

## Murdoch, Scaife and CIA Propaganda

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According to declassified U.S. government records the Reagan administration pulled right-wing media executives Rupert Murdoch and Richard Mellon Scaife into a CIA-organized “[perception management](#)” operation which aimed Cold War-style propaganda at the American people in the 1980s.



**Rupert Murdoch**

Although some records relating to Murdoch remain classified, several documents that have been released indicate that he and billionaire Scaife were considered sources of financial and other support for President Ronald Reagan’s hard-line Central American policies, including the CIA’s covert war in Nicaragua.

A driving force behind creation of Reagan’s extraordinary propaganda bureaucracy was CIA Director William Casey who dispatched the CIA’s top covert action specialist, Walter Raymond Jr., to the National Security Council to oversee the project. According to the documents, Murdoch was brought into the operation in 1983 – when he was still an Australian citizen and his media empire was much smaller than it is today.

Charles Wick, director of the U.S. Information Agency, arranged at least two face-to-face meetings between Murdoch and Reagan, the first on Jan. 18, 1983, when the administration was lining up private financing for its propaganda campaign, according to records at the Reagan presidential library in Simi Valley, California. That meeting also included lawyer and political operative Roy Cohn and his law partner Thomas Bolan.

The Oval Office meeting between Reagan and Murdoch came just five days after NSC Advisor William Clark noted in a Jan. 13, 1983 memo to Reagan the need for non-governmental money to advance the project. “We will develop a scenario for obtaining private funding,” Clark wrote, as cited in an [unpublished draft chapter](#) of the congressional Iran-Contra investigation.

Clark then [told the President](#) that “Charlie Wick has offered to take the lead. We may have to call on you to meet with a group of potential donors.”

The documents suggest that Murdoch was soon viewed as a source for that funding. In an Aug. 9, 1983 memo summing up the results of a Casey-organized meeting with five leading ad executives regarding how to “sell” Reagan’s aggressive policies in Central America, Raymond referred to

Murdoch as if he already were helping out.

In a [memo](#) to Clark, entitled “Private Sector Support for Central American Program,” Raymond criticized a more traditional White House outreach program headed by Faith Whittlesey as “preaching to the converted.”

Raymond told Clark that the new project would involve a more comprehensive approach aimed at persuading a majority of Americans to back Reagan’s Central American policies, which included support for right-wing regimes in Guatemala and El Salvador as well as the Contra rebels fighting the leftist Sandinista government of Nicaragua.

“We must move out into the middle sector of the American public and draw them into the ‘support’ column,” Raymond wrote. “A second package of proposals deal with means to market the issue, largely considering steps utilizing public relations specialists – or similar professionals – to help transmit the message.”

To improve the project’s chances for success, Raymond wrote, “we recommended funding via Freedom House or some other structure that has credibility in the political center. Wick, via Murdoch, may be able to draw down added funds for this effort.”

Raymond included similar information in a separate memo to Wick in which Raymond noted that “via Murdock [sic] may be able to draw down added funds” to support the initiative. (Raymond later told me that he was referring to Rupert Murdoch.)

In a March 7, 1984 [memo](#) about the “‘Private Funders’ Project,” Raymond referred to Murdoch again in discussing a request for money from longtime CIA-connected journalist Brian Crozier, who was “looking for private sector funding to work on the question of ‘anti-Americanism’ overseas.”

Raymond wrote: “I am persuaded [sic] it is a significant long term problem. It is also the kind of thing that Ruppert [sic] and Jimmy might respond positively to. Please look over the stack [of papers from Crozier] and lets [sic] discuss if and when there might be further discussion with our friends.”

Crozier, who died in 2012, had a [long history](#) of operating in the shadowy world of CIA propaganda. He was director of Forum World Features, which was set up in 1966 by the Congress for Cultural Freedom, which received covert funding from the CIA. Crozier also acknowledged in his memoir keeping some of his best stories for the CIA.

At least one other document related to Murdoch’s work with USIA Director Wick remains classified, according to the National Archives. Murdoch’s News Corp. has not responded to requests for comment about the Reagan-era documents.

## **Helping Murdoch**

Murdoch, who became a naturalized citizen of the United States in 1985 to meet a regulatory requirement that U.S. TV stations must be owned by Americans, benefited from his close ties to both U.S. and British officialdom.

On Monday, the UK’s Independent reported that Ed Richards, the retiring head of the British media regulatory agency Ofcom, [accused British government](#) representatives of showing favoritism to Murdoch’s companies.

Richards said he was “surprised” by the informality, closeness and frequency of contact between executives and ministers during the failed bid by Murdoch’s News Corp. for the satellite network BSkyB in 2011. The deal was abandoned when it was discovered that journalists at Murdoch’s News of the World tabloid had hacked the phone of murdered schoolgirl Milly Dowler and others.

“What surprised everyone about it – not just me – was quite how close it was and the informality of it,” Richards said, confirming what had been widely reported regarding Murdoch’s access to powerful British politicians dating back at least to the reign of Prime Minister Margaret Thatcher in the 1980s. The Reagan documents suggest that Murdoch built similarly close ties to leading U.S. politicians in the same era.

In 1983, Murdoch’s rising media empire was still based in Australia with only a few U.S. properties, such as the Star tabloid and the New York Post. But he was eyeing expansion into the U.S. media market. In 1984, he bought a stake in 20th Century Fox and then six Metromedia television stations, which would form the nucleus of Fox Broadcasting Company, which was founded on Oct. 9, 1986.

At the time, Murdoch and other media moguls were lobbying for a relaxation of regulations from the Federal Communications Commission, a goal that Reagan shared. Under FCC Chairman Mark Fowler, the Reagan administration undertook a [number of steps](#) favorable to Murdoch’s interests, including increasing the number of TV stations that any single entity could own from seven in 1981 to 12 in 1985.

In 1987, the “Fairness Doctrine,” which required political balance in broadcasting, was eliminated, which enabled Murdoch to pioneer a more aggressive conservatism on his TV network. In the mid-1990s, Murdoch expanded his political reach by founding the neoconservative Weekly Standard in 1995 and Fox News on cable in 1996. At Fox News, Murdoch has hired scores of prominent politicians, mostly Republicans, putting them on his payroll as commentators.

Last decade, Murdoch continued to expand his reach into U.S. mass media, acquiring DirecTV and the financial news giant Dow Jones, including The Wall Street Journal, America’s leading business news journal.

## **Scaife’s Role**

Richard Mellon Scaife exercised his media influence on behalf of Reagan and the conservative cause in a different way. While the scion of the Mellon banking, oil and aluminum fortune did publish a right-wing newspaper in Pittsburgh, the Tribune Review, Scaife mostly served as a financial benefactor for right-wing journalists and think tanks.

Indeed, Scaife was one of the original financiers of what emerged as a right-wing counter-establishment in media and academia, a longstanding goal of key Republicans, including President Richard Nixon who recognized the importance of propaganda as a political weapon.

According to Nixon’s chief of staff H.R. Haldeman, as reported in The Haldeman Diaries, one of Nixon’s pet ideas was to build a network of loyal conservatives in positions of influence. The President was “pushing again on project of building our establishment in press, business, education, etc.,” Haldeman wrote in one entry on Sept. 12, 1970.

Financed by rich conservative foundations and wealthy special interests, Nixon’s brainchild helped tilt politics in favor of the American Right with Richard Mellon Scaife one of the project’s big-money godfathers. By using family foundations, such as Sarah Scaife and Carthage, Scaife joined with other

leading right-wing foundations to fund think tanks, such as the Heritage Foundation, which Scaife helped launch in 1973.

In 1978, Nixon's friend and Treasury Secretary William Simon provided more impetus to this growing machine, declaring in his book, *Time for Truth*: "Funds generated by business ... must rush by the multimillion to the aid of liberty ... to funnel desperately needed funds to scholars, social scientists, writers and journalists who understand the relationship between political and economic liberty."

With Reagan's inauguration in 1981 – and Casey's selection as CIA director – Scaife and other right-wing ideologues were in position to merge their private funding with U.S. Government money in pursuit of the administration's geopolitical goals, including making sure the American people would not break ranks as many did over the Vietnam War.

## **Building the Operation**

On Nov. 4, 1982, Raymond, after his transfer from CIA to the NSC staff but while still a CIA officer, wrote to NSC Advisor Clark about the "Democracy Initiative and Information Programs," stating that "Bill Casey asked me to pass on the following thought concerning your meeting with Dick Scaife, Dave Abshire [then a member of the President's Foreign Intelligence Advisory Board], and Co.

"Casey had lunch with them today and discussed the need to get moving in the general area of supporting our friends around the world. By this definition he is including both 'building democracy' ... and helping invigorate international media programs. The DCI [Casey] is also concerned about strengthening public information organizations in the United States such as Freedom House. ...

"A critical piece of the puzzle is a serious effort to raise private funds to generate momentum. Casey's talk with Scaife and Co. suggests they would be very willing to cooperate. ... Suggest that you note White House interest in private support for the Democracy initiative."

In subsequent years, Freedom House emerged as a leading critic of Nicaragua's Sandinista government, which Reagan and Casey were seeking to overthrow by covertly supporting the Contra rebels. Freedom House also became a major recipient of money from the U.S.-funded National Endowment for Democracy, which was founded in 1983 under the umbrella of the Casey-Raymond project.

The role of the CIA in these initiatives was concealed but never far from the surface. A Dec. 2, 1982 note addressed to "Bud," a reference to senior NSC official Robert "Bud" McFarlane, described a request from Raymond for a brief meeting. "When he [Raymond] returned from Langley [CIA headquarters], he had a proposed draft letter ... re \$100 M democ[racy] proj[ect]," the note said.

While Casey pulled the strings on this project, the CIA director instructed White House officials to hide the CIA's role. "Obviously we here [at CIA] should not get out front in the development of such an organization, nor should we appear to be a sponsor or advocate," Casey said in one undated letter to then-White House counselor Edwin Meese III as Casey urged creation of a "National Endowment."

On Jan. 21, 1983, Raymond updated Clark about the project, which also was reaching out to representatives from other conservative foundations, including Les Lenkowsky of Smith-Richardson, Michael Joyce of Olin and Dan McMichael of Mellon-Scaife. "This is designed to develop a broader group of people who will support parallel initiatives consistent with Administration needs and

desires,” Raymond wrote.

## **Bashing Teresa Heinz**

One example of how Scaife’s newspaper directly helped the Reagan administration can be seen in clippings from the Tribune-Review that I found in Raymond’s files. On April 21, 1983, the newspaper published a package of stories suggesting illicit left-wing connections among groups opposed to nuclear war.

The articles leave little doubt that Scaife’s newspaper is suggesting that these anti-war activists are communists or communist fellow travelers. One headline reads: “Reds Woo Some U.S. Peace Leaders.”

Another article cites an accusation from one congressman in the 1950s, after hearings on foundation grants “to numerous Communists and Communist-front organizations,” that “Here lies the story of how Communism and Socialism are financed in the U.S. – where they get their money.” The 1983 article then asks: “Is history repeating itself?”

Ironically, one of the philanthropists who is singled out in these red-baiting articles is Teresa Heinz, then married to Sen. John Heinz, R-Pennsylvania, who died in a 1991 plane crash. In 1995, Teresa Heinz married Sen. John Kerry, D-Massachusetts, who is currently Secretary of State.

The organizational role of Casey and Raymond in this domestic propaganda campaign raised concerns about the legality of having two senior CIA officials participating in a scheme to manage the perceptions of the American people.

Both in internal documents and a deposition to the congressional Iran-Contra committee, Raymond made clear his discomfort about the possible legal violation from his and Casey’s roles. Raymond formally resigned from the CIA in April 1983, so, he said, “there would be no question whatsoever of any contamination of this.”

That sensitivity was also reflected in press guidance prepared in case a reporter noted Raymond’s CIA background and the problems it presented to the “public diplomacy” effort. In case someone challenged press reports that asserted “there is no CIA involvement in the Public Diplomacy Program” and then asked “isn’t Walt Raymond, a CIA employee, involved heavily?” – the prescribed answer was:

“Walter Raymond is a member of the National Security Council staff. In the past he has worked for Defense, CIA and State. It is true that in the formative stages of the effort, Walt Raymond contributed many useful ideas. It is ironic that he was one of those who was most insistent that there be no CIA involvement in this program in any way.

“Indeed, it is a credit to the Agency that it has stressed throughout that the United States ought to be completely open about the programs it puts in place to assist in the development of democratic institutions and that none of these programs should come under the aegis of the CIA. They do not want to be involved in managing these programs and will not be. We have nothing to hide here.”

If a reporter pressed regarding where Raymond last worked, the response was to be: “He retired from CIA. He is a permanent member of the National Security Council.” And, if pressed about Raymond’s duties, the scripted answer was: “His duties there are classified.” (Raymond’s last job at the CIA was Director of the Covert Action Staff with a specialty in propaganda and disinformation.)

Beyond how Raymond's "classified duties" contradict the assertion that "we have nothing to hide here," there was a more deceptive element of the press guidance: it didn't mention the key role of CIA Director Casey in both organizing and directing the project - and it suggested that Raymond's role had been limited to offering "many useful ideas" when he was the hands-on, day-to-day manager of the operation.

### **Casey's Hidden Hand**

Casey's secret role in the propaganda scheme continued well into 1986, as Raymond continued to send progress reports to his old boss, even as Raymond fretted in one memo about the need "to get [Casey] out of the loop."

The "public diplomacy" operation was "the kind of thing which [Casey] had a broad catholic interest in," Raymond shrugged during his Iran-Contra deposition. He then offered the excuse that Casey undertook this apparently illegal interference in domestic politics "not so much in his CIA hat, but in his adviser to the president hat."

Though the Casey-Raymond teamwork ended with the exposure of the Iran-Contra scandal in late 1986 and with Casey's death on May 6, 1987, its legacy continued with Scaife and other rich right-wingers funding ideological media that protected the flanks of President Reagan, his successor President George H.W. Bush and other Republicans of that era.

For instance, Scaife helped fund the work of Steven Emerson, who played a key role in "discrediting" investigations into whether Reagan's 1980 campaign had sabotaged President Jimmy Carter's hostage negotiations with Iran to gain an edge in that pivotal election. [See Consortiumnews.com's "Unmasking October Surprise Debunker."]

Scaife also helped finance the so-called "Arkansas Project" that pushed hyped and bogus scandals to damage the presidency of Bill Clinton. [See Consortiumnews.com's "Starr-gate: Cracks on the Right."]

Walter Raymond Jr. died on April 16, 2003. Richard Mellon Scaife died on July 4, 2014. But Rupert Murdoch, now 83, remains one of the most powerful media figures on earth, continuing to wield unparalleled influence through his control of Fox News and his vast media empire that stretches around the globe.

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Jungle Drum Prose/Poetry. <http://jungledrum.lingama.net/news/story-1413.html>