

NED et. al.: The CIA's Successors and Collaborators

US Overt and Covert Destabilisation

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Global Research, April 15, 2008

Le Monde Diplomatique 15 April 2008

Region: [USA](#)

Theme: [Intelligence](#)

When a scandal in the 1980s revealed the CIA's 35 years of international manipulations, President Ronald Reagan established the National Endowment for Democracy as a more discreet and less controversial instrument. It had the same purpose - to destabilise unfriendly governments by funding the opposition.

The National Endowment for Democracy (NED) was created in 1983, ostensibly as a non-profit-making organisation to promote human rights and democracy. In 1991 its first president, the historian Allen Weinstein, confessed to The Washington Post: "A lot of what we do today was done covertly 25 years ago by the CIA" (1).

Long before the NED was created, the same newspaper had revealed in 1967 how the CIA funded foreign trade unions, cultural organisations, media, and prominent intellectuals. As Philip Agee, a former operative with the Company told me in an interview in 2005: "The CIA used known American foundations, as well as other custom-made entities that existed only on paper."

Under pressure, President Lyndon Johnson ordered an investigation, although he was aware that the CIA had been mandated to carry out such activities since its creation in 1947. Agee said: "In the aftermath of World War II, faced with threats to our democratic allies and without any mechanism to channel political assistance, US policy makers resorted to covert means, secretly sending advisers, equipment and funds to support newspapers and parties under siege in Europe" (2). They had to counter the Soviet Union's ideological influence at the start of the cold war.

The funded organisations sometimes managed to weaken and even eliminate opposition to friendly governments, while creating a climate favourable to US interests. There were coups, such as the one in Brazil in 1964 that overthrew President João Goulart. The coup against Chilean president Salvador Allende in 1973 showed that the US government had not abandoned such methods. Agee claimed: "To prepare the ground for the military, we funded and channelled the forces of leading organisations in civil society and the media. It was an improved version of the coup in Brazil."

The battle of ideas

In 1975 the CIA was investigated by the Senate, particularly its involvement in plots against political leaders throughout the world, including Patrice Lumumba, Allende and Fidel Castro. The success of revolutionary movements in Africa and Latin America forced the US to recognise that although the strategy of infiltrating social organisations remained crucial, the tactics were counter-productive. So, "to wage the battle of ideas, the Johnson administration

recommended the establishment of a public-private mechanism to fund overseas activities openly” (3).

The American Political Foundation (APF), established in 1979, was a coalition of the Democratic and Republican parties, union leaders and employers, conservative academics and institutions relating to foreign policy. It was based on a model developed in West Germany, where the four major political parties had set up government-funded foundations as a response to the cold war. The most important of these was the Konrad Adenauer Foundation, linked to the Christian Democratic Union (4).

In January 1983 President Ronald Reagan signed the secret directive NSDD-77 (5), the result of what he described in a speech to the British parliament as a process designed “to foster the infrastructure of democracy” and “to determine how the United States can best contribute... to the global campaign for democracy” (6). The directive called for “close collaboration with foreign policy efforts – diplomatic, economic, military – as well as a close relationship with sectors of the American society – labour, business, universities, philanthropy, political parties, press.”

Reagan kept quiet about the directive when he presented an APF proposal, the Democracy Programme, to Congress. An act of 23 November 1983 ratified the creation of the NED. At a ceremony at the White House in December he announced: “This programme will not be hidden in shadows. It’ll stand proudly in the spotlight. And, of course, it will be consistent with our own national interests” (7).

Anti-Sandinista dollars

The NED consisted of four core organisations responsible for its management. One already existed: the Free Trade Union Institute was a branch of the AFL-CIO trade union federation and was later incorporated into the American Centre for International Labour Solidarity. The others were the Centre for International Private Enterprise, an affiliate of the US Chamber of Commerce; the National Republican Institute for International Affairs; and the National Democratic Institute for International Affairs.

Although legally an NGO, the NED was funded from the State Department budget, subject to congressional approval. As well as allowing the government to disclaim any formal responsibility, this offered a further strategic advantage. As former State Department official William Blum said: “Notice the non-governmental – this helps to maintain a certain credibility abroad that an official US government agency might not have.”

In October 1986 the Reagan administration was shaken by the revelation that it had illegally funded the insurgency against the Sandinista government in Nicaragua, using money from cocaine trafficking. By coincidence, the operation, coordinated by Colonel Oliver North and authorised by the National Security Council (NSC), was called the Democracy Programme. The NED played a key role. But the investigation was more interested in the funding of the Nicaraguan counter-revolutionaries, the Contras, than in the involvement of this “NGO”, although the NED was supervised from its creation until 1987 by Walter Raymond, a senior CIA officer and a member of the NSC’s intelligence directorate.

The Cuban American National Foundation (CANF) was an extremist anti-Castro organisation set up by the NSC at the same time as the NED. The foundation’s president, Jorge Mas Canosa, said: “The NED inherited Ronald Reagan’s Democracy Programme and provided

funding to many Latin-American groups, including the CANF.” Convinced that the road to Cuban freedom lay through Nicaragua, the CANF committed itself to the anti-Sandinista struggle. Mas Canosa said: “This collaboration began when Theodore Shackley, the CIA’s former deputy director of operations and head of its covert operations section, asked members of the foundation to support Central American policy.”

In 1987, during the Contra scandal, the NED funded a front of anti-Sandinista organisations, including the permanent human rights commission of Nicaragua. This support helped Violeta Chamorro, Washington’s preferred candidate and the owner of the “independent” newspaper La Prensa, to win the presidency in 1990.

A non-governmental crusade

The NED’s talent for channelling money, establishing NGOs, electoral manipulation and media brainwashing owed much to the long experience of the CIA, the State Department’s foreign aid agency USAID, and members of the conservative elite associated with US foreign policy (including John Negroponte, Jeane Kirkpatrick and Francis Fukuyama). Terrorism apart, the Reagan administration used the same methods in eastern Europe, where it conducted “a non-governmental crusade for human rights and democracy which avoided accusations of imperialism by presenting itself as a direct response to the needs of dissidents and reformers worldwide” (8). Here the gap between rulers and ruled made it easier for the NED and its network of organisations to use money and advertising to manufacture thousands of supposed dissidents. After regime change, most of these individuals and the groups to which they had belonged evaporated.

One of the most historic victories was in Poland. As early as 1984 the NED was distributing direct aid to set up trade unions, newspapers and human rights groups, all “independent”. For the 1989 parliamentary elections, the NED handed \$2.5m to the Solidarity movement, whose leader Lech Walesa, a powerful ally of the US, was elected president in 1990.

The collapse of the Soviet Union was a prelude to the NED’s global expansion. It mobilised its money and expertise to intervene in the social, economic and political affairs of 90 countries in Africa, Latin America, Asia and eastern Europe. As Gerald Sussman pointed out, “electoral interventions are critically important to US global policy objectives”. “Democracy building” by the NED and other US organisations has been refined: “Compared to the surreptitious and nakedly aggressive manner in which the CIA typically carried out its destabilising forays from the late 1940s through to the mid-1970s, current forms of electoral manipulation are conducted largely as spectacles of spin and moral drama” (9).

During the 1990 elections in Haiti, the NED invested \$36m in the candidacy of Marc Bazin, a former World Bank official. Despite this, Jean-Bertrand Aristide was elected, only to be overthrown in 1991 after a media campaign funded by the NED and USAID.

In its first 10 years, the NED distributed \$200m among 1,500 projects to support friends of the US (10). Since 1988 it has taken a significant interest in Venezuela. Philip Agee said: “There was a quiet operation against the Bolivarian revolution. It began under President Clinton and intensified under George Bush Jr. It’s like the campaign against the Sandinistas, but so far without the terrorism or the economic embargo: promote democracy, keep an eye on elections and support public life.” The US lawyer Eva Golinger discovered from official documents that between 2001 and 2006 the NED and USAID gave more than \$20m to Venezuelan opposition groups and private media (11). On 25 April 2002 The New York Times

revealed that Congress had ordered a quadrupling of the NED budget for Venezuela just a few months before the failed coup against President Hugo Chávez.

The campaign against Cuba

But the NED's most consistent campaign has been against the government of Cuba, where it is believed to have invested some \$20m over 20 years in an attempt to promote a "democratic transition"; \$65m more has been contributed by USAID since 1996. Despite continued insistence upon the supreme necessity of democratic elections, official documents clearly specify that those elected must be to US governmental liking. Almost all the funds are in the hands of organisations based in the US and Europe. The governments of Poland, Romania and the Czech Republic receive a significant proportion of it in return for leading international pressure on Cuba. According to Laura Wides-Munoz (Associated Press, 29 December 2006), the NED paid them \$2.4m in 2005.

Washington's idea of democracy is elections and business walking hand in hand. In his January 2004 State of the Union address, President Bush announced that he would be asking Congress "to double the budget of the National Endowment for Democracy, and to focus its new work on the development of free elections, and free markets, free press, and free labour unions in the Middle East"; ideological work would accompany military action. Hitherto the NED's involvement in the region had been minimal. It moved into Afghanistan in 2003. According to its website, it decided "to establish and strengthen business associations inside Afghanistan to ensure a more sustained and diversified effort to build democracy and market economy". It funded emerging NGOs.

NGOs in occupied Iraq were funded with similar objectives, particularly in the north. Local organisations were supported by – and quickly became dependent upon – the NED. Under the banner of the struggle for democracy, they worked for a system whose interests seldom coincided with those of local people.

Uniquely for an NGO, the NED's president must appear before the US Senate Foreign Relations Committee every year to account for its activities. In June 2006 Carl Gershman (president of the NED since April 1984) made an emergency appeal for more funds to support democracy. He claimed that NGOs in Russia, Belarus, Uzbekistan, Venezuela and Egypt needed more to confront "semi-authoritarian" governments. He later made an identical speech to the European parliament during the conference, "Democracy Promotion: the European Way".

According to William Blum, the NED's basic philosophy is that societies "are best served under a system of free enterprise, class cooperation... [and] minimal government intervention in the economy. A free-market economy is equated with democracy, reform and growth, and the merits of foreign investment are emphasised. NED's reports carry on endlessly about democracy, but at best it's a modest measure of mechanical political democracy they have in mind, not economic democracy; nothing that aims to threaten the powers that be."

A weapon of global war

Addressing the UN General Assembly in September 1989, President George Bush Sr asserted that the challenge facing the world of freedom was to consolidate the foundations of freedom. In 1988, the Canadian parliament, encouraged by the US, had set up an NED

clone, Rights and Democracy. In 1992 the British parliament established the Westminster Foundation for Democracy. Sweden followed with the Swedish International Liberal Centre, the Netherlands with the Alfred Mozer Foundation, and France with the Robert Schuman Foundation and the Jean Jaurès Foundation (linked to the Socialist Party).

As its network spread, the NED set up the Democracy Projects Database to coordinate 6,000 projects worldwide. It also created the Network of Democracy Research Institutes to bring together “independent institutions, university-based study centres, and research programs affiliated with political parties, labour unions, and democracy and human rights movements to facilitate contacts among democracy scholars and activists” (12). The NED hosts the Centre for International Media Assistance, which “brings together a broad range of media experts with the objective of strengthening support of free and independent media throughout the world” (13).

On the State Department’s official website, Carl Gershman declared that all these foundations, people and organisations were contributing to “building a worldwide movement for democracy”, a network of networks with the NED at its centre. Other foundations fell into step: the Friedrich Ebert Foundation in Germany; the Olof Palme International Centre in Sweden; the Renner Institute in Austria; and the Pablo Iglesias Foundation, linked to the Spanish Socialist Workers’ Party.

In 1996, to justify increasing the NED’s budget, an enlightening report was submitted to Congress: “The US cannot afford to discard such an effective instrument of foreign policy at a time when American interests and values are under sustained ideological attack from a wide variety of anti-democratic forces around the world... [They] remain threatened by deeply entrenched communist regimes, neo-communists, aggressive dictatorships, radical nationalists, and Islamic fundamentalists. Given this reality, the US cannot afford to surrender the ideological battlefield to these enemies of a free and open society.” (14). Three years later, Benjamin Gilman, the president of the House Foreign Affairs Committee, took the same line.

As Blum put it: “What was done was to shift many of the awful things [done by the CIA] to a new organisation, with a nice sounding name. The creation of the NED was a masterpiece. Of politics, of public relations, and of cynicism.”

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Notes:

(1) The Washington Post, 22 September 1991.

(2) www.ned.org/about/nedhistory.html. On the CIA’s use of intellectuals see Frances Stonor Saunders, *Who Paid the Piper? The CIA and the Cultural Cold War* (Granta Books, London, 2000).

(3) www.ned.org/about/nedhistory.html

(4) The others were the Friedrich Ebert Foundation (Social Democratic Party), the Hanns Seidel Foundation (Christian Social Union) and the Friedrich Naumann Foundation (Free Democratic Party).

(5) [http://www.fas.org/irp/offdocs/nsdd ...](http://www.fas.org/irp/offdocs/nsdd...)

(6) www.ned.org/about/reagan-060882.html

(7) www.ned.org/about/reagan-121683.html

(8) Nicolas Guilhot, "Le National Endowment for Democracy", Actes de la recherche en sciences sociales, 139, Paris, September 2001.

(9) Gerald Sussman, "The Myths of 'Democracy Assistance': US Political Intervention in Post-Soviet Eastern Europe", Monthly Review, vol 58, no 7, New York, December 2006.

(10) Guilhot, op cit.

(11) Eva Golinger, The Chávez Code: Cracking US Intervention in Venezuela (Pluto Press, London, 2006).

(12) www.wmd.org/ndri/ndri.html

(13) www.ned.org/about/cima.html

(14) James A Phillips and Kim R Holmes, "The National Endowment in Democracy: A Prudent Investment in the Future", The Heritage Foundation, Executive memorandum 461, Washington DC, 13 September 1996.

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