreign financial and economic "comprador" domination; and a tradelinkage with the rest of the oil-rich Arab world; and to serving as a military bulwark to act on behalf, of American interests -- much the same role Israel and (until recently) Iran have traditionally played in the Middle East since the 1950s.

interest in Lebanon often on the floor of the Senate. A member of his staff said Moynihan was acting on commitment that "one can't look at these as isolated issues, but only as part of the involvement of the rest of the radical states. Syria's intentions are shown by Assad's recent trip to the Soviet Union and East Germany. Syria is trying to gain control of Lebanon purely to push it into becoming a confrontation state with Israel" (despite the blatant evidence to the contrary: when Syria intervened in March, 1976, it was precisely to prevent a Leftist take-over which could have guaranteed Lebanon's becoming a confrontation state.) Moynihan's office has worked closely with the ALL people since the beginning of 1978, in a concerted effort to remove the Syrians from Lebanon. Their modus operandi pivoted around basically three efforts: mounting a public relations campaign directed at the press, the Congress, other governmental agencies and at the U.N; urging the State Department to pressure Saudi Arabia (though Moynihan's office acknowledged their disgust with the State Department's 'insouciance and lack of vision"); and more tangentially, attempting to pressure the SALT talks and trade negotiations. Moynihan has spoken out most eloquently on behalf of the "Lebanese democracy" on the floor of the Senate and in New York City: protested all legislation favouring Syria; sent wires and letters of denunciation of Syria's actions in Lebanon to President Carter, the State Department and the U.N.; sponsored anti-Syrian legislation in the Congress; hosted luncheons in the Senate Office Building featuring guest speaker Dory Chamoun, the political head of Ahrar, (the invitations were sent out on a letterhead stationary of the Coalition for a Democratic Majority, for which the honorary co-chairmen are Messrs. Moynihan and Jackson), and has been at

The degree of cooperation between Moynihan's office and ALL is mustrated by the fact that ALL's president Basil expected Moynihan to write President Carter a letter that Basil had drafted. The key points of the letter asked for Carter's endorsement of the withdrawel of Syrian military forces in Lebanon to be replaced by the U.N., to remind the proposed U.N. forces that they should be particularly careful in areas where Christians were minorities, and to support the Lebanese central government in efforts to disarm the Palestinians, and only after that to ask other groups to lay down their arms. For some reason Moynihan was reluctant to write precisely that letter, but did comply by writing a tone-down version of that missive. Moynihan was duly encouraged when Carter spoke later about peace in Lebanon" at the Joint-Session of Congress held to explain the Camp David agreements; Moynihan stressed that Lebanon would remain a problem despite Camp David until Soviet involvement had been addressed -- a point often made by the Lebanese right.

The American-Lebanese rightist campaign on the Hill has paid off, both in attention and in substantive action. Several months ago, ALL requested that the sympathetic Chairman of the Subcommittee on Near Eastern and South Asian Affairs, Sen. Richard Stone, conduct hearings about the degenerating Lebanese crisis. Witnesses included Basil and former Lebanese Ambassador to the U.S., Charles Malik, known for his philosophical writings on the Christian Mediterranean character of Lebanon and for his links with the head of the Lebanese Christian National Front, Camille Chamoun. Malik has been intimately associated with the 1958 U.S. military intervention in Lebanon that had saved Chamoun's (then President of Lebanon) regime from being overthrown. At these hearings, Basil and Malik were pleaing the general disposalved for Release 2004/10/12: CATED FEE: 09314R066100350003L4 banon

from the Syrians and to reestablish democracy in Lebanon as it had existed before--code words for Christian, rightwing, comprador-mercantile domination. Despite the deviations from this subject, it was ultimately agreed that the U.S. 'had to do something to save the Christian community."

Representative Edward Derwinski, a five-star Zionist supporter and frequent liason with the American Israel Public Affairs Committee (AIPAC), introduced an amendment, striking the \$90 million aid for Syria in the 1978 House appropriations foreign aid bill. Though Lebanese-American Representatives Toby Moffettand Mary Rose Oakas voted against it, the amendment easily passed in the House with partial thanks to the Lebanese and Israeli lobbyists. The aid was, however, retained by the Senate aid bill and in the conference committee, which directed the President to use it at his discretion, but only if it aided peace in Lebanon. It is also likely that a heated campaign may develop to protest or even to attempt to reverse the approval to sell the Syrians L-100 airplanes (the civilian version of the C-130 transport carriers), not unlike the fierce battle over the Middle East arms deal package.

In mid-October, Senators Dole and Hillings introduced a resolution condemning the Syrian attacks on East Beirut; on the House side, Rep. Bruce Vento introduced a similar resolution, which also called for immediate removal of Syrian troops. This orches trated campaign resulted in proposed legislation and public and written attacks, coming from all levels of the U.S. government. Pro-Zionist Clifford Case spoke out against the "continued deliberate and indiscriminate shelling by Syrian forces in civilian areas" (the areas where the Syrians were shelling hardest and to which he was referring,

spoke out against the L-100 decision and the approval of the \$90 million aid to Syria (though Israel was awarded \$1.785 billion and Egypt got \$750 million): "In the week and a half since these two generous gestures of aid and planes were made to Syria, the Syrians have reciprocated by stepping up their shelling and attacks on the Christian community in Lebanon."

The Lebanese-rightist lobby has met. with a variety of governmental officials, beside the Congress: Vice President Mondale, representatives of the White House, Department of Defense and the State. The White House has been barraged with pressure by them, mainly through their Congressional supporters. A letter in October was sent by Senators Case, Moynihan, Bumpers, Packwood, Bentsen, Church, Griffin, Sparkman, Stone, Clark, Pell, Jackson, Cranston and Dole, applauding the President for his intention to request that the U.N. convene a special session of the Security Council because of the 'deteriorating situation in Lebanon. They also urged the President to seek an expansion of the UNIFIL presence into Beirut in order to replace the Syrian regular army forces. Earlier, Derwinski and Bingham, in a letter signed by over fifty House members, asked Carter to demand Syria's withdrawel from Lebanon. Recently, Representatives Kazen, Abdnor, Wolff and Gilman sent a letter, co-signed by 219 members of Congress, condemning Syria and demanding it leave Lebanon.

The State Department has shown the least enthusiasm for this Hill-rightist barrage of activity, paralleling their position on other issues of the Middle East. They hope to enlist support from "moderate" Arab-American groups in order to get as much credible Arab support as possible for a final "peace" settlement between Israel and PDP88-01314R000100350003-4dan and

had according to red for Release 2004 10/12: CIA-RDP88-01314R000100350003-4 and into military strongholds). Case also Egypt and perhaps even Jordan and

Syria. Sen. Stone's office reported that the Senator was distressed with the State Department for not 'laying down the law! with the Syrians because of their misguided ideas that Syria might still be brought into the current Egyptian-Israeli peace negotiations and that the Syrian peacekeeping force was better than what the State Department believes is the alternative: chaos and anarchy in Lebanon. Malik and Dory Chamoun have had frequent consultations with State Department officials. Chamoun candidly characterized the State Department's role in formulating U.S. policy in Lebanon:

"It is the end of the world when the U.S. is too weak even to tell the Syrians to get out. Some idiots in the State Department -- I'm sorry to use this term so loosely, but they are absolute morons. Some of these people still believe that they can get the Syrians to accept the peace treaty. "

Chamoun also blame s the current troubles with Syria on State Department design. In March, 1976, when the Syrians saved the Christian necks, Chamoun says:

"I was here in Washington when the thing was told to me very blankly by the State Department. They said: Listen, you people, we cannot help you. There is no Sixth Fleet. There is no such thing as the gunboat anymore. We can't do this sort of thing any longer. But the only way we can help you is by getting an Arab Force. which will have to be composed mainly of Syrians to come into Lebanon and to put an end to the fighting. And we will be sort of co-sponsoring this with the Saudis and the Egyptians and others [the Israelis]. And this is the only force that could be made available. No U.N., no nothing."

Dr. Elias Saady, an early sponsor and founder of ALL offered his astonishment at the lack of total U.S.

support, meaning the State Department in particularly: "Why is the attitude of some parts of the U.S. Government and other countries towards the Lebanese Front and Resistance, which is now being called the Christian, so different than towards other countries? For example, the Hungarian Resistance, the whole world rose to these Freedom Fighters; why now are we ending up on the opposite side?" Chamoun answered that by claiming that all the American principles and morals have gone "right down to the bottom of the oil well". Saady further indicated his indignation: "How can you accuse these people of being criminals, thugs, fascists, when they are citizens of their own country fighting an invader?" At this, Chamoun lambasted another favorite bete noire, Toby Moffett, who has maintained that there are thugs among the Christians; "as if when you are fighting an invader you have to wear gloves," retorted Chamoun.

The Lebanese rightist lobby's coaxing of the media has involved wellorganized press conferences, starring Lebanese leader, Dory Chamoun and Charles Malik (and dramatic phone calls from Phalangist leader Gamayel in the midst of the press conference to bring the press up to date with his version of the latest events in Beirut) and small press briefings, in which a professional press kit is distributed. An included clipping in this package is an editorial "Maronites are part of the Arab World", found in Events, written by Salim el-Lozi, publisher of Al-Hawadess and Events, and a wellknown U.S. collaborator. It cannot be ascertained how much influence this lobby has exerted upon the media, except that ALL admits contacts with a wide range of influential columnists, editors, and reporters. There has been in the last few months an outpour of Approved For Release 2004/10/12 : CiA ትርር គឺ 88% የ3 14 15000 16 17 3500 03 14 ssacres

in Lebanon" (for which, French Foreign Minister Louis de Guiringaud claims, Camille Chamoun bears the principle responsibility for the tragic events in Lebanon" in his acceptance of "illconsidered advice" from Israel, which was encouraging the Christians to attack the Syrians). This concern has been expressed by such representatives of the media as the Washington Post, Washington Star, The New York Times, the New Republic, Events, and nume rous columnists including the pro-Zionist and liberal cold warrior, John Roche. ALL has also been successful in putting Basil and Malik on many news -information programs.

Dory Chamoun, political head of Ahrar, frequently speaks in Washington and New York publicizing and lobbying on behalf of U.S. political intervention in Lebanon. At various stages of the war, he has lambasted the Palestinians, Communists and Syrians for their destruction of Lebanon, while calling for the reestablishment of the old Lebanon. He spoke at a luncheon hosted by Moynihan at the Dirksen Senate Office Building, which press, several Senators and Congresspersons and a large group of their aids attended. The major theme of his talk was that the war in Lebanon was not a civil war, but one of Lebanese fighting foreigners - the Syrians and Palestinians (though he did admit that the foreigners have some native support in the Lebanese National Movement and the "socialists"). He literally said that these foreigners were hostile to U.S. interests in Lebanon and the Middle East, and he could not understand why the U.S. Government did not do more. "The Syrian takeover of Lebanon is a socialist takeover, which is a change of system from the old Lebanese economic laissez-faire". When asked what the U.S. could do in this situation, he replied "We can only ask the U.S. to look serious Approved For Release 2004/10/12: CIA TROPSS-07394 Root 60350003-4kis is ve-

Lebanon, and they should accuse who is doing all the work. We would ask them to get'Syria out of Lebanon and replace it by whatever -- preferably the U.N. or other Arab contingents" (but Chamoun was also calculatingly alluding to the landing of U.S. marines in 1958 and did not rule out a repeat performance). When he was further asked about their military alliance with Israel, he denied its existence, but said cooperation was a "matter of survival"."We'll grab anything to save our necks and ask questions later. " He admitted that there had been exchanges of trips between the Israelis and his group. "We do have Israeli arms, as well as Egyptian arms"; but he denied that Israel was supplying them with U.S. arms; and if, indeed, some weapons of American origin Christian hands, should be found in they were obtained from Egypt where "they were found in the desert." In another interview with Chamoun on . the same subject, he said he could not foresee Israeli troops intervening again in Lebanon to help the Christian forces as "I don't think the Israelis are going to offer such assistance"

Chamoun has claimed that his group is not anti-Arab, only anti-Syrian, as "the others mind their own business". "All this talk about the Muslims against the Christians, this is the situation that the Palestinians, Soviets, and Commu-Syrians, nists have long been working for very hard. But this has been going on for hundreds of years; first between the Turks and the Russians, then the Turks and the Austro-Hungarian Empire. The power game has been played by proxy in Lebanon via the various minorities. " Chamoun conveniently forgot to mention that the French and Americans have been propping up Christian collaborators for years. Chamoun's ire against Lehement because of his cooperation with the Syrian power:

"Sarkis does not dare tell the Syrians to get out because he's in with them. They have been concocting this together. That is one reason why Mr. Parker was assassinated and left in his trunk because Parker was in the deal right from the beginning". Chamoun, in a slip of his tongue, was actually referring to the assassinated U.S. Ambassador Francis Meloy, who was killed in Beirut in June 1976)

To underscore his distaste of what he considers quizzling leadership: "I do hope that Sarkis is about to go, not only from the presidency, but physically as well; that he will expire and leave this world, not just the palace." Of Sarkis, Chamoun says most derogatorily: "Not all Christians are Christians, if you understand what I mean."

Myriad legislative activity, press bombardment and the general lobbying effort has successfully ended in portions of the Syrian forces in rightist areas replaced by the Saudis, an agreement that was worked out at the seven-nation meeting of Arab ministers in October, 1978, at Beit ed-Din, Lebanon. At this meeting, however, Syrian Foreign Minister Abd al-Halim Khaddam stated that the central issue was the Lebanese Christian ties with Israel. He stated that Syria was determined to end collaboration between Lebanon's right-wing Christian militias and Israel (a subject that has been hotly debated by various factions of the right-wing). The Arab ministers unanimously agreed with Khaddam.

ALL, ALIC and LIRC do not collaborate officially with AIPAC, but as their goals most often coincide (as do their patrons, the Lebanese Christian right-wing and the Israeli Zionists), they do work with the same sympathetic Congresspeople, governmental officials and the media--those who advocate Zionist and imperialist aims in the

Middle East. And the Palestinians and Syrians are mutually detested. They do coordinate efforts when their interests merge, but carefully avoid the appearance of general cooperation in tandem. They are in regular contact with each other, and one can regularly read in the Near East Report, AIPAC's mouthpiece, about the legislation and activity of pro-Lebanese rightists. At the opening session of the Egyptian-Israeli peace negotiations at the White House, Basil was seen dragging over some of the NAAA officials so that he could introduce them to the Israeli Consular General's delegation. Basil and Morey Amitay, executive director of AIPAC, work together on an informal basis, to obviate criticism of blatant collaboration between the two lobbies. Because of the sensitive issue of Christian cooperation with the Israeli anti-Arab forces, ALL wants to avoid outright appearances of being partners; and they stress at any public meetings, that ALL is not against the Palestinians. The Palestinians are "fine and honourable people, but when they begin to act like Lebanon was their state, then they have gone too far, " says a representatve of ALL. Nevertheless, during an active campaign on the Hill to push through the Derwinski Amendment to cut off all aid to Syria, ALL and AIPAC were frequently campaigning together. The mutuality of their interests is clear.

Sen. Packwood stated in the Federation News of the United Jewish Agency of Washington that the Israeli occupation of Southern Lebanon had been favourable accepted by the Lebanese Christians and that they had not wanted them to leave. Robert Basil and Judge Michael Saady of Massachusetts, met with Prime Minister Menahem Begin at the Waldorf Astoria in New York after the Camp David agreements. They inquired about Israeli support for the rightists, and Begin said he sympathized with the Christian community, and would not look kindly on

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its elimination. But he expressed a wait -and -see attitude of whether the Israeli government could militarily, politically, or economically further aid them. Judge Saady and Basil, as representatives of ALL have also requested to speak to the other two Camp David perticipants, Sadat and Carter. In any case the U.S. Israeli-Lebanese rightist alliance will inevitable continue to cooperate in the main theatre of activity in the Middle

Recently, Sen. James Abourezk of South Dakota, best summarized ALL -ALIC-LIRC's constituency and where their true goals and concerns lie: "They don't represent all the Maronites and they certainly don't represent all the Christians. What they represent is a small right-wing minority with a lot of money, who are determined to use the money and their alliance with Israel to restore themselves to power."

FRG: Made in the U.S.A.

Konrad Ege

In the Federal Republic of Germany (FRG = West Germany), there is one U.S. soldier for every 260 citizens. U.S. never left the FRG after World War II; and at the same time, the U.S. influence over the FRG never ceased.

This influence, exercised openly for many years, has been changing its ap pearence over the last years, especially since the founding of the Trilateral Commission (TC)in 1973. The TC states about itself that it was formed "by private citizens of Western Europe, Japan, and North America to foster closer cooperation among these regions". In reality, the TC is an institution controlled by representator Release 3004/18/12: CIA-ROPSE-P1914-R008180359903e4 vice in

multinational corporations and some politicians, scientists, and journalists who promote corporate interests and strategies towards a common approach to "world problems". (For the TC, these problems are the continuing decline of U.S. power and the rise of progressive, democratic movements in U.S. dominated countries.) The influence of the TC on world politics can be seen by the fact that Jimmy Carter, Walter Mondale, Zbigniew Brzezinski, Cyrus Vance, Harld Brown, and Andrew Young have all been members of the TC.

The establishment of the TC makes clear, once again, that the U.S. desires a strong, capitalist Western Europe, and they are putting their hope on the FRG government, thus degrading it to a client regime of U.S. interests in Europe and limiting its autonomy severely.

The FRG governmental structure was largely created by the U.S. Its politics today are shaped by U.S. governmental tools; the military, the CIA and other intelligence agencies in tandem with German capitalistic institutions, as well as economic pressure. The FRG and West Berlin are also used as bases for U.S. espionage in Eastern Europe, and for U.S. propaganda operations like Radio Free Europe and Radio Liberty in Munich, and the Radio in the American Sector (RIAS) in West Berlin.

Since May, 1955, the FRG has been a member of the NATO, an acknowledgement of its independence. But this "independence" is only "paper independence", because the FRG government also entered into an agreement U.S. intelligence agencies allowing and the U.S. Military (for example, the U.S. Army Operations and Research Detachment) to surveil citizens in the FRG by opening mail and bugging phones. The Confidential Communications Service monitors mail, and the

Wiesbaden and the National Security Agency-Section Europe, with more than 1,000 employees in Frankfurt, listens to phones and monitors telegraph communications all over the FRG and West Berlin. These intelligence organizations, in turn, work closely with FRG security agencies.

The CIA is also supervising, and, to some extent, controlling, FRG intelligence agencies such as the Bundesnachrichtendienst (BND) which was set up by the U.S. mainly out of Hitler's Nazi spy organizations and financed mainly by the CIA up to 1956.

Through the BND, the CIA also has access to the FRG press, specifically to Der Spiegel, Die Zeit, Die Welt, Welt am Sonntag, Deutsche Soldatenzeitung, and Bayernkurier (Bayernkurier is owned by the conservative Christian Social Union). (Reinhard Gehlen, The Service, World Publishing, New York, 1972, p. 187). Additionally, as the then-editor in chief of the magazine Quick reported in January, 1974, some 120 FRG journalists are collaborating with the BND (Frankfurter Rundschau, 10/24/74).

According to former CIA officer
Philip Agee (Frankfurter Informationsdienst, 1/31/76), the CIA is also a
traditional supporter of the major political parties (Social Democrats and
Christian Democrats) and trade unions
in the FRG and West Berlin. At the
same time, the CIA certainly appreciates the information it gets from
the FRG intelligence on FRG politicians. Given the U.S. interest in the
FRG and West Berlin, it is no surprise that the CIA station there is its
biggest in the world.

In realizing these interests, as the above mentioned facts illustrate, the CIA and other U.S. governmental agencies have violated the sovereignty of the German people - and continue to do so. Because key FRG governmental officials and intelligence agencies have 2004/10/12: been compromised by the CIA, Coun-

terSpy is publizising the names and activities of the following U.S. governmental employees in the FRG.

The U.S. Embassy in the FRG (Deichmanns Aue, 5300 Bonn 2, phone 02221-89 85) is not the main cover for the CIA. Instead, the Office of the Secretary of Defense for International Security Affairs and the U.S. Army Europe/Regional Survey Unit are utilized as covers. Hence, the following list of U.S. citizens working in the U.S. Embassy in Bonn, who have worked as CIA officers, indicates only a few of the dozens of CIA officers operating in the FRG.

CARVER, George A., Jr. (born: 1/14/30)Attache Fritz-Erler-Str. 21 5300 Bonn/1 Cerver was stationed in Saigon, Vietnam as "industry advisor" from 1958-60. Previous to that he was a program analyst in the Department of Army, which, according to John Marks ("How to Spot a Spook") is "almost a certain tipoff" for someone being a CIA officer. In addition to that, Carver is listed as a Foreign Service Reserve Officer (R), which is commonly used as a cover for CIA officers. Finally, although supposedly a State Department officer, Carver is not listed in many of the State Departments Biographic Register after 1961.

ROTH, Robert H.
(b. 5/8/27)
Attache
Martin-Luther-King-Str. 13/3
5300 Bonn 2
phone 37 57 65
Roth served previously in Austria, Czechoslovakia, and Lebanon.

VAN DER RHOER, James Philip Second Secretary, Science and Technology Europastr. 17 5300 Bonn 2 phone 37 54 17

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The following U.S. citizens, stationed in the U.S. Embassy in Bonn or in other U.S. Missions in the FRG or West Berlin, have collaborated with the CIA in a functional capacity. Given this fact, it is possible that they might be reactivated to perform services with the CIA and/or other U.S. intelligence agencies which makes them of concern to the German people.

ANDERSON, David (b. 1/3/37)

Assistant Chief of Mission, West Berlin) Anderson has served in Yugoslavia, Mali, West Berlin, Bonn, and at the NATO headquarters in Brussels. (German speaking).

KIRK, James H. (b. 9/10/23) Attache, Information Section Martin-Luther-King-Str. 9 5300 Bonn 2 phone 37 35 64 Kirk has worked with the Peace Corps in Ghana and with AID in Nigeria.

DALY, John J., Jr. (b. 9/19/23)First Secretary, Exchange Program Martin-Luther-King-Str. 3 5300 Bonn 2 phone 37 48 40 Daly has partcipated in intelligence work with emigrants from Eastern Europe. In 1965/66 he took a Russian language course in Garmisch Partenkirchen, and was stationed afterwards in Yugoslavia, Austria, and Bonn. (German speaking)

FRISBIE, Norman H. * (b. 6/13/31)Political Officer, Munich Frisbie has served in England, Poland, Lesoto, Czechoslovakia, and in an unspecified position in the Department of Army (which is often used as a cover for CIA officers). (German speaking) phone 37 89 00 Approved For Release 2004/10/12: CIA-RDP88-01314R000100350003-4

HERMBERG, Edward S. (b. 6/1/24)Attache, Financial Section Martin-Luther-King-Str. 21 5300 Bonn 2 phone 37 48 46 Hermberg, who was born in Germany in 1924, was - according to the State Department's Biographic Register, 1966 - naturalized as a U.S. citizen in 1944, while he was a member of the U.S. Army. Hermberg has worked with CIA and the NATO. (German speaking)

SMYSER, William R. (b. 11/17/31) Attache, Political Section Martin-Luther-King-Str. 38 5300 Bonn 2 phone 37 57.12 Smyser, as a natural consequence of his intelligence positions, has worked in conjunction with the CIA throughout his career. He served twice in the National Security Council (an executive arm of the CIA) and was stationed in Vietnam from 1964-66. (German speaking)

LEHMANN, Wolfgang J. * (b. 9/18/21) Consul General, Frankfurt, Lehmann, who was born in Germany, joined the U.S. Army in 1942 and subsequently became a major in the Military Intelligence Service (MIS). He later worked in the State Department and was detailed to the Army War College in 1964. From 1965-68 he served as a State Department liaison officer to the MIS. Prior to the FRG, Lehmann was assigned to the U.S. Embassy in Saigon, Vietnam as a counsellor in March, 1974. (German speaking)

LEHOVICH, Vladimir (b. 9/28/39)First Secretary, Political Section Thueringerstr. 10 5300 Bonn 2 phone, 37 89 00

Lehovich has an extensive history of intelligence and intelligence related work, and speaks Russian.

MILLER, William F. * (b. 7/13/25)Consul General, Stuttgart Miller has been assigned to France, Luxembourg, Belgium, the U.S. Arms Control and Disarmament Agency, the Ivory Coast, and Madagascar.

SCHIFFMAN, Irving I. * (b. 11/27/18) Consul General, Bremen Schiffman has been stationed in Munich, Hamburg, Frankfurt, Rumania, Poland, and Bonn. (German speaking)

SEMLER, Peter (b.6/10/31)Political Officer, West Berlin Semler has collaborated with the CIA throughout his career and held the position of intelligence research analyst. (German speaking)

Propaganda, or more correctly, psychological warfare, is an integral componen of the CIA's affront and subversion of a targetted society implemented during war and peace. The following U.S. citizens have participated in CIA connected propaganda operations.

BRAYCICH, Joseph N. (b. 5/31/22) First Secretary, Information Section Europastr. 17 5300 Bonn 2 phone 37 87 47 Braycich has worked for the Voice of America (V.O.A.) in the 1960's, at which time V.O.A. was a CIA project. (German speaking)

CLYNE, John P. (b. 3/14/28)First Secretary, Information Section Martin-Luther-King-Str. 7/3 5300 Bonn 2 phone 37 59 66

fare operations in Vietnam during the U.S.'s illegal war there.

DICKERMAN, C. Robert (b. 11/29/36) First Secretary, Information Section Martin-Luther-King-Str. 7 5300 Bonn 2 phone 37 59 70 Like Clyne, Dickerman was active in psychological warfare operations in Vietnam.

KLIEFORTH, Alexander A.

(b. 12/31/18) Attache, Information Section Martin-Luther-King-Str. 40 5300 Bonn 2 phone 37 46 46 Klieforth was a program manager for the V.O.A., when it was a CIA project. He also served as Director of the Radio in the American Sector (RIAS) in West Berlin, another U.S. propaganda operation. (German speaking)

KOHL, Walter A. (b. 3/6/22)First Secretary, Press Martin-Luther-King-Str. 15 5300 Bonn 2 phone 37 41 77 Kohl served for four years in the V.O.A., when it was a CIA project. (German speaking)

KRAMER, Wilford L. (b. 5/3/19)Public Affairs Officer, Stuttgart Kramer participated in CIA-connected psychological warfare operations in Vietnam. He also attended the Air War College. (German speaking)

WARNER, Robert B. (b.1/23/22)First Secretary, Cultural Affairs Martin-Luther-King-Str. 11 5300 Bonn 2 phone 37 43 88 Warner has served as an intelligence research specialist in the State Depart-Clyne particip Approved For Release 2004/10/12: GARDES -013/4R000100350003-4 tions. (German speaking) 47

[The information about these officers is as of October, 1978, unless indicated with an asterisk (*) in which case as of July, 1978.]

Traditionally, the U.S. has trained police officers from "friendly" countries; from 1962-75 they used the Office of Public Safety (OPS). Through this program, three FRG police officers were trained: Rudolf HAERLE, Armin KATZ, and Claus Walter SCHECK. They attended courses in the International Police Academy (IPA) in Washington, DC and the Border Patrol Offices (BPO) in Los Fresnos, Texas.

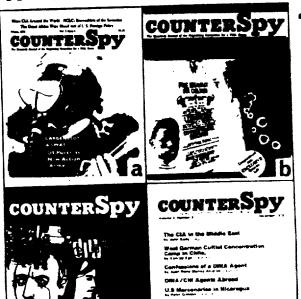
At the IPA, they were instructed in the use of modern weapons and counter-insurgency. At the BPO, also known as the CIA's bomb school, they were instructed in the defensive and offensive application of explosives. Both the IPA and the BPO were subject to varying degrees of CIA control and students to recruitment as CIA assets.

In early 1978, the booklet, "CIA Insider: News Of The Facts From The Agency Files" began appearing throughout Europe, the United States, and probably elsewhere.

Following several investigations, we proceeded to reference the names of journalists from this publiclyavailable booklet on pages 22 and 53 of our December, 1978 issue. At received information press time we questioning the truth of various aspects of the booklet. We immediately blackened-out the two lists and additionally inserted a printed, retracting statement. We took all reasonable steps available to us at the time to retract the lists. However, we reaffirm the retraction of these names and apologize for any inconvenience to those involved.

CounterSpy expresses a special and warm thanks to Allen Ginsberg and City Light Books for permission to print Allen's poem which we feel confirms that there hassa be a CounterSpy.

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