

'Hidden Persuaders' Include Americans As Foreign Agents

(Editor's note: The congressional spotlight was turned recently on lobbyists for foreign governments. These lobbyists, among them Americans, earn high fees trying to win trade concessions or other favors for their employers. A Senate inquiry is being readied. In the following dispatch, a veteran UPI reporter takes the reader behind the scenes of "lobbying-for-pay.")

By LOUIS CASSELS
United Press International
Washington—UPI—Among the "hidden persuaders" who try to influence U.S. public opinion and public policy are several hundred well-paid Americans who are agents of foreign governments.

Relatively few work for communist countries. The vast majority are in the hire of non-communist nations which want something—such as financial aid or trade concessions—from the United States.

Their lobbying activities, usually carried on as quietly as possible, were briefly spotlighted last month when Congress enacted a bill regulating U.S. sugar imports for the next two years.

Under this legislation, 24 foreign countries received quotas entitling them to sell sugar to American consumers at a price about 2.8 cents a pound above the world market. As a result of its passage, 26 Washington lobbyists will collect about \$500,000 in fees from those countries.

Not Only Activity
Lobbying on Capitol Hill is not the only activity of these foreign agents. They also employ public relations techniques to create a favorable climate of opinion in America for their clients.

It is not illegal for an American or foreigner to serve as the agent of a foreign power, provided he registers as such with the justice department, submits periodic reports of his activities and labels any political propaganda he disseminates in this country by stating plainly it emanates from a registered foreign agent. Violation of the law is punishable by up to five years in jail and a \$10,000 fine.

Whether this law is being adequately enforced and whether additional legislation may be needed are questions of immediate interest to the Senate Foreign Relations committee.

Puts on Staff
Chairman J. William Fulbright, (D-Ark.), has put a staff of investigators to work digging into foreign governments, or their agents, to influence the conduct of American foreign policy by techniques outside normal diplomatic channels.

Fulbright plans to hold public hearings which may get under way late this month.

A preliminary report by the committee staff emphasizes it is not "necessarily wrong" for a foreign government to supplement its regular diplomatic mission with a Washington lawyer or an American public relations firm to present its case to Congress and the public.

'Increasing Concern'
But the report says there is "increasing concern" about the use of "non-diplomatic representatives" to get results which a nation may be unable to get through its normal diplomatic dealings with the U.S. government.

"There is quite a bit of evidence," said a committee investigator, "that some countries are using these agents to make an end-run around the President and the state department."

Foreign lobbyists who deliver the goods are highly paid. Washington attorney Charles Patrick Clark gets \$87,500 a year from the government of Generalissimo Francisco Franco for "promoting and encouraging friendly and understanding relations and good will between the United States and Spain."

Displays Great Interest
As an ex-enemy nation, West Germany has also displayed a great interest in improving its U.S. "image." According to its official registration reports, the Julius Klein Public Relations firm of Chicago receives about \$250,000 a year from West German interests for "disseminating information in the United States so that the American people may know, understand and support the fact that West Germany is a political, economic and military ally of the world democracies."

Not all the big-time agents are American citizens. When Katanga Province tried to secede from the Congo, Belgium's Ministry of African Affairs sent one of its officials, Michael Struelens, to the

United States to whip up support for the cause of Katanga. Struelens' activities were publicly denounced by Assistant U. S. Secretary of State Carl Rown as a "big-money campaign to convince Americans they ought to support Katanga's secession."

The Senate Foreign Relations committee staff strongly implied in its preliminary report that the justice department had been lax about enforcing provisions of the foreign agents' law.

Staff Not Adequate
Nathan B. Levin, chief of the justice department's foreign agents registration section, said his staff of five attorneys is not adequate to make an exhaustive study of all political propaganda reaching the American public via foreign agents.

But he said the section is "not aware of any clear-cut case where an agent has attempted to mislead the public by disseminating political propaganda without disclosing his affiliations" as required by the statute.

Levin's boss, Atty. Gen. Robert F. Kennedy, has undertaken an investigation of his own to determine whether more manpower is needed in the foreign agents section, and whether the present law might be more vigorously enforced.

Even if a foreign agent places the required label on a press release, photograph or film, there apparently is no requirement in the present law that the warning be passed along to the public.

Was Under Contract
Millions of Americans saw on television a movie short entitled "Fortress Formosa," which extolled the cause of Generalissimo Chiang Kai-Shek's "Free China," without realizing the film was produced by an American public relations firm, the Hamilton Wright organization, which was under contract to Chiang's government.

Free film footage is only one of several devices by which foreign agents tempt U. S. news media to carry their clients' message to the public. In the senate committee's growing files are case histories of newspaper and magazine reporters who have allowed public relation firms representing foreign countries to pay all or part of their expenses on supposedly objective fact-finding trips.

The most flagrant case of irresponsibility by news media which has yet come to light involved a 1958 deal between Alexander L. Gutierrez, then president of Mutual Broadcasting system, and the late dictator of the Dominican Republic, Rafael Trujillo.

Paid In Advance
For a cash fee of \$750,000, paid in advance, Gutierrez agreed that the Mutual network would broadcast at least 425 minutes of "news" each month favorable to Trujillo's interests. Gutierrez later was booted out of Mutual's presidency and sentenced to a prison term.

Gutierrez was not tried for failing to label political propaganda, but for failing to register as a foreign agent in the first place.

Nine persons have been indicted during the past seven years for alleged failure to register, and the department is now satisfied that most if not all of those who should register have done so. Since 1954, the number of officially registered foreign agents has climbed from 271 to 411.

Perusal of Files
Perusal of the registration files, which are open to public inspection, shows nearly every country in the world has one or more agents representing its interests, outside of diplomatic channels, in the United States. Japan currently has the biggest roster—32 agents, including Thomas E. Dewey's Wall Street law firm.

Some agents work for several countries at once. One such is L. Irving Davidson, 41, a native of Pittsburgh. Davidson's registration statements show his bread-and-butter account, which pays him \$12,000 a year, has him serving as the Washington voice and general handyman of Gen. Luis Somoza, president of Nicaragua. But he has also been involved in numerous other activities, such as trying to peddle Israel's "Uzi" gun to the U.S. Army.

Joins Other Lobbyists
Recently Davidson joined the swarm of agent-lobbyists hovering around the sugar bill. He was representing Ecuador, which had never before been regarded as a sugar-producing country entitled to a quota.

The new law gives Ecuador the right to sell 25,000 tons of premium-priced sugar to American housewives annually for the next two years.

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