



The roots of the Taiwan conflict

Part Seven: Taiwan exports political warfare

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In 1947, China's ruling Kuomintang Party (KMT) brutally suppressed native Taiwanese who protested the KMT's oppressive rule, massacring between 18,000 and 28,000 people. To the Kuomintang, this atrocity demonstrated the efficacy of unconventional warfare techniques, which the KMT would later teach to other dictatorial regimes. After experiencing defeat by the Communist Party of China (CPC) in 1949, the KMT's power base retreated to Taiwan and maintained the island under a permanent state of martial law for 38 years (from 1949 to 1987). The KMT built vast internal security and intelligence networks which facilitated the regime's repressive control over the public.

Part of the KMT's political warfare strategy was the establishment of Taiwan's Political Staff College, which operated under the auspices of the General Political Warfare Department, a branch of Taiwan's Ministry of National Defence. The Department's operations included media and radio stations, counterintelligence agencies, and psychological warfare units. The Political Staff College was founded in 1951 by Chiang Ching-kuo, head of the KMT's intelligence agencies, who was also the son and eventual successor of KMT leader Chiang Kai-shek. After completing four years of ideological education and indoctrination into the ideals of the Kuomintang Party, graduated "political officers" served in the KMT's military, where they were responsible for uncovering disloyalty or subversion, and were encouraged to compile intelligence on every officer in their unit. By 1957 around 86 per cent of the KMT's 17,139 political officers (which represented one in every 35 members of the KMT's military) had studied at the College. American military leaders, such as Major General William C. Chase, who assumed command of the US Military Assistance Advisory Group (MAAG) on Taiwan in 1951, objected to the KMT's "system of Political Commissars". Similarly, in a June 1953 meeting of the Joint Chiefs of Staff, US Admiral Arthur W. Radford denounced the KMT's "excessive political indoctrination and control".

In 1959, General Richard Stilwell, former chief of the US Central Intelligence Agency's (CIA) Far East Division who was a key participant in the CIA's covert operations in Southeast Asia during the 1960s, drafted secret recommendations for a special Presidential Committee which had been commissioned by the Eisenhower Administration to study the US Military Assistance Program (Draper Committee). In this document, which included extensive material authored by Brigadier-General Edward Landsdale, a wartime Office of Strategic Services (OSS) veteran and CIA counterinsurgency and psychological warfare specialist who helped shape America's post-war policy in Southeast Asia, it was recommended that America should help develop "higher level military schools" in the developing world, "with curricula to include national political and economic matters". The report asserted that if "the military is properly led, indoctrinated and motivated, the activities open to it are numerous". Armies could be used "for the furtherance of national objectives", and could "become an



Taiwan's President Chiang Kai-Shek opening the first conference of the World Anti-Communist League (WACL). Photo: Library of Congress

internal motor ... for socio-political transformation".¹

In the same year, Taiwan's Political Staff College was reorganised by Chiang Ching-kuo, now director of the General Political Warfare Department, in close collaboration with the CIA's station chief on Taiwan, former OSS officer in China, Ray Cline. The College began offering two-month training courses in psychological warfare and interrogation techniques. For the next several decades, the College trained thousands of students from Southeast Asian and Latin American nations in unconventional warfare methods. Numerous graduates were later involved in US-backed anti-communist insurgencies, regime-change operations, and in the notorious Latin American death squads. One graduate of the program admitted that: "We were taught to defeat communism, we had to be cruel; you have to be as cruel as the enemy".

Cline, who had a close personal relationship with Ching-kuo, arranged for American military personnel stationed on Taiwan under MAAG to teach at the College. After finishing his service on Taiwan in 1963, Cline was promoted to the CIA's Deputy Director for Intelligence and was later appointed head of the US State Department's Bureau of Intelligence and Research. Cline remained an ardent supporter and advocate of Taiwan and served as an unofficial communication channel between Taiwan and the US government.

World Anti-Communist League

After the Kuomintang's defeat by the CPC in 1949, remnant KMT armies were driven out of China into neighbouring Burma. There, the KMT forces proceeded to monopolise the local opium trade, eventually becoming a major supplier to the international drug market. Under the auspices of "Operation Paper", the CIA assisted the KMT remnant armies' attempts to invade Southern China, and provided extensive logistical support for the KMT's drug smuggling operations.

In 1950, General Li Mi, the commander of the KMT troops in Burma, and Professor Ting Tsuo-shou, the troop's civilian advisor who was an intimate of Chiang Kai-shek, proposed a wider alliance of anti-communist groups. In 1954, KMT leader Chiang Kai-shek fulfilled this vision, co-founding the

1. "Training Under the Mutual Security Program (with emphasis on development of leaders). May 15, 1959"; reprinted in *The Secret Team: The CIA and Its Allies in Control of the United States and the World*, authored by US Colonel L. Fletcher Prouty. Prouty, who later served as Chief of Special Operations for the Joint Chiefs of Staff under the Kennedy Administration, witnessed these events in his role as Focal Point Officer liaising between the US Department of Defence and the CIA.

Asian Peoples' Anti-Communist League (APACL) with the government of South Korea, which aimed to unite worldwide right-wing groups against communism. APACL's chairmanship rotated between member countries, but a senior military leader and political official of the Kuomintang Party, Ku Cheng-kang, retained the role of Honorary Chairman from the organisation's inception until his death in 1993. APACL, and anti-communism in general, served as a convenient cover for the KMT's organised political warfare system, which included various international organisations and front groups, and extended influence over overseas Chinese communities.

Although the US government was not overtly involved in APACL, APACL's anti-communist aims reflected US foreign policy objectives at the time. It is unlikely that Taiwan and South Korea, both dependent upon US support, would undertake such a project without US approval. Former intelligence officials have suggested that funding for the project came from the CIA or US Embassy Counterpart Funds in Taiwan. In 1954, a former OSS official in China, CIA officer Howard Hunt, organised a Latin American affiliate of the APACL in Mexico, in his role as propaganda chief of the CIA's operation to overthrow the Abenz Government of Guatemala, which the USA claimed was communist-influenced. The Abenz Government had instituted land reforms which threatened the business interests of a powerful American corporation, the United Fruit Company, which was the largest landowner in Guatemala.

Taiwanese and South Korean intelligence agencies, which maintained close relations with the CIA, were involved with APACL from its founding. Founding members of APACL also included organised crime figures and war criminals from Japan, who contributed significant funding. Prominent members included the powerful South Korean Unification Church, led by the right-wing Reverend Sun Myung Moon, which was closely associated with South Korean intelligence agencies.

In 1967, key figures of the American China Lobby² spearheaded APACL's amalgamation with the CIA and MI6-backed Anti-Bolshevik Bloc of Nations, a European anti-communist organisation for emigré activists, some with Nazi ties, to form the World Anti-Communist League (WACL), an international umbrella organisation for anti-communist groups which was founded in Taipei, Taiwan. APACL became a regional Asian affiliate of WACL. Chiang Kai-shek opened the first conference of WACL, which he said symbolised "the grand mustering of all humankind under an anti-Communist banner". KMT official Ku Cheng-kang continued as Honorary Chairman of the new successor organisation, and Taiwan and South Korea retained significant power over WACL.

WACL's more respectable members included government officials, religious leaders and prominent American conservatives, who were united under a common anti-communist banner. However, League members also included notorious fascists, assassins, terrorist groups, Nazis and Nazi collaborators, and war criminals. Also closely involved were leaders of the Latin American "death squads", paramilitary groups which carried out extra-judicial killings and kidnappings as a tool of political repression and as a counter-insurgency strategy, often with sanction of their governments and the support of the United States. WACL members of these Latin American regimes, who were often government officials, used WACL as a vehicle to coordinate their activities and share information.

The authors of *Inside the League: The Shocking Exposé*

of How Terrorists, Nazis, and Latin American Death Squads Have Infiltrated the World Anti-Communist League, which was written after a two-year on-the-ground investigation into the WACL's activities, described WACL as an "international fraternity of the practitioners of unconventional war ... an instrument for the practice of unconventional warfare—assassinations; death squads; sabotage—throughout the world". Through WACL, which "gave a common front to the most brutal and deadly extremists", unconventional warfare techniques were "carefully tutored".

As most nations switched diplomatic recognition from Taiwan to the People's Republic of China (PRC) in the early 1970s, WACL became a foreign policy conduit for the KMT, which now had few allies except the South and Central American right-wing dictatorships. As experts in unconventional warfare, Taiwan was able to selectively offer their political warfare training program to gain influence over Latin American paramilitary groups which later seized power, typically recruiting students through WACL meetings and paying all their expenses. Through WACL, Taiwan trained the police, military and intelligence forces of Latin American governments in interrogation, counter-terror tactics, and unconventional warfare methods at Taiwan's Political Staff College (renamed the Political Warfare Cadres Academy in 1970). *Inside the League* observes that this "created a continental fraternity of thousands of high-ranking officers who [were] united by their anti-communist convictions and the Kuomintang-taught creed, "you have to be as cruel as the enemy" to win.

In 1972, a regional chapter of WACL, the Latin American Anti-communist Confederation (CAL) was organised by Taiwan's Political Warfare Department. CAL became an umbrella organisation for some of the most notorious terrorists, murderers and drug traffickers in Latin America, and supported operations of various death squads throughout the region. Mario Sandoval Alarcon, the so-called "Godfather" of the Central American death squads, headed the Guatemalan chapter of WACL. Taiwan maintained close ties with Sandoval, who made numerous trips to the island. Both Sandoval and his officers received training at the Academy, with all expenses paid by Taiwan. Over time, WACL's influence expanded, and by 1979 the organisation boasted regional chapters in over 90 countries.

Drug trafficking and unconventional warfare

After World War II, covert operatives formerly employed within the OSS were recruited to a successor organisation, the CIA. After 1955, covert operations were governed by US President Dwight Eisenhower's National Security Directive NSC-5412/2, which specifically directed clandestine activities toward agitating against the Soviet Union and Communist China. Covert operations were to be targeted at furthering anti-communist objectives, including directives to "develop underground resistance and facilitate covert and guerrilla operations" in communist-controlled areas.

Numerous OSS officials who had served alongside one another in China during WWII went on to be involved in overlapping covert operations in Southeast Asia for the next several decades, culminating in the covert support of anti-communist insurgencies in Latin America, which was exposed in the Iran-Contra scandal of the 1980s. Throughout these clandestine warfare operations, there was a continuity of collaboration with anti-communist groups and regimes, including the Kuomintang and WACL, and international drug trafficking.

After WWII, the former OSS Chief of Special Intelligence in China's Yunnan province, Paul Helliwell, co-organised the CIA's refinancing and partial takeover of a private Chinese

2. Peter Dale Scott, 'Private War Enterprise in Asia: Air America, the Brook Club and the Kuomintang', *Ramparts*, Sept. 1970, (reprinted at americanexception.com)

airline, Civil Air Transport, which was supported by KMT financial interests. Later, the airline's assets were ostensibly separated, into "CAT Inc" (renamed Air America in 1959), which was partially owned by the CIA through various front companies; "Civil Air Transport", the KMT's civilian airline; and ground-support facilities which operated under Air Asia, a subsidiary of Air America. However, in practice the entities operated interchangeably. CAT (Air America) was heavily utilised for the CIA's covert warfare operations in mainland China, Indonesia, Laos, Vietnam, Tibet, Burma and Cambodia.

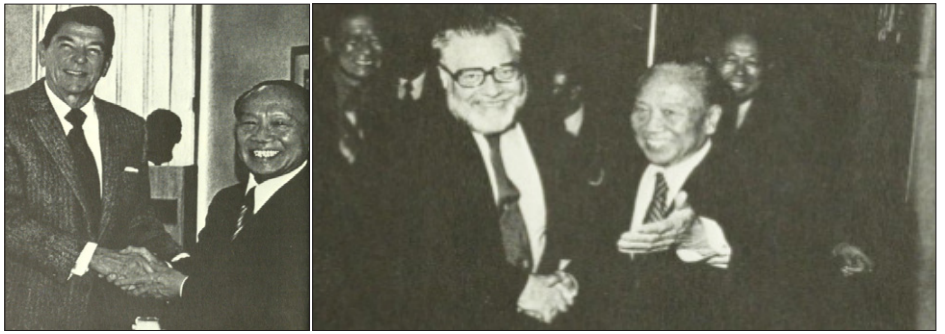
Under its subsidiary Air Asia, Air America operated the largest aircraft maintenance and repair facility in the Pacific, which was stationed on Taiwan. In 1975 Air Asia was ostensibly sold to a company called E-Systems, which included CIA and other intelligence officials on its board and primarily contracted with US government defence and intelligence agencies. E-Systems had a revolving staff door with the CIA and evidently remained involved in covert activities.³

A recurring theme in the CIA's covert operations in Southeast Asia, and later in Latin America, was the importance of the international drug trade. Since the 1920s, Chiang Kai-shek's government had used the proceeds from drug trafficking to finance the KMT's military and intelligence operations. Although the USA had been aware of the KMT's involvement in international drug trafficking since the 1930s, the US Federal Bureau of Narcotics protected the KMT, blaming Communist China for flooding the international markets with opium. The CIA's "guns in drugs out" (GIDO) method of support for the KMT's drug trafficking in Burma became a model for the agency's future operations in Laos, Vietnam and Latin America.

APACL and its successor, WACL, were also apparently involved in drug trafficking operations. In 1961, an unlisted CAT plane carrying weapons for the KMT was shot down over Thailand, the destination of the KMT's opium shipments, by the Burmese military. Fang Chih, a senior KMT official and APACL member, admitted responsibility for the plane on behalf of the Free China Relief Agency, of which Fang was the secretary-general. This organisation shared an office address with APACL and was founded by APACL leader, Ku Cheng-kang. There were frequent reports that members of APACL's successor organisation, WACL, were involved in drug trafficking. In 1971, French customs officials seized sixty kilograms of heroin (worth around US\$99 million in today's terms) from the luggage of WACL's Laotian delegate. The participants of WACL's Latin American chapter, CAL, were heavily involved in international drug trafficking.

After the Kuomintang's remnant armies were driven out of Burma in a joint military operation conducted by Burma and the People's Republic of China (PRC) in 1961, the CIA swiftly repurposed the displaced KMT forces as mercenaries for the CIA's secret war in Laos. In Laos, the CIA was actively involved in the international drug trade, collaborating with Laotian allies to traffic opium using CAT/Air America planes.

A key figure in America's clandestine operations in Southeast Asia was John Singlaub, a former OSS officer who had trained KMT guerrillas to fight against Japanese forces during WWII, and served as deputy CIA station chief in South Ko-



Honorary Chairman of WACL Ku Cheng-kang meeting Ronald Reagan (left) and CIA officer Ray Cline (right). Photo: Library of Congress

rea during the Korean War (1950-53). In 1966-68 Singlaub headed the Military Assistance Command, Vietnam—Studies and Observations Group, which conducted unconventional warfare operations in Cambodia, Laos, North Vietnam, and Thailand. In this role, Singlaub commanded the Phoenix Program, the CIA's counter-insurgency program which was waged against suspected communists. The Phoenix Program utilised torture and kidnapping to carry out its objectives, and tens of thousands of people were assassinated. Singlaub himself remained a firm advocate of unconventional warfare.

Several years earlier, Chiang Ching-kuo had channeled funding to help bring the new South Vietnamese military junta headed by General Nguyen Van Thieu to power, and facilitated connections between the CIA and Thieu. Thieu regularly extended warm messages to WACL's annual conferences. Taiwan also supplied several hundred military and paramilitary covert operatives to support America during the Vietnam War (1955-75), which constituted the third largest foreign contingent of clandestine forces. Civil Air Transport, the Taiwanese civil airline which was affiliated with CAT, flew supplies into Vietnam, and according to Singlaub's own account in his 1991 book, *Hazardous Duty: an American Soldier in the Twentieth Century*, Taiwanese air force pilots regularly flew on rotation to Vietnam, in planes stripped of all identifying American markings.

Reagan and WACL

In 1977, US President Jimmy Carter fired Singlaub, then a decorated general, from his position as the US Military's Chief of Staff in South Korea, after Singlaub publicly undermined Carter's decision to withdraw American troops from South Korea. Shortly thereafter, the public relations firm Deaver & Hannaford arranged for their longtime client, former California Governor Ronald Reagan, to deliver a staunch defence of Singlaub and his views in one of Reagan's regular radio broadcasts. Deaver & Hannaford was established in 1974 as part of Reagan's long-term strategy to run for President. Its co-founders, Michael Deaver and Peter Hannaford, were former top aides to Reagan during his term as Governor of California (in office 1967-75).

In addition to representing Reagan, Deaver and Hannaford were also registered foreign lobbyists for the Kuomintang. From 1977, the Taiwanese government kept Deaver & Hannaford on a US\$60,000-per year retainer (around US\$300,000 in today's terms). During Reagan's Presidential election campaign, he was a strong critic of normalising US-China relations (which had only been finalised the year prior), and controversially advocated that America should restore official relations with Taiwan.

In addition to Taiwan, Deaver & Hannaford represented the government of South Korea. Other major clients included controversial pressure groups from Guatemala and Argentina, who hired the PR firm to counter their country's im-

3. John Mintz, "The secret's out: covert E-Systems Inc covets commercial sales", *Washington Post*, 24 Oct. 1994.

age as human rights violators. All of these nations were key participants in WACL and primary supporters of the Nicaraguan contras—anti-communist paramilitary rebel groups which were backed by the Reagan Administration. Reagan's election campaign was also backed by WACL affiliate and supporter of the contras, the South Korean intelligence-connected Reverend Sun Myung Moon. In turn, Reagan publicly endorsed "Moonie" publications and received leaders of the Moonie empire into the White House.

After Singlaub was fired by Carter, he began a series of coordinated visits to Central America, accompanied by prominent American supporters of the contras. Singlaub's 1979 and 1980 visits to meet Guatemalan officials were sponsored by the American Security Council, a lobbying firm for the military industrial complex. During these visits, Singlaub purported to speak for Reagan, promising support to Guatemala. Around the same time, Ray Cline, who served with Singlaub in the OSS in China, was a prestigious attendee at WACL's 1979 conference.

Soon after Reagan was elected President in November 1980, Singlaub was invited to address a conference of WACL regional affiliate, APACL, in Australia. According to Singlaub's own account, which is documented in his book, *Hazardous duty*, he assured attendees that "Non-Communist governments in South Asia that had felt abandoned by the Americans following the Afghan invasion could expect new alliances and economic and military assistance from the United States." The new Reagan Administration "would not punish its allies with overly rigid human rights requirements". Singlaub correctly foresaw closer relations between America and WACL member countries, and suggested that he would be of assistance in this matter, even though he was not a part of the new Reagan Administration.

Reagan and the contras

Reagan's 1980 election campaign, which was advised and organised by Deaver & Hannaford, received unprecedented support and involvement from intelligence-connected individuals, including Ray Cline, who served as Reagan's senior foreign policy advisor. Singlaub was involved in incorporating Reagan's "peace-through-strength" foreign policy into the Republican Party's national platform.

The Reagan Administration's (1981-88) policy of supporting foreign anti-communist insurgent groups, utilising them as proxy armies to counter the influence of the Soviet Union, became known as the "Reagan Doctrine". The most prominent of these groups were the contras, various US-backed anti-communist rebel and paramilitary groups, primarily Nicaraguan but with a base in other Central and South American countries. The contras opposed Nicaragua's socialist Sandinista government, which overthrew the incumbent US-backed dictatorial Somoza regime in 1979. The contras, which were effectively a US proxy army, were trained, guided and funded by the CIA. They deliberately employed terrorist tactics and committed mass human rights violations.

Less than a week after a secret 16 November 1981 meeting of the US National Security Council, in which Reagan approved the CIA's proposal for covert operations against Nicaragua, Singlaub founded a new US chapter of the WACL, called the United States Council for World Freedom (US-CWF), with a US\$20,000 loan (around \$68,000 in today's terms) from Chiang Ching-kuo, now President of Taiwan. USCWF's leadership included high-ranking former American military and intelligence officers.

In 1984, Congress banned all US government aid to the contras after it was revealed that the CIA had directly collab-



US unconventional warfare expert John Singlaub (centre) addressing contras at a camp in Honduras; Taiwan provided training for America's unconventional warfare operations in Latin America. Photo: Inside the League

orated with the rebel groups to mine Nicaraguan ports. However, the Reagan Administration illegally maintained funding of the contras through the secret "Project Democracy" networks. Project Democracy was a covert operation involving a network of military and intelligence officials which operated out of the US National Security Council. Numerous key participants of Project Democracy were veterans of the CIA's covert operations in Southeast Asia.

WACL steps in

After Congress halted US government aid to the contras in 1984, WACL, now chaired by John Singlaub, became the primary funding vehicle for the contras. Through WACL, Singlaub solicited funds from private sources, both domestic and foreign; these fundraising activities had the blessing and guidance of the Reagan White House. Singlaub, who exercised personal influence over the National Security Council through high-profile contacts in the agency, reported directly to NSC aide Colonel Oliver North, who was the point man for the Project Democracy operation and served as Singlaub's liaison to the White House. Singlaub's American chapter of WACL, USCWF, also received substantial assistance from the Pentagon to coordinate its efforts to send non-military aid to the contras.⁴

The activities of Singlaub and Ray Cline, who also served as an advisor to Singlaub during this period through Cline's private consultancy firm, suggest that WACL's central role in facilitating funding for the contras was planned in advance, likely with the involvement of WACL member countries, and had the approval of the Reagan campaign before Reagan's November 1980 election. There are questions over the potential influence of Michael Deaver, co-founder of Reagan's public relations firm, Deaver & Hannaford, which also represented Taiwan and other primary backers of the contras. Deaver was appointed Deputy Chief of Staff in the Reagan White House.

The Taiwanese and South Korean chapters of WACL raised \$50,000 per month (around \$150,000 in today's terms) for the contras. The American chapter, Singlaub's USCWF, brought in around \$500,000 per month (around \$1.5 million today). Singlaub used offshore bank accounts to circumvent prohibitions on funding foreign weapons procurement from inside the USA. Singlaub also solicited funds from various foreign governments, including Taiwan, which contributed \$2 million (around \$6 million today). Singlaub, who had served as deputy CIA station chief in South Korea during the early 1950s, also collaborated with CAUSA, the political arm of the Reverend Moon's South Korean Unification Church, to

4. Fred Hiatt, "Private Groups Press 'Contra' Aid", *Washington Post*, 10 Dec.1984.

send supplies to the contras. CAUSA was closely involved with WACL's notorious Latin American chapter, CAL.

Under USCWF, Singlaub also operated a private American training academy for Nicaraguan contras and Salvadoran police forces which was based in Colorado. Students were to be instructed by specialists in intelligence gathering and psychological operations. An expert in paramilitary operations and unconventional warfare, Singlaub regularly visited contra camps in Latin America to offer military advice, and as reported by the 3 May 1985 *Washington Post*, was "treated like royalty by resistance forces everywhere".

In 1985, Singlaub announced that WACL intended to expand its fundraising efforts to support insurgent movements in Afghanistan, Angola, Mozambique, Ethiopia, Vietnam, Laos and Cambodia. The 16 September 1985 *Los Angeles Times* described WACL's activities as "private-enterprise insurgency", and reported that WACL's planned expansion heralded "a new factor in Third World politics: a ready-made, fund-raising network for rightists". According to Singlaub, WACL's large Taiwanese and South Korean chapters already actively supported insurgent movements throughout Indochina. President Ronald Reagan was a firm supporter of WACL, and sent a personal message to the 1985 WACL conference: "I commend you all for your part in this noble cause ... Our combined efforts are moving the tide of history toward world freedom".

However, Singlaub's campaign lost momentum when the Iran-Contra scandal broke, exposing the machinations of the "Project Democracy" apparatus and the Reagan

Administration's secret arms sales to Iran, the proceeds of which were diverted to the Nicaraguan contras. Singlaub was indicted in 1986 and 1988 over his USCWF activities. However, Singlaub benefited despite the scandal through his role on the board of GeoMiliTech, a private company which supplied arms to the contras, which was advised by Ray Cline.

Just as the CIA's covert operations in Southeast Asia had involved collaboration with international drug trafficking, the contras also smuggled narcotics using the CIA's Southern Air Transport airline, which worked closely with Air America. The Reagan Administration was aware of the contras' trafficking activities, but did not intervene.

Next—Taiwan and the "Project Democracy" networks

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