

## Political Warfare Old and New: The State and Private Groups in the Formation of the National Endowment for Democracy

Robert Pee

This article examines the creation of the National Endowment for Democracy under the Reagan administration, viewing it as a 'state-private network' organisation comparable to CIA fronts, such as the Congress for Cultural Freedom, which were used as 'political warfare' organisations in the 1950s and 60s. The article first argues that these earlier organisations were set up with substantial input from the private sector and rested on an alignment between the CIA and a strong private network of non-communist leftist intellectuals, before going on to examine the collapse of this network in 1967 and unsuccessful efforts to preserve it in an overt form under the Johnson administration. It then examines the recreation of the private network in the late 70s / early 80s before analysing the ideological, strategic and bureaucratic reasons for the Reagan administration's resurrection of the previous 'political warfare' network in an overt, non-governmental form as the NED.

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Robert Pee



**The objective I propose is quite simple to state: to foster the infrastructure of democracy, the system of a free press, unions, political parties, universities, which allows a people to choose their own way to develop their own culture, to reconcile their own differences through peaceful means.**

Ronald Reagan (1982), *Speech to the British Parliament*

On 8 June 1982, Ronald Reagan gave a speech to the British Parliament calling for a global crusade for democracy. The practical outcome of this was the creation, in December 1983, of the National Endowment for Democracy (NED). The NED was an autonomous non-governmental organisation (NGO) consisting of four foundations: the National Democratic Institute and National Republican Institute (currently International Republican Institute) to dispense funds and training to politicians and political parties; the Centre for International Private Enterprise to provide training, funding and networking opportunities for business associations; and the AFL-CIO to assist foreign trade unions.

Its impact was immediate. The NED funded programs in support of candidates acceptable to the US in elections in Grenada,<sup>1</sup> Panama,<sup>2</sup> El Salvador<sup>3</sup> and Guatemala<sup>4</sup> throughout 1984 and 1985 in order to prevent communist victories, and create stable pro-US governments. In Europe, the NED funded organisations carried out pro-NATO propaganda in Britain<sup>5</sup> and, in one notable scandal, a right-wing French student organisation was linked to fascist paramilitaries.<sup>6</sup> The endowment also funded organisations devoted to anti-Sandinista propaganda in Nicaragua<sup>7</sup> and also funded opposition elements within Nicaragua<sup>8</sup> and disbursed around \$3.7 million to Solidarity in Poland between 1984 and 1990.<sup>9</sup> All of this was conducted ostensibly to spread democracy; however, these actions were clearly carried out in support of US national security strategy and have much in common with the 'political warfare' operations carried out by the CIA in partnership with US private groups before 1967. The present article first examines the roles of both the state and the private sector in these previous 'political warfare' operations, before going on to analyse the reasons for the resurrection of this type of operation in a new form in 1983 and the respective roles and interests of the Reagan administration in this.

'Political warfare' was defined by George Kennan in NSC 10/2 in 1948 as 'the employment of all the means at a nation's command, short of war, to achieve its national objectives. Such operations are both overt and covert. They range from

such overt actions as political alliances, economic measures (such as ERP—the Marshall Plan), and “white” propaganda to such covert operations as clandestine support of “friendly” foreign elements, “black” psychological warfare and even encouragement of underground resistance in hostile states’.<sup>10</sup> However, the type of organisations concretely proposed in the memorandum were most closely related to ‘clandestine support of “friendly” foreign elements’ and “black” psychological warfare’ rather than paramilitary or guerrilla operations.<sup>11</sup> Although it is sometimes difficult to arrive at a clear-cut definition of the boundaries between ‘political warfare’ and ‘psychological warfare’ in US government thinking at this time, the most useful definition of ‘psychological warfare’ would seem to be that given by William Daugherty and Morris Janowitz:

...the planned use of propaganda and other means designed to influence the opinions, emotions, attitudes and behaviour of enemy, neutral and friendly foreign groups in such a way as to support the accomplishment of national aims and objectives.<sup>12</sup>

This was certainly the reason for the passing of CIA funds to groups such as the Congress for Cultural Freedom, which aimed at securing the loyalty of Western European intellectuals for NATO in the early 1950s and for the funding of groups composed of women, African-Americans and Catholic evangelicals a little later<sup>13</sup>. All of these groups had connections to overseas constituencies and, hopefully, could influence these groups to support the US rather than the USSR in the Cold War ‘battle of ideas’. It was also the reason for the passing of funds to the AFL to build anticommunist trade unions in Western Europe in order to combat Soviet subversion at the beginning of the Cold War; however, these operations went further in that they were not concerned with cultural and intellectual influence so much as political influence, as were the later operations of the NED.

However, many outreach operations to foreign groups such as exchanges had been conducted overtly under the auspices of the State Department’s Division of Cultural Relations since 1938<sup>14</sup>, and many more were conducted in similar fashion by the State Department and USIA up until the collapse of the USSR.<sup>15</sup> Why were the operations mentioned above conducted covertly? Firstly, the US Government required that the operations be credible and appear to be legitimate expressions of private initiative in order to attract the support of foreign groups, many of whom would have hesitated to support the government or intelligence service of another state. Secondly, the appearance of private initiative was a propaganda advantage in the war of words with the USSR, as it enabled the US Government and the private groups funded by it to criticise Soviet front groups as being government sponsored while counterposing the image of a US effort fuelled not by the state but by a free society and driven by truly democratic associations of men and women. These first two rationales created a need for ‘plausible deniability’, meaning that such operations needed to be set up and prosecuted so that the hand of the US state and the CIA was hidden or could be plausibly denied. Finally, the arrangement gave the government a great deal of tactical flexibility; for example, Radio Free Europe and Radio Liberty, as

theoretically non-governmental organisations, could afford to be much more anti-Soviet in their propaganda than could the government itself, as it was sometimes limited by considerations of diplomacy and public image.

These alliances have been labelled a 'state-private network' by scholars studying the phenomenon of partnerships in covert operations between the state and private organisations. Although these private groups were funded by the CIA, either directly or through cut-outs such as dummy foundations, they were not the puppets of the state; rather, the state-private relationship was characterised by a mix of convergence over ideology and short-term goals and bickering over funding and tactics, leading to a need for negotiation between the state and its private allies. Ideological convergence was a product, generally, of the consensus in US society that the role of the US in the Cold War was to promote democracy against Soviet dictatorship and, more specifically, by a loose network of non-communist leftist political operators devoted to combating the USSR who made up the core of the state-private network and staffed the first front groups. Indeed, as a retrospective CIA report has noted, the alliance with the non-communist left became 'the theoretical foundation of the Agency's political operations against Communism' for the following two decades.<sup>16</sup> This group was mainly composed of ex-communists and ex-Trotskyists such as Jay Lovestone and Sidney Hook who thus had a unique insight into the minds of their enemies. As Peter Steinfels notes, they were a group 'well drilled in Marxist texts and socialist history, blooded in the tribal wars between Communists, democratic socialists, and fifty-seven varieties of Trotskyists'<sup>17</sup>; that is, a group who had the skills necessary to wage political warfare using Marxist-Leninist tactics but in the service of the USA. However, the state-private network was not limited to this group and also included women's groups, African-American groups and religious groups. What united these groups with the state was that they saw themselves as defending democracy against the threat of Soviet totalitarianism; indeed, many of them had a specific interest in doing so, such as the AFL-CIO, which saw its mission as spreading 'free trade-unionism' internationally and believed that such unions could only exist in democratic societies.

Disagreements between the state and its private allies were often the product of conflicts over long-term or positive objectives, tactics and funding priorities. The private groups had other aims which did not necessarily lie at the core of the state's foreign policy; for example, the AFL-CIO's short-term aim of defending and expanding democratic societies tied in well with the aims of the US Government in the Cold War, but its aim of fostering 'free trade-unionism' internationally as a good in and of itself was not an objective of the US state. The same could be said for the American Society for African Culture's aim of producing an international black cultural movement, or the positive cultural ambitions of the CCF. When the priorities of the state and these groups diverged, this produced conflict. Similarly, there were clashes over tactics, which led to CIA/OPC disapproval of such fervent anti-communists as Melvin Lasky and Arthur Koestler of the CCF,<sup>18</sup> here, ideological convergence existed, but the CIA felt that the extreme positions taken by

these figures would threaten the organisation's ability to attract supporters. Clashes over tactics and priorities often became tied into clashes over funding; CIA/OPC sometimes changed its funding priorities for the AFL to reflect US strategic priorities rather than AFL priorities.<sup>19</sup> Finally, some of the CIA's private allies believed that they were more effective Cold Warriors than CIA officers who they saw as amateurs. In fact, some of the groups had begun their own political warfare operations against the USSR before receiving government money. For example, Jay Lovestone and Irving Brown, AFL officials and former communist activists, began their funding of anti-communist French and Italian trade unionists in 1946, with AFL money, before OPC decided to fund the operation, or, indeed, even existed.<sup>20</sup> In a similar fashion, the basis of the Congress for Cultural Freedom was a private initiative organised by Sidney Hook—for which funding from OPC only materialised later.<sup>21</sup> These allies could be extremely resistant to follow the directives of the CIA due to their previous traditions of complete independence.

The NED and its network share some of the characteristics of the previous state-private network outlined above. The NED was also, in part, a product of the shared anti-Soviet worldview of the state and private actors: it was also funded by the state to affect politics and culture abroad; and, it was based on the idea of using Democracy to counter Communism in a 'battle of ideas'. As will be detailed below, it was also founded on a network of pre-existing organisations engaging in political warfare and held together by a network of anti-Soviet political operators—the neoconservatives. In addition, the private sector again had its own definite ideas and strategies in mind when it entered into alliance with the government.

The creation of the NED, however, represented the beginning of a new type of political warfare: its operations were conducted overtly and it had no funding relationship with the CIA. This was due to the way in which the CIA's first network, centred on the private groups detailed above, came to an end in 1967.

Even before this date the foreign policy establishment and the NCLs had experienced some disagreements over the war in Vietnam, leading to lesser degree of the convergence of ideology and short-term aims necessary for state-private operations to function effectively. The tipping point came, however, when *Ramparts Magazine* exposed the funding relationship between the CIA and the Congress for Cultural Freedom, and then triggered a press campaign which exposed the CIA's relationships with the AFL-CIO, Radio Free Europe, Radio Liberty, the Asia Foundation, the National Students' Association and many other allies and front groups. This process began in early 1966, when the CIA realised that *Ramparts* was investigating its networks.<sup>22</sup> It gathered pace in April of that year when the *New York Times* published Conor Cruise O'Brien's accurate claim that *Encounter*, the Congress for Cultural Freedom's house magazine, was funded by the CIA and exploded when, in April 1967, *Ramparts* published its expose of CIA funding of the National Students' Association.<sup>23</sup>

This exposure led to a backlash that destroyed the political warfare effectiveness of the existing private sector groups by exposing them as government funded organisations, making it impossible to continue the partnerships as covert operations. Many of the CIA's exposed private sector allies were subjected to criticism in the media and from colleagues and associates. This made willing partners less likely to risk working with the CIA due to fears of being exposed, both in the US and abroad. In addition, many members of the organisations funded by the CIA had been unaware of the relationship and felt deceived and manipulated by their witting colleagues and the CIA. Richard Bissell, former CIA Deputy Director of Plans, told the Council on Foreign Relations in 1968 that, 'the relations which have "blown" cannot be resurrected'.<sup>24</sup> Finally, the exposure resulted in an executive order banning CIA funding of US private organisations.<sup>25</sup> Covert methods of supporting the political warfare initiatives of private groups had proven to be a liability in the long run and were now untenable.

The structure of the future NED and its formal relationship with the government bore the marks of this catastrophe, as the Johnson administration attempted to solve this problem and continue such operations by simply treating them as overt operations, similar to those already conducted by USIA and other agencies. These efforts began even before the bulk of the CIA's network had been exposed when, at a 303 Committee meeting on the gathering crisis in May 1966, Cord Meyer, then head of International Organisation Divisions of the CIA, suggested that an endowment be set up which could dispense funding overtly.<sup>26</sup> DCI Helms seconded this, and suggested that a White House Committee be set up to investigate the idea. This proposal seems to be, at least very close to, the genesis of the NED. Helm's suggestion seems to have led to the creation of the Katzenbach Commission, consisting of himself, Acting Secretary of State, Nicholas B. Katzenbach, and Secretary of Health, Education and Welfare, John Gardner.

The commission recommended the creation of a public-private organisation to provide funding for such projects in the future.<sup>27</sup> A group created to follow up this suggestion, the Rusk Committee, recommended the creation of a fund managed by a group of private citizens to dispense money to private organisations working abroad; however, a report made to the committee noted that 'We cannot expect to duplicate with overt funding the flexibility, responsiveness, and directly targeted results obtained by [the] CIA'.<sup>28</sup> In tandem with this, interested members of Congress made their own attempt to rebuild the network; such as Representative Dante Fascell, who, in April 1967, proposed the creation of an Institute of International Affairs.<sup>29</sup> However, both of these attempts failed. It is possible that they were simply too premature given the atmosphere of scandal generated by *Ramparts'* revelations. The Congress for Cultural Freedom continued to function but lost much of its former power and dynamism; the AFL-CIO continued to run training sessions for foreign trade unionists through its regional institutes with funding from AID, but this money was disbursed only for specific contracts, limiting the union's freedom of action in a way that CIA funding had not. Links with other sectors, such as students

and women's organisations, which had been used to influence the same groups overseas, were lost.

If the organisational roots of the NED can be traced back to George Kennan's championing of citizen groups for political warfare purposes and the CIA's network of private partners, its geopolitical and strategic roots were in the revolutions which swept the Third World in the 1970s, culminating in the overthrow of the Shah and Somoza by anti-American forces in 1979. Among hard-line anti-communists these events seem to have triggered a reaction similar to the threat of Soviet domination of Western Europe. From 1946–50 this threat triggered private political warfare initiatives such the AFL's funding and support of anti-communist trade unionists in France and Italy, and the attempts to disrupt a Soviet-funded peace conference in the Waldorf-Astoria Hotel.<sup>30</sup>

In November 1979, the fear of Soviet political and ideological advance in the Third World seems to have led to the creation of the American Political Foundation, a group consisting of representatives of the Republican and Democratic Parties. The APF was the seed organisation of the NED, which was expanded to include the AFL-CIO and the US Chamber of Commerce, and in a statement on its foundation, its leaders noted that '[the] Communist movement around world has gained tremendous force in the past 25 years from its network of international parties and connections',<sup>31</sup> implying the organisation had been set up to counter this.

Events in Nicaragua and Poland led to the coalescence of a private anticommunist network, which proceeded to create its own political warfare organisations, much as the NCLs had in the late 1940s. An example of this was a group called PRODEMCA, founded in 1981, which channelled support and funds to the internal Nicaraguan opposition. At the same time, the rise of Solidarity in Poland led to private political warfare organisations being formed to capitalise on this and to lend their support to the trade union. These included a short-lived Information Office for Solidarity in New York set up in September 1981 by the American Federation of Teachers,<sup>32</sup> and the Committee in Support of Solidarity, which was bankrolled by the SD/USA and the AFL-CIO to propagandise within the US on behalf of the Polish union. Furthermore, these organisations were inter-linked by a cohesive group of political operators similar to the NCLs who had been the foundation of the CIA's earlier anti-Soviet political warfare efforts. The centre of this nexus was Social Democrats USA, a product of the split of the Socialist Party into left and right factions in the early 1970s. Although the party was a small, virulently anticommunist and neoconservative faction of about 1000 members, its significance came from its links with other private groups<sup>33</sup>. Penn Kemble, Chairman of PRODEMCA, was a member of SD/USA; the leader of the American Federation of Teachers, which set up Solidarity's Information Office, was Albert Shanker, also a party member, as was Eric Chenoweth, head of the Committee for the Support of Solidarity. SD/USA had strong links to the AFL-CIO through one of its leaders, Tom Kahn, who was an important foreign affairs advisor first to George Meany and then to Lane Kirkland; this also gave SD/USA links to the American

Political Foundation. Thus, by the time the Reagan administration came to power a cohesive private network for the state to link up with already existed.

Although the APF held a series of discussions on promoting democracy in 1980, there is no evidence that the Carter administration took note of this. The Reagan administration, with its visceral anticommunism and its championing of overt 'political warfare' measures such as increases in radio broadcasting to the USSR, seemed likely to be a better patron. Michael Samuels of the US Chamber of Commerce and APF later stated that 'with the advent of the Reagan administration, the time seemed propitious to launch a fresh effort in the field of political development'.<sup>34</sup>

The time was propitious because, although the Reagan administration came to power pledging to give firmer support to the United States' authoritarian allies than Carter had, the administration was confronted with a number of situations in which this strategy would not work. The administration supported the right-wing junta in El Salvador and, to a lesser extent, the military government in Guatemala, against left-wing insurgencies. However, Congress was reluctant to release military aid to these regimes without evidence of a lessening of human rights abuses by the army, police forces and death squads, which was to be provided by the administration every six months before aid was disbursed.

Reagan also experienced a great deal of domestic criticism over this policy and, also, over his administration's rejection of Carter's human rights approach. The State Department quickly came to realise that the rejection of human rights, both as a rhetorical device and as a factor to take into account when dealing with foreign governments, was a political mistake that could weaken domestic support for the administration's foreign policy. A November 1981 State Department memo stated that:

We will never maintain wide public support for our foreign policy unless we can relate it to American ideals and to the defense of freedom. Congressional belief that we have no consistent human rights policy threatens to disrupt important foreign policy initiatives. Human rights has been one of the main avenues for domestic attack on the Administration's foreign policy.<sup>35</sup>

This new human rights policy was also to be used as a weapon in the Cold War 'battle of ideas' waged against the Soviet Union, with the memo declaring "Human rights"—meaning political rights and civil liberties—conveys what is ultimately at issue in our contest with the Soviet bloc'.<sup>36</sup>

Along with domestic political pressure from Congress, the role of the neoconservatives in effecting this change of perspectives seems to have been a key moment. The State Department memo was supposedly influenced heavily by Reagan's new nominee for the post of Assistant Secretary for Human Rights and Humanitarian Affairs in the State Department—a young neoconservative called Elliott Abrams.

From outside the administration, other neoconservatives continued to reshape human rights into an ideological weapon for use in the Cold War. Peter Berger argued that: 'totalitarian regimes...must be seen as an assault on human rights in their very structure', therefore opposition to the USSR should be at the heart of any human rights policy.<sup>37</sup> Berger also argued that, while the US government might sometimes need to ally itself with dictators, the American people could condemn them through private institutions.<sup>38</sup> This point was echoed by Sidney Hook who stated, 'we as citizens are not bound by diplomatic convention'.<sup>39</sup> Both the neoconservatives and elements within the State Department probably centred on Elliott Abrams; intended to expand the idea of human rights, as deployed by the Carter administration, into a contest over the political systems of other nations.

Once it had been accepted that democratic governments were the best guardians of human rights, it became logical to propose, as the State Department did in its first set of human rights reports in 1981, 'a second track of positive policy with a bolder long-term aim: to assist the gradual emergence of free political systems'.<sup>40</sup> The report also identified the arena in which US power could be effective: 'labor unions, churches, independent judicial systems, bar associations and universities. When we do not have leverage over the shape of an entire society we can nourish the growth of freedom within such institutions'. The new version of the human rights crusade, 'democracy promotion', was thus far more interventionist than anything the Carter administration had contemplated.

Thus, at the same time the Reagan administration was presented with opportunities to wage political warfare in Poland due to the growth of Solidarity, and in Nicaragua due to the persistence of organised political opposition to the FSLN, political intellectuals supportive of the administration were floating the idea of a citizen organisation which could use human rights to fight the Cold War. The terms of this debate served to re-legitimise US intervention in the politics of other countries by the government or private groups after the post-1967 backlash. It was also capable of producing a new bipartisan consensus as a basis on which to carry out an effective foreign policy: the right could use human rights and democracy promotion against the USSR, while the left could use them to punish right-wing authoritarians in the Third World.

It was presumably during this debate about the uses of human rights in US Cold War strategy and the role of private citizens or groups in this that the APF's proposal for a study of how the US could 'handle the tension between maintaining friendly relations with current governments while sowing the seeds of democratic successors [and] how to encourage domestic pluralistic forces in totalitarian countries...' made its way to Secretary of State Alexander Haig's desk. This formulation could be applied both to the United States' right-wing authoritarian allies in Central America and to Poland and Nicaragua.

The proposal probably served as the basis of a memo written by Haig to Reagan in March 1982, 'Strategy for Building Democracy in Communist and Non-

communist Countries'. In it, Haig called for a two-pronged strategy: in the non-communist Third World, the US should support moderate democratic forces as an effective bulwark against further Communist seizures of power, 'the best long-term protection against communism'.<sup>42</sup> The second leg of the strategy was wholly anti-Soviet:

We can help to keep the Soviets preoccupied with problems inside their existing empire (rather than expanding further) by giving practical assistance to democratic and nationalist forces and thus going on our own political offensive.<sup>43</sup>

Haig also spelt out the mechanism for implementing this strategy: the creation of an 'Institute for Democracy'.<sup>44</sup> The APF had proposed a program that seemed to give the administration much more room to manoeuvre in the two crises facing it at that time; Haig even used Poland and El Salvador as examples in his memo.

From this point, events progressed rapidly. In May 1982, the *New York Times* reported that according to a leaked White House memo, El Salvador, Guatemala, and Nicaragua would be the targets of a new 'quasi-governmental program aimed at promoting democracy in developing countries'.<sup>45</sup> In early June, shortly before a forthcoming speech by Reagan, the APF wrote him a letter boosting its program. Moreover, during the speech on June 8, the President referred to the APF and its proposed study. Once again, after a considerable hiatus under the Nixon, Ford and Carter administrations, the private sector and the administration agreed that it was necessary to launch political warfare operations against the Soviet bloc and its clients; the twist this time was that the United States' authoritarian allies would not be immune either.

Once this had been agreed, however, methods for putting it into practice had to be devised. It was clear to administration officials that, after the events of 1967, the CIA could not be involved. According to Robert McFarlane, "the quickest way to destroy the program was to have any association with the agency".<sup>46</sup> On the negative side, government agencies such as AID and the State Department did not want to be involved. AID resisted involvement, as it did not want to broaden its mission from providing economic aid to political development and conducting 'political warfare' operations directly. Indeed, AID was reluctant even to administer the funding for the APF's study. NSC Director of International Communications Walter Raymond commented: 'Part of AID's concern is that a grant to the American Political Foundation would be somewhat "out of character" for AID'.<sup>47</sup>

For the State Department, taking on responsibility for the operations would have created a conflict with State's core task of maintaining diplomatic relations with existing governments. A further reason for their reluctance was the question of organisational mandates; the State Department had no mandate to engage in 'political warfare' and AID's mandate was focused on providing economic and social aid, not political aid, as was being envisaged. In addition, AID's mandate extended only to the Third World, which would have made funnelling money through it to

Solidarity in Eastern Europe legally questionable. These constraints had a real effect on the planning of governmental 'political warfare' operations. In fact, as Walter Raymond noted:

Part of this [implementation and funding] will be based on ensuring that the items selected are consistent with the authorization that comes with the money that will be available...We may have difficulty creating democracy institutes in Central America or a publishing program if there is no existing authorization to which this can be tied.<sup>48</sup>

The leaders of the APF were well aware of this problem, arguing that a private organisation was necessary because, the legislative mandates of government officials preclude them from engaging in political activities and that these agencies would therefore be unable to fund many of the activities the Endowment envisions.<sup>49</sup>

The only other option was to label 'political warfare' initiatives as 'public diplomacy' projects, and fund and co-ordinate them directly through USIA. In fact, this was attempted as the core of 'Project Democracy'—an overt program that incorporated some of the goals and sectional interests of the NED. However, this turned out to be the highly problematic, as USIA's Director, Charles Wick, was seen as hot-headed and unreliable by both Congress and the bureaucracy. Indeed, Wick's involvement in Project Democracy seems to have been one of the most important factors in its rejection by Congress. Raymond was aware of this possibility, stating:

There is deep suspicion over the direction of USIA. Part of this stems from the Director and his approach to propaganda...in terms of the "democracy project" [Congress does] not see either the Director or his staff as being sufficiently politically nuanced to manage this intricate program.<sup>50</sup>

The final nail in the coffin of 'Project Democracy' was its governmental character, which made Congressmen nervous about the possibility of the US government becoming involved politically in other countries and the effect this might have on diplomatic relations. It was clear that the only option left at this stage was the funding of a private group to accomplish the same tasks. As well as resolving the bureaucratic problems inherent in attempts to run such programs by the government, such a group could provide the administration with 'plausible deniability', as the previous CIA-funded operations had, but in a different way.

On this occasion, the operations would be public; but, in theory, they would not be controlled by the government. This meant that a private group could, for example, fund democratic opponents of one of Washington's dictatorial allies to prepare for a transition to a more stable and legitimate regime, while the State Department continued to keep diplomatic relations with the existing government. On the other hand, private groups could run programs directed against the Soviets, for example by supporting Solidarity, while the government disclaimed any responsibility for them, much as the Soviet Union had disclaimed responsibility for

the actions of the Comintern by claiming the CPSU was a private organisation which the government did not control.

The final form that such a private organisation would take and its role within the administration's public diplomacy strategy had not been decided, however, which opened up a space for the groups which composed the APF to devise a structure which served their own interests. The study was funded by \$400,000 in White House money, which was contributed to allow the 'Democracy Program' study group to take an inventory of existing mechanisms for promoting democracy and to decide how a variety of groups in US society could contribute to this aim. Thus, on paper the final product of the study was not predetermined. However, it seems clear that the members of the APF study had a clear picture of the organisation that they wanted to create, and that they succeeded in this. This was done, firstly, by limiting participation in the study to APF members and private consultants affiliated to the organisation, as the bulk of the work was carried out by 'four staff members who served as the representatives of business, labor, and the Democratic and Republican parties'.<sup>51</sup> A General Accounting Office report on the foundation of the NED commented that 'a broader staff composition might have prompted greater consideration of how other private sector and governmental entities might also participate in the envisioned program'.<sup>52</sup> However, this was not the aim of the APF, whose staff members believed that the purpose of the study was to fashion an organisation based on the APF's four groups.<sup>53</sup>

From the beginning, then, the APF acted to ensure that the group of decision-makers was limited enough for the 'correct' decisions to be made and to ensure that any government funding would not have to be shared with other groups. In addition, the APF made no attempt to research or catalogue the existing programs or mechanisms for promoting democracy,<sup>54</sup> presumably because this might have produced the conclusion that the foundation's pet project was unnecessary. Reports by consultants concluding that NED involvement in electoral processes was unnecessary because these services were already provided by the private sector were not included in the body of the final 'Democracy Program' report.<sup>55</sup> It seems clear that the APF and its staffers entered the research process with a clear idea of what its end product should be, and did nothing to produce evidence or conclusions which would work against this. Therefore, like the CIA's relationship with the AFL and Congress for Cultural Freedom earlier in the Cold War, the private groups involved in this process were not controlled by the government. Furthermore, they had a clear sense of their own interests: the creation of the NED provided the party foundations with the necessary funding to project their influence and ideologies on a global scale. It also provided the business community with its own political warfare organisation, ending its reliance on programs implemented by the AFL-CIO.

For the AFL-CIO itself, the creation of the foundation meant access to government funds to prosecute its programs with minimal oversight, a situation that the union had been striving for since its early clashes with the CIA over funding and strategic priorities in the 1950s. In fact, the creation of the NED

resolved many of the problems which private groups had experienced with their state sponsors before 1967: funding could not be reduced or delayed by the executive as a method of control, as funds were now voted by Congress and distributed in lump sums; levels of funding received would not depend on the political ideology of the administration in power; and funding priorities would not be decided by state agencies with little reference to the interests of the private sector. However, this relationship also worked in favour of the Reagan administration, which gained an ally whose actions were not only 'plausibly deniable', but whose actions would be dictated by similar ideological concerns to the executive itself. Moreover, the diversity of sectors of a foreign society which could be influenced by the NED—labour, business, politics—meant that the endowment could probably find a way into any society. For example, FTUI could—and did—link up with Solidarity, whereas Democrats and Republicans could link up with political parties in Central America.

The NED was a descendant of the private groups financed by the CIA prior to 1967 and had much in common with them. The US government had compelling reasons for financing such groups in each of the periods examined here, as they provided 'plausible deniability'—they could carry out operations that the government could not due to diplomatic considerations. They were also able to command more support in other societies than groups explicitly funded by the state would have been able to.

In addition, the people who ran such groups had political skills and knowledge about the target groups to be influenced abroad that could not be duplicated by government officials. These private actors were strong-willed and had their own ideological visions of what they wanted to achieve; they were not totally guided and controlled by the state. However, *Ramparts* magazine's exposure of the CIA's network in 1967 cut short this first era of state-private co-operation and ended the possibility of carrying out these operations through the CIA. It took the ideological realignment created by the neoconservatives' reinterpretation of human rights into the more aggressive ideology of democracy promotion to re-legitimize such operations.

The Reagan administration supported the rebirth of these operations as overt programs for solid strategic reasons. It was seeking tools that could affect the political balance in Poland and the Soviet bloc as a whole, and one that could somehow solve the problems caused by the administration's support of right-wing governments. It found this in the NED. NED helped to fill a gap in the state machinery, as other government agencies did not have the mandates necessary to undertake political warfare operations and, moreover, were unwilling to do so. As Congress was opposed to government-run programs, a structure based on private groups was used to conduct them.

The private sector also had an interest in the creation of the NED and did its best to shape the organisation to its own liking via the 'Democracy Program' study. For the NED foundation's the NED meant access to funding voted by Congress; this

was, in effect, their own money, which could not be withheld by the executive due to policy disagreements or redirected into areas the endowment felt were less deserving, as had occurred with CIA subsidies to private groups before 1967. When the sectors funded by the CIA are compared with those mentioned in Reagan's speech in 1982 and those funded by the NED, the endowment emerges as a consolidation of the previous political warfare operations under one organisation; one that had many of the advantages of the CIA's state-private network but that could not be exposed because it was already overt.



## ENDNOTES

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- <sup>11</sup> See *ibid* for details of proposed "Liberation Committees" composed of Eastern European exiles and plans to use private US intermediaries to aid anticommunist groups in the Free World
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- <sup>15</sup> A quick survey of this is contained in Nicholas J. Cull, "Public Diplomacy and the private sector: the United State Information Agency, its predecessors and the private sector", in Helen Laville & Hugh Wilford (eds) (2006), *The US Government, Citizen Groups and the Cold War: The State–Private Network*, London, Routledge
- <sup>16</sup> See "Origins of the Congress for Cultural Freedom 1949–50"
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