

NATIONAL ARCHIVES AND RECORDS SERVICE
WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

1 of 5

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
	Agency: Justice		
#2 Cable	22 11 fm Hoover to Pres. S Exempt 1 p <i>Sanitized 9-6-91 NLS 91-332</i>	8/14/67	A
#3 Cable	21 06 fm Hoover to Pres. S Exempt 1 p <i>Sanitized 9-6-91 NLS 91-332</i>	9/5/67	A
#26a Memo	Ed Hamilton to the President re discussion with journalist 1 p	2/18/67	C
#30e Report	re Ramparts Magazine staff review 6/15/83 2 p <i>open 7/3/13 [C] removed per Ro/sc] possible classified info</i>	undated	A + C
#30f Report	duplicates #30e 2 p <i>open 7/3/13 [C] removed per Ro/sc]</i>	undated	A + C

FILE LOCATION

NSF Subject File
Ramparts--NSA--CIA

RESTRICTION CODES

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NATIONAL ARCHIVES AND RECORDS SERVICE
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2 of 5

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
	Agency: WH/CIA		
#4 Memo	Rostow to Pres. <i>agen 10-10-79 inf</i>	4/19/67	A
	<i>"</i>		
#15 Memo	Wriggins to Rostow	3/10/67	A
	<i>"</i>		
#18 Memo	Wriggins (dup. #15 above)	3/10/67	A
	<i>"</i>		
#36 Memo	Rostow to Pres.	2/14/67	A

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3 of 5

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
	78-494		
	CIA 3-26-79		
	Agency: CIA		
#4a Memo	exempt NL 591-330 exempt NLT 007-044-2 (11/01) S Exempt 2 p	4/19/67	A
#17a Ltr.	exempt NL 591-330 exempt NLT 007-044-2 (11/01) S Exempt 1 p	3/27/67	A
#30b Report	possible classified info open 7/3/13 [C removed per TH/CA]	1 p	undated
#30e Report	duplicates #30b open 7/3/13 [C removed per TH/CA]	1 p	undated

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4 of 5

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#8a Cable	<p>Agency: NSA</p> <p>DIRNSA to Pres. TS</p> <p>Exempt 8-4-93 NLS 92-303</p> <p>Exempt per NSA 2 p</p>	<p>2/28/67</p>	<p>6-20-78</p> <p>A</p>

FILE LOCATION

NSF Subject File
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NATIONAL ARCHIVES AND RECORDS SERVICE
WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

5 of 5

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
	Agency: State Department		
#1 Memo	Read to Christian, trans. att'd memo C 1 p	2/15/67	A
	<i>open 3-30-81 inf</i>		
#1a Memo	Rosenthal to Christian C 2 p	2/15/67	A
	<i>open 3-30-81 inf</i>		
#9a Memo	Katzenbach to Pres. S 2 p	2/13/67	A
	<i>open 3-30-81 inf</i>		
#12 Memo	Katzenbach to Pres. S 2 p	3/17/67	A
	<i>open 3-30-81 inf</i>		
#16 Cable	State 158827 C 2 p	3/21/67	A
	<i>same sanitization 11-15-91 NLJ 91-331</i>		
	<i>same semi NLJ 007-044-2 (11/01)</i>		
#21 Cable	State 140124 C 3 p	2/17/67	A
	<i>open 3-30-81 inf</i>		
#25 Memo	Read to Rostow, trans. att'd memo C 1 p	2/15/67	A
	<i>open 3-30-81 inf</i>		
#25a Memo	Rosenthal (dup. #1a above) C 2 p	2/15/67	A
	"		
#30a Memo	Denney to UnSec C 1 p	2/15/67	A
	"		
#30d Memo	Denney (dup. #30a above) C 1 p	2/15/67	A
	"		
#31 Cable	State 138199 C 6 p	2/15/67	A
	"		
#32 Cable	State 138196 C 3 p	2/15/67	A
	"		
#35 Memo	Rosenthal (dup. #1a above) C 2 p	2/15/67	A
	"		
#38a Memo	Katzenbach (dup. #9a above) S 2 p	2/13/67	A
	"		

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~~CONFIDENTIAL~~
CLASSIFICATION
DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

February 15, 1967

DATE

FOR: ~~Mr. Walter W. Rosten~~ Mr. Christian
The White House

FROM: Benjamin H. Read
Executive Secretary

For your information and files.

DECLASSIFIED

Authority State 8-9-78, CIA 3-9-81, NSC
10-24-79
By inf, NARS, Date 3-20-81

Enclosures:

S/S 2814

~~CONFIDENTIAL~~

CLASSIFICATION



1a

SPECIAL ASSISTANT TO THE UNDER SECRETARY OF STATE
WASHINGTON

S/S - 2814

~~CONFIDENTIAL~~
EXDIS

February 15, 1967

MEMORANDUM FOR MR. GEORGE CHRISTIAN
THE WHITE HOUSE

Subject: CIA-NSA Flap

Here is the general press line the Acting Secretary has approved concerning this matter:

1. We will discuss it only in response to official, responsible statements made by groups who have in fact received governmental financial support--and maybe not even then, depending on facts.

In other words, we will volunteer nothing. We will not respond to newspaper allegations. We will not respond to statements made by individual members of such groups.

2. No federal agency, whatever ties it has had to these groups, will attempt in any way to influence these groups either to issue or not issue statements, or to influence the content of such statements. The only exception would be if groups ask for advice. The underlying rationale is that even the risk of such attempted influence resulting in sensationalized exposure would vastly overbalance any possible benefit.

3. If and when groups which have received governmental funds do make statements, we will make case-by-case determinations of what we will say, probably drawing on the line used yesterday in response to the NSA statement, for tone and approach.

4. In the meantime, we will cable all diplomatic posts instructing them to refer questions to Washington; to advise us of NSA grantees who might be targets of official or public hostility; and to give the posts as much background as we can assemble quickly on legitimate, overt, federal assistance to student programs.

DECLASSIFIED

Authority State 8-9-78, FIA 3-9-81, NSC 10-24-79 ~~CONFIDENTIAL EXDIS~~
By if, NARS, Date 3-20-81

~~CONFIDENTIAL-EXDIS~~

-2-

5. What we plan to tell reporters who inquire here as the result of your referral to Mr. Katzenbach this morning is:

Mr. Katzenbach is undertaking an immediate and full survey and study of the problems involved in this matter, in an effort both to clarify the present situation and to suggest sensible future courses of action.

We would then seek to deflect any questions on the ground that it is impossible to answer them sensibly until the study is complete--and that there is no immediate way of knowing the length of time that would take.



Jack Rosenthal

~~CONFIDENTIAL-EXDIS~~

SANITIZED

11 2

~~SECRET NOFORN~~

cy WATSON

GP

S

6:09 PM 8-14-67 FBC

PRIORITY

TO THE PRESIDENT 01

TO SECRETARY OF STATE 01

TO DIRECTOR CENTRAL INTELLIGENCE AGENCY 02

FROM DIRECTOR, FBI

RECEIVED
WHCA

1967 AUG 14 22 11

~~SECRET~~ - NO FOREIGN DISSEMINATION

TASS NEWS AGENCY, INTERNAL SECURITY - RUSSIA.

A CONFIDENTIAL SOURCE WHO HAS FURNISHED RELIABLE
INFORMATION IN THE PAST MADE AVAILABLE THE FOLLOWING ON
AUGUST FOURTEEN ONE NINE SIX SEVEN.

GP-1

~~SECRET NOFORN~~

SANITIZED

E.O. 12356, Sec. 3.4

NIJ 91-332

By sig, NARA, Date 8-29-91

SANITIZED

#3

ay Watson

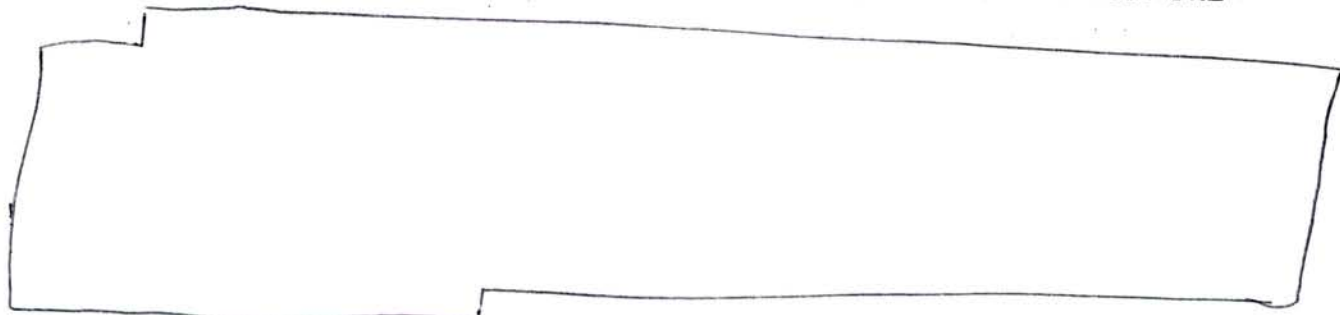
500PM 9-5-67 RAX
PRIORITY
TO THE PRESIDENT 003
TO SECRETARY OF STATE 003
TO DIRECTOR, CIA 003
FROM DIRECTOR, FBI

~~SECRET NOFORN~~

~~(SECRET/NO FOREIGN DISSEMINATION)~~ RECEIVED
RUSSIA. WHCA TASS NEWS AGENCY, INTERNAL SECURITY-

ON SEPTEMBER FOUR, LAST, A CONFIDENTIAL SOURCE WHO HAS
FURNISHED RELIABLE INFORMATION IN THE PAST MADE AVAILABLE THE
FOLLOWING.

1967 SEP 5 21 06



END PAGE ONE

PAGE TWO

THE NATIONAL CONFERENCE FOR NEW POLITICS WAS HELD IN
CHICAGO, ILLINOIS, AUGUST THREE ONE THROUGH SEPTEMBER FOUR,
ONE NINE SIX SEVEN, FOR THE PURPOSE OF ESTABLISHING A COALITION
OF ORGANIZATIONS REPRESENTING BLACK POWER, ANTIWAR AND CAMPUS
LEFT-WING MOVEMENTS. THE COMMUNIST PARTY AND OTHER SUBVERSIVE
GROUPS EXHIBITED CONSIDERABLE INTEREST IN THE CONFERENCE.
THIS INFORMATION FURNISHED TO THE ATTORNEY GENERAL.

GP-1
END

SANITIZED

E.O. 12356, Sec. 3.4

NIJ 91-332

By inf, NARA. Date 8-29-91

~~SECRET NOFORN~~

Rec'd
4-19-67

19
THE WHITE HOUSE
WASHINGTON

4

~~SECRET~~

Wednesday, April 19, 1967
2:00 p.m.

[Handwritten signature]

Mr. President:

I assume you know of the
forthcoming Braden article on the
CIA in the Saturday Evening Post.

Here is the story from Dick
Helms.

W. Rostow
W. Rostow

~~SECRET~~

DECLASSIFIED

Authority

CIA letter APR 2 1979

By *inf*, NARS, Date 10-10-79

INR-5

AIRGRAM

POL 13-2 US
XR POL 23-1 US
5
FILE DESIGNATION

Original to be Filed in _____ Decentralized Files.

CA- 7929.

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NO.

HANDLING INDICATOR

TO : ALL AMERICAN DIPLOMATIC POSTS
USUN, USMISSION GENEVA, AMCONSULGEN HONG KONG

ed-MT

FROM : DEPARTMENT OF STATE

DATE: Mar 14 12 02 PM '67

SUBJECT: Soviet Propaganda Treatment of CIA Funding Disclosures

REF :

Since the mid-February disclosures of CIA involvement in US student and other private organizations, the Soviet Union has made extensive use of US and foreign press reports in a stepped-up propaganda campaign against US policies and programs throughout the world. The following summary of the propaganda treatment applied to the disclosures is sent for the information of the Posts.

The Soviets have dredged up old charges against US foreign operations and, dressing them up with current citations from the world press, have added zest with details on "espionage" and "intelligence agents." Few new propaganda lines have emerged.

After the first flurry of attacks following the original disclosures, the propaganda flow from the East European communist countries seems to have subsided to the status quo ante, but Soviet propaganda on CIA, particularly in the third world, continues to be heavy.

The Soviets have given little play to the President's announcement regarding termination of covert assistance to American educational or private voluntary organizations, but have argued in brief that the President did approve these activities and that the report of the review committee calls only for a change of style, not of substance. Pravda and Izvestiya commentators said that now, instead of many separate channels for the subsidies, a single "government-private mechanism" would be established to carry out the same CIA activities abroad.

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☐ In ☒ Out

Drafted by: INR/RSB:WLuers

Drafting Date: 4/12/67

Contents and Classification Approved by: INR/DDC - William McAfee

Clearances: (All in draft)

USIA:JSlogom FE:HRobinson
INR:DSMacdonald

EUR:ELampson

ARA:RCross

AF:KCrowell

NEA:PBeggs

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2

Attempts to Discredit American Private Organizations

Soviet propaganda in recent weeks has made heavy use of American press disclosures to discredit American non-governmental organizations working abroad. Many of the organizations attacked had been identified in the American press as recipients of CIA funds, but Soviet charges have extended to additional American organizations that were not named in the US press. An unusual and strong attack in Pravda was directed against the American Inter-University Committee on Travel Grants, a committee made up of more than forty leading American universities, which conducts educational exchanges with the Soviet Union; complicity with CIA was charged. Westinghouse Electric Corporation and General Electric were accused of "sheltering" CIA agents who travel to the USSR, and the Ford and Rockefeller Foundations also were attacked.

Soviet broadcasts to Africa and Latin America have placed particular emphasis on the alleged connections of the AFL-CIO and IOFTU with CIA. Frequent barbs also have been directed at the American Newspaper Guild, the Inter-American Federation of Journalists, and a number of other international trade union organizations working in Africa and Latin America.

In the Middle East and Asia, Soviet propaganda has placed particular stress on the alleged collusion of CIA with the American Friends of the Middle East and the Asia Foundation, charging attempts to subvert governments and "perpetuate US oil monopolies." The American University in Beirut also has come under attack as a center of CIA activities.

In Africa, Africanists from the US in general are accused in Soviet broadcasts as being agents of CIA. The African-American Institute and the American Society for African Culture have been named frequently as CIA fronts.

Charges Against Other USG Agencies

The Soviets have used the disclosures not only to vilify private American organizations other than those named in the US press, but to intensify their campaign against various US Government agencies that operate abroad.

The Peace Corps, long an object of Soviet attack, became a major target in Soviet broadcasts to the developing countries in the wake of the disclosures. Soviet propagandists have charged that CIA is using the Peace Corps "to crush democracy in the emerging nations." Soviet broadcasters have claimed that Peace Corps Volunteers are recruited from among US student organizations "which are totally controlled by CIA," and that "most" or "70 per cent" of Peace Corps Volunteers are in the pay of the US intelligence agency.

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3

The U.S. Information Agency is charged with being largely a front for CIA efforts to penetrate, subvert, and propagandize foreign nations. In Soviet domestic propaganda the attacks on the Voice of America, on information programs and US exhibit guides are particularly strong, reflecting the special and persistent Soviet official sensitivity to the cumulative effects on the Soviet citizenry of the cultural exchange program and foreign broadcasts.

To a lesser degree, AID has been attacked, as well; and American diplomats abroad are indiscriminately described as covers for CIA activities.

Soviet media gave prominent treatment to an article in the New York Times of February 15 in which James Reston named several USG officials who are former NSA officers and indicated that they had been privy to the NSA-CIA financial arrangements. However, the Soviets gave no play to Reston's subsequent retraction (Times of March 7), in which he stated his regret that he had included in this list the American Ambassador to Chile, Ralph A. Dungan, and Robert S. Smith, Special Assistant to the AID Director. "This was inaccurate," Reston wrote. "Both men were NSA officials, not during CIA's connection with NSA, but before the intelligence agency provided any funds for NSA."

The Soviets have tended to portray CIA not so much as the instrument but as the motive force of American activity abroad.

A recent Pravda editorial commented that "it has become particularly clear that in the course of its twenty-year existence CIA has actually become an all-powerful institution which finds it possible to circumvent the US President, ignore the Congress, and place itself above juridical authorities." This description fits conveniently into the "ruling circles" theme of Soviet propaganda, which argues that CIA "is directly and most closely connected with the leaders of a number of the biggest US monopolies."

Youth Organizations

The U.S. National Student Association (NSA) and the International Student Conference (ISC) have been the chief targets of Soviet propaganda. Other youth and student organizations, including the World Assembly of Youth (WAY), have come under attack, as well.

The Soviets and their international youth fronts (International Union of Students and World Federation of Democratic Youth) have used the CIA disclosures to attack the leadership of the democratic youth organizations (ISC and WAY) for their "corruption" by CIA. But the Soviets appear somewhat ambivalent in their aims concerning these organizations.

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4

The Soviet line holds that there are still progressive elements within the non-communist youth organizations who were only unwitting accomplices. These people should not be condemned wholesale along with their principals, the line goes -- presumably in the hope that it will be possible to encourage a trend toward future cooperation with Soviet-sponsored organizations.

The continuation of the ISC as a weakened, more pliable competitor, without a major US involvement, would seem to be in the Soviet interest. In Europe particularly, the encouragement of IUS-ISC cooperation fits neatly into the Soviet effort to press for a broad united front in the political arena. In Africa and Latin America, the affiliation of some national student organizations with both the IUS and ISC provides a buffer against the splitting efforts of the most militant Chinese and Cubans who have been pressing for a radicalization of youth activities in the third world. Furthermore, the Soviet sponsors of the IUS and WFDY would be reluctant to have their control of these organizations diluted by an influx of defectors from the ISC and WAF.

Soviet Domestic Use of CIA Disclosures

Soviet propaganda on CIA has been most voluminous abroad. However, at home, spot reporting of the specific disclosures has been supplemented by a few lengthy articles designed basically to reinforce traditional regime appeals to the populace for vigilance toward Americans and American propaganda in the Soviet Union. The articles serve to place American students, guides, and officials under suspicion in the minds of Soviet citizens.

KATZENBACH, A. J. 1973

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MEMBERSHIP OF THE COMMITTEE APPOINTED BY PRESIDENT
JOHNSON TO REVIEW SECOND RECOMMENDATION OF THE
KATZENBACH REPORT:

"The Government should promptly develop and establish a public-private mechanism to provide public funds openly for overseas activities of organizations which are adjudged deserving, in the national interest, of public support."

Secretary of State Dean Rusk - Chairman
Attorney General Ramsey Clark
Budget Director Charles Schultze

Senator Carl Hayden of Arizona
Senator Richard B. Russell of Georgia
Senator J. W. Fulbright of Arkansas
Senator Milton R. Young of North Dakota
Representative George Mahon of Texas
Representative L. Mendel Rivers of South Carolina
Representative Thomas Morgan of Pennsylvania
Representative Frank Bow of Ohio

Dr. Milton S. Eisenhower - President, Johns Hopkins University,
Baltimore, Md.
Honorable Thomas S. Gates - President, Morgan Guaranty Trust Company
(former Secretary of Defense), New York, N. Y.
Dr. James H. McCrocklin - President, Southwest Texas State College,
San Marcos, Texas
Honorable Paul R. Porter - attorney, Arnold & Porter, Washington, D. C.
Dr. Frank A. Rose, President, University of Alabama, Tuscaloosa, Ala.
Honorable Henry S. Rowen - President, The Rand Corporation,
Santa Monica, California
Mr. Robert M. Travis - President-Elect of the Student Body, University of
North Carolina at Chapel Hill, (of Lyons, Georgia)
Dr. Herman B. Wells - Chairman of the Board, Education & World Affairs
(former Chancellor, Indiana University),
Bloomington, Indiana

7

THE WHITE HOUSE

WASHINGTON


April 4, 1967

MEMORANDUM FOR ~~MR. ROSTOW~~

~~MR. BROMLEY SMITH~~ S

SUBJECT: A Right Cross to Left Temple

The Right Wing unwinds here on Ramparts and raises a few questions about financing which remain unanswered. In view of Ramparts' dedication to smearing the Administration and the murky background of its sponsorship, one might think that some agency of the government would be pursuing the threads involved here.


Peter Jessup

Attachment



H. C. (Chad) McClellan, left, and Dr. William H. Reynolds tell a Los Angeles news conference that private enterprise efforts to combat Negro unemployment in Watts are meeting with success.

Through Private Effort

Reagan's Ambitious Plan To End Negro Unemployment

By VICTOR RIESEL

It is strange how little of Ronnie Reagan filters across the land in this Telstar era. He's typecast.

People passionately cheer him or jeer him without knowing him. Especially don't they know him outside the pale. The substance, like it or not, differs from the shadow.

On the West Coast some days ago, I heard someone ask the California governor why he is so much better in person than in the old films.

"Because I'm writing the script now," he retorted.

And he is. Inside the pale, for example, they may know of his relations with the Negro community. But not outside.

The governor told us that day that he is organizing to go into "every pocket of unemployment to see if we cannot remove from the welfare roles those who really want to work and are capable of providing for themselves. And I'm sure it will meet with success statewide."

But Reagan talked not of a public welfare operation. He's free enterprise all the way. He believes that with state backing the Negro communities of the nation—some call them ghettos—can be succored by the nation's commerce and industry.

I have heard him tell the story of a confrontation between Chad McClellan, a Los Angeles business executive, and a hundred young Negroes who admitted leading the grim Watts riots.

"McClellan appeared personally before that group of young men," said Reagan. "Everyone had a jail record—young men who admitted they had led in the riots but had turned around and organized themselves actually to curb disorder in the future. And this was a group of fellows who, if you sent them to Viet Nam, you would not have to send weapons. McClellan challenged them to take jobs. Of the 100 of them, 82 accepted the challenge.

"And today they are working in private enterprise jobs with records of no tardiness, no absenteeism. Some of them even are moving up with promotions."

Thus, the governor sees the business community—and not the federal govern-

ment—as the salvation of the Negro community—from Watts to Harlem.

As Reagan talked, his tone hit an evangelical note—a blend of morality and statistics.

"Actually," the governor told his listeners, "in the curfew area of Los Angeles in 16 months, McClellan's effort put 17,500 unemployed into private enterprise jobs.

"More than two-thirds of these newly employed still remain in those jobs," he said. "Half of the third which left simply moved on to better paying employment."

The governor, with his penchant for anecdote, told another story.

"They put to work so many people of the Watts district that recently when they went into the area to try and find 30 qualified bus drivers they could not find a single unemployed man qualified to take this job.

"There still remains for the rest of us a great human job of salvage in the other less than 50 per cent of the unemployed [in Watts]. But we are moving on from there because this Chad McClellan has taken an assignment in state government at no cost to the taxpayers. He will mobilize on a statewide basis the same kind of program in private industry all over the state."

Reagan hit this like the old trade unionist he once was—with organizational skill.

Whether or not this is part of the big coast-to-coast push—again from Harlem to Watts—by the National Republican Committee for a rapprochement with the nation's Negroes—the fact is that Reagan has a deep faith in it. It could succeed—from Watts to Baltimore, via Cleveland. It could cool the summer. It could spawn new political coalitions.

It could give Ronald Reagan in 1968 a more realistic image across the land than that which his angry critics have hung on him as a campus cut-up and the silver screen's man in the white hat.

Reagan is now writing his own script.

(Copyright 1967, Hall Syndicate, Inc.)

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The Inside Story of 'Ramparts' Magazine

An exclusive report on the men who have made Ramparts

the most talked-about publication on the Left

By M. M. MORTON

Just moments away from San Francisco's bustling Barbary Coast of old and the busy topless waitresses of today are the offices of *Ramparts* magazine, a slick-paper sensation-monger that has unique sources of news, a seemingly unceasing flow of funds and an impact on today's political world that makes even the President and Congress take notice.

Though its positions parallel the Communist line on Viet Nam, the FBI, the CIA and a host of other issues, the five-year-old publication has thrust itself onto the national scene in a massive way. Boasting of editors who have been high in the echelons of the Kennedy Administration, including McGeorge Bundy's hand-picked staff man on the super-secret National Security Council, *Ramparts* has rocked the country—and even the world—with sensational exposes tailored to its left-wing ideology.

The magazine stirred an international controversy just over a year ago when it ran the story of Master Sergeant Donald Duncan, a decorated Viet Nam hero who denounced America's role in that far-off Asian land. Still later, it received national publicity by detailing Michigan State University's links with the Central Intelligence Agency.

Its most stunning triumph to date, of course, has been the amazing story of how the Central Intelligence Agency, through an intricate maze of foundations, secretly funded the left-wing National Student Association for 15 years.

While this massive subsidy was sheer folly in view of NSA's radical positions, *Ramparts'* purpose was to discredit the entire activities of the CIA, whose anti-Communist successes in Indonesia, Brazil and British Guiana in recent years have manifestly upset the left. Moreover, *Ramparts* provided the leads for a profusion of newspaper stories revealing that CIA funds had been funnelled to a variety of groups, many with a legitimate anti-Communist purpose.

By unloading its bombshell, the magazine managed to blow the CIA's cover for a wide array of activities, and the hemorrhaging of national defense secrets is not yet over.

Nor has *Ramparts* any intention of slowing down. Though \$1.2 million in debt, its backers are putting out a weekly tabloid (*Sunday Ramparts*) and are trying to acquire an advertising agency, a book publishing house and an ultra-high frequency TV station to promote its virulently left-wing views.

Surfeited with journalistic success, *Ramparts* publishers, editors and writers seem to move with an extraordinary ease in and about the power centers of government. Contributing Editor Marcus Raskin, for example, once served on the National Security Council. Arthur Waskow, another contributing editor, worked for the Arms Control and Disarmament Agency and was a White House consultant on defense matters.

Managing Editor Robert Scheer, who recently met with representatives of the Viet Cong and has been an admirer of Fidel Castro, can just as easily meet with Sen. Robert F. Kennedy and his entourage in Bobby's U.N. Plaza apartment overlooking the East River in New York. In short, *Ramparts* has arrived.

Who runs *Ramparts* and where does it get its money? To find the answers

M. M. Morton is the pen name of an expert on internal security affairs.



MARK
RASKIN

to these questions has required a long digging operation and still not all the facts are known. Space permits only a truncated report of what was uncovered.

Ramparts' founder and publisher is Edward Keating, an intense liberal and Catholic convert who began his magazine back in 1962 as a "fiftieth" of literary comment with a Catholic slant. By 1964, with circulation peaking at 2,500, friends counseled him to turn it into a left-wing sideshow. Typical covers after that: Barry Goldwater as a rattlesnake, Ho Chi Minh crossing the Delaware.

Much of the pizzazz injected into the magazine since then has come from Editor Warren Hinckle III, 28. Chief resident ideologue is Robert Scheer, a bearded New Leftnik from New York with impeccable credentials of protest from Berkeley. He is chief architect of *Ramparts'* get-out-of-Viet Nam fixation.

Ramparts expressed its shock and dismay in expensive advertisements in the New York Times, Washington Post and San Francisco Chronicle, over CIA sleuthing, use of covers and channeling of funds through secret "conduits," but an appraisal of the record clearly shows that *Ramparts* is four-square for undercover operations, 100 per cent for secret funds and heartily endorses hidden conduits—so long as they mesh with Keating's oft-expressed anti-anti-Communism. No holds barred, in other words, except for the CIA, FBI, HCUA.

Chemical Research Exposed

The March expose of the CIA was written by Sol Stern, an under-30 news editor specializing in CIA affairs. This is not Stern's first article attacking CIA, nor, he promises, will it be his last.

A piece by Stern last year attacked the University of Pennsylvania because it offered students a course covering aspects of strategic intelligence and foreign policy in its broader intelligence setting. Stern attacked the private college for its support of the Foreign Policy Research Institute, the famous Cold War academy of scholars under the direction of Prof. Robert Strausz-Hupe which has produced such reasoned analyses of Communist intentions as *Protracted Conflict*, and the suggested American re-

sponse, *A Forward Strategy for America*.

What most upset Stern was the federally funded research on campus by chemists and biology experts which may have produced suggestions, for example, for the defoliation of Vietnamese jungle areas to prevent their use by Viet Cong base camps and supply columns and the destruction of food crops in Viet Cong-controlled areas.

The exposure of the chemical research program was accomplished through the use of a snoop, Robin Maisel, who, with Russell Stetler of the May 2nd Movement, used to show pro-Viet Cong films to college students. Maisel had been a messenger for a book store and on several occasions delivered packages to



Managing Editor Scheer has written favorably about Robert F. Kennedy (above) in *Ramparts*.

the closely guarded quarters where the biological research was under way.

By carefully noting the titles of the volumes—he also checked titles for the previous six months—by keeping his eyes open while at the laboratory and by a little eavesdropping, Maisel was able to carry out a story about "Operation Spicrack" which led to a *Ramparts* breach of another national security project.

Maisel also took his information to the Philadelphia Committee to End the War in Viet Nam, one of the multitudinous peacenik groups with strong links to the Communists. In Maisel's case

his own ties were obvious: He is the Philadelphia contact for the Young Socialist Alliance, the youth affiliate of the Trotskyite Communist group, Socialist Workers party. This was snooping condoned—nay praised—by *Ramparts*.

Ramparts' endorsement of this tactic is further revealed in a recent prospectus sent out by the Radical Education Project of Ann Arbor, Mich. REP calls itself an "independent education, research and publication program, initiated by Students for a Democratic Society, devoted to the cause of democratic radicalism and aspiring to the creation of a new left in America."

Among the projects already begun by REP is its own international espionage organization, which it frankly calls an "international intelligence network." REP describes its need for "quick, incisive sources of intelligence on issues as they develop . . ." and says it now has sources scattered around the world, including "Vietnamese rebels and neutrals." Also, it says, "one former staff member has recently returned from Guatemala where he has made extensive contacts with Guatemalan guerrillas."

Strange Advertisements

This far-flung intelligence network is sponsored by a variety of prominent national leftists, including at least two well-known Communists, Victor Perlo and Dr. Philip S. Foner. Other persons sponsoring REP's activities are: Father Philip Berrigan, Julian Bond, Barrows Dunham, Hal Draper, Jules Feiffer, W. H. Ferry, Norm Fruchter, Paul Goodman, Nat Hentoff, David Horowitz, Leo Huberman, Paul Jacobs, Julius Jacobson, Andrew Kopkind, William Kunstler, Staughton Lynd, Herbert Marcuse, Seymour Melman, Jack Minnis, Linus Pauling, Bishop James A. Pike, Marcus Raskin, Richard Shaull, Harvey Swados, Michael Walzer, Arthur I. Waskow, Harvey Wheeler, William Appleman Williams, Marshall Windmiller, and Howard Zinn.

Of the group one, Marcus Raskin, is on *Ramparts'* board of directors, and 11 have contributed articles to the magazine: Bond, Feiffer, Ferry, Jacobs, Pike, Hentoff, Waskow, Williams, Windmiller, Zinn—and Sol Stern, author of the very *Ramparts* articles that bled profusely over CIA intelligence operations.

The latest article attacking the CIA is *Ramparts'* fourth, and the Keating publication has carried three pieces ripping into the FBI. To those who wonder why no articles expose Soviet espionage, Viet Cong torture or Chinese Communist duplicity, Editor Sol Stern has a comeback: "Because we don't have good contacts in those countries." (In actuality, they have better contacts than many long-established publications.)

The real reason would appear to be that any such treatment by *Ramparts* might offend some of its precious few advertisers.

Ramparts in the past year has run a full-page advertisement for the W.E.B. DuBois Clubs of America, named by the U.S. attorney general as a Communist-front group; an advertisement promoting the Draft Program of the 18th National Convention of the Communist party; and a full-page ad for the Progressive Labor party, the national Communist group which follows the current outpourings from Peking. No other na-

OUTER

The Inside Story of 'Ramparts' Magazine

FBI; (b) the HCUA; or (c) those opposing Red China's recognition and admission to the United Nations.

Listed as news editor is Gene Marine, an indefatigable writer who has contributed dozens of stories to the *Nation*, most of them anti-HCUA, -FBI, -civil defense, -loyalty oaths, -Nixon, etc. He has worked for Pacifica Foundation radio stations in Berkeley and Los Angeles and managed the campaign of a left-wing San Francisco legislator. For a brief time Marine went to New York and worked as editor for identified Communist David Livingston and his District 65 union, but returned to associate with Keating's publication. Marine was a Marine during World War II, but when the Korean War came along in 1950, this Marine asked for conscientious objector status.

One old man should be mentioned simply because he gave the magazine its name. John Beecher, who has been an associate editor, is the grand-nephew of Harriet Beecher Stowe and Henry Ward Beecher. Bearded and slightly eccentric, he used to print up his own poetry in a small printshop on his ranch. He was once dismissed from a state college for failing to take the required loyalty oath and went on to lead a campaign against it.

He has been, over the years, a writer for the *Nation* and has done some protest walking: In 1961 he briefly joined the San Francisco to Moscow Peace Walk, and several years ago joined a San Francisco march protesting the incidents in Selma, Ala., carrying Joe Hill's epitaph, "Don't Mourn, Organize." Back in 1962, when Edward Keating began his magazine in Menlo Park, bearded John Beecher was in Arizona, running his own printshop, Rampart Press.

A contributor, former director and consultant to the magazine is Dr. Gerald M. Feigen, a San Francisco proctologist, ventriloquist and world traveler, who also writes a weekly column for Dr. Goodlett's Negro newspaper, the *Sun-Reporter*.

Feigen encourages the notion that he'll put his money where his mouth is, but it seems only a ventriloquist's trick. During 1964 San Franciscans were startled to see a half-dozen enormous billboards throughout the city depicting an exploding nuclear bomb. On this was printed, "France plans to test an H-bomb near Tahiti. I protest. Gerald M. Feigen." This expensive personal message from an outraged liberal contrasts starkly with Dr. Feigen's 1961 communique to Nikita Khrushchev. He bought a four-line notice in the *Chronicle* personals column, "NIKITA: Could you defend your action in resuming nuclear testing before a town meeting of the world? G. Feigen." How's that for a protest? Feigen is also a business partner of local advertising executive Howard Gossage.

Gossage is another member of the board of directors. He has brought in some outside money through advertising and each issue carries at least one, but usually three or four, full pages from Gossage's clients.

Gossage also writes occasionally and one of his articles, "The Fictitious Freedom of the Press," lamented that the press was too beholden to its advertisers and that this economic subjugation tended to sterilize press commentary. He also indulged in a lengthy self-criticism, ending with his opinion the ad agency commission system "is obsolete." Gossage proposed that a self-respecting magazine (*Ramparts*?) could break its chains by spurning advertise-

ments and raising its price to 75¢ or a dollar, or even higher.

This unusual adman also serves one other purpose for the magazine: He is a pipeline to popular San Francisco *Chronicle* columnist Herb Caen, and it's a dull week when Caen fails to carry some puff piece about the magazine or its personnel.

Working closely with Gossage and Feigen is another publicist, with the improbable name of Jerry Mander. One of Mander's accounts is The Committee, a cabaret a few blocks from the magazine which stages political satire, specializing in ridicule of anti-communism. The Committee has had one ad in *Ramparts*, and has been the subject of several favorable reviews.

One misconception should be cleared away. That is the notion that *Ramparts* is a Roman Catholic laymen's magazine. That rests solely upon the Catholicism of Keating and several of his editors.

Actually, for all its underground pretensions about Church orientation, *Ramparts* is just what any other general circulation magazine is—a secular publication with a staff composed of Catholics, Protestants, Jews, agnostics and atheists. One editor is Paul Krassner, the atheist publisher of *The Realist*, a sometimes obscene, always iconoclastic magazine published in New York. So un-Catholic is *Ramparts*, in fact, that it ran an ad for atheist Madelyn Murray O'Hair in her campaign against church property tax exemption.

Keating trumpeted in mid-1965, via "An Editorial Announcement" that he was establishing an editorial board composed of himself, a Catholic; Arthur Cohen, a prominent publisher and Jewish scholar; and William Stringfellow, New York attorney and Episcopal Church representative to the World Council of Churches. This arrangement didn't last six months.

Only a handful of Catholic religious write for *Ramparts*. Trappist monk Thomas Merton sends in an occasional literary item from his Kentucky monastery. Brother Antoninus, a Dominican friar, is said to have caused official Church displeasure when one of his *Ramparts* articles was read in the San Francisco chancery. Brother Antoninus was once active in the Catholic Worker movement, an anarchist group, as was another contributor, Father Peter Riga, who now teaches at nearby St. Mary's College.

Ramparts' treatment of Jewry reflects a self-consciousness and once led it into an unbelievable gaffe. Author Leslie Fiedler wrote about "The Last Jew in America," and the letters columns shook with indignant readers who thought it disrespectful, condescending and downright insulting. And the illustrations—by Rick Schreier, who usually draws for pornographer Ralph Ginzburg's *Fact* magazine—were compared by some with the caricatures found in *Der Stürmer*, Julius Streicher's anti-Semitic rag in Hitler's Germany. It even drew a strong letter of protest from the Anti-Defamation League, and an abject apology from the editors.

How does *Ramparts* keep going? This question has been raised repeatedly by readers, friends and critics. Hardly any issue of *Ramparts* shows, at current rates, ad revenue of more than \$10,000, and some issues, like the March treatment of the CIA, reflected an income of less than \$3,000. Of late the ads have run heavily to those from record and book clubs. Some ads are Gossage's and most of the others show a concentration from accounts of three New York advertising firms.

Recently Hinckle told a reporter that *Ramparts* has so far lost \$1.2 million, and was losing \$400,000 a year. Reported losses include \$750,000 from Keating's pocket alone.

Hinckle said the annual costs run about \$1 million, with one quarter of the budget going into printing costs and another quarter million for promotion. The promotion is really razzle-dazzle, from the attention-getting full-pagers in the *New York Times* and *Washington Post* that cost up to \$6,000 each, to a methodical direct mail campaign targeted to liberals and leftists. One organization which subscribes to many leftist periodicals reports it has been solicited by *Ramparts* from at least 45 mailing lists.

A magazine cannot long survive on ad revenues of less than \$100,000 a year, but *Ramparts* has made deficit financing a way of life. The full details of its finances are a well-kept secret, but some West Coast bankers are known to have made some short-term loans to the magazine.

Other sources revealed that \$200,000 came from Frederick C. Mitchell, an assistant history professor at the University of Kansas who had inherited a fortune. Another \$100,000 came from Louis Honig, president of a reputable San Francisco advertising agency. There are some rumors Keating is dicker with some other millionaires.

Not to be overlooked is the presence of Mrs. Eleanor Jackson Piel on the board of directors. She is rich in her own right and has the password to the gushing money fountains of Manhattan.

Some mention should also be made of *Ramparts'* connection with the Center for the Study of Democratic Institutions, the tax-exempt foundation at Santa Barbara, Calif. Irving Laucks, an octogenarian millionaire, who, with his wife, is also a monetary pillar of the Center, came through with \$50,000 for *Ramparts*.

The Center also managed to finance a Scheer trip to Asia which he put to good use not only for the Center but for *Ramparts* as well. Paul Jacobs, one of the *Ramparts* staff, also serves with the Center.

How much of the Center and Center-connected money spills over to *Ramparts* is a matter of conjecture, but the links between the two groups are clear.

Ramparts is not letting its insolvency interfere with plans for expansion either. As already noted, there is now *Sunday Ramparts*, an eight-page newspaper printed primarily for the New York and San Francisco markets. The weekly was an instant success at losing money, and has a circulation of only 15,000. (The monthly magazine guarantees only 45,000 circulation to advertisers, but the editors talk in terms of 150,000.)

Ramparts has other empire-building plans, including possible purchase of the *Sun-Reporter* from Dr. Goodlett and, with Goodlett, ownership of one of the new UHF television channels.

How *Ramparts*, a supporter of many ultra-left causes, can expand its capitalist ventures while sinking deeper and deeper into debt is difficult to fathom. Perhaps in time *Ramparts* will reveal the entire story of its financing in one of its own exposes.

On the Dangers of Reading

By MORRIE RYSKIND

It is still true that "reading maketh a full man." But what Bacon neglected to add was that one must be careful in his selection or he'll become full of the wrong things.

That is why, though I sometimes identify myself with the long-suffering Job, I am not one to wish my adversary would write a book. Ten to one the said book would make the best-seller list and be cited as gospel to attack me. And things are tough enough now.

These melancholy observations are occasioned by the fact that a number of dismayed conservatives send me from time to time some palpably left-leaning excerpts from the textbooks their children are required to read, and ask me to comment on them.

But it is manifestly unfair to discuss a volume on the basis of one or two pages. Any value judgment, to have substance, would require that the critic had gone through the entire book. And for that I simply haven't the time. As it is, there stare at me a dozen volumes I've promised myself to read but haven't been able to get around to.

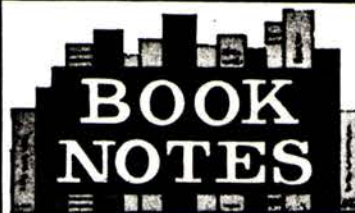
Let me suggest then, that, for an honest appraisal, they write to the Textbook Evaluation Committee, America's Future, 542 Main St., New Rochelle, N. Y. 10802. Here a number of conservative educators—there are still some, incredible as it seems—have reviewed

There was not a word, however, that any objective, middle-of-the-road liberal (are there any other kinds?) could fault. It was a dispassionate view of American history, illuminated by the light shed on our past and present by such critics as Walter Reuther, Stokely Carmichael, Bertrand Russell and the editors of *Ramparts*. There was none of that fatuous de Tocqueville nonsense about it. Just the facts, ma'am.

But the rightist witch-hunters shamelessly called it a perversion of history, and managed to extort a dubious "confession" from a Curriculum Commission member who had approved the book, and got him to concede that it was "slanted and biased." The Supreme Court did not intervene in his behalf, and so some 36 "errors" have now been erased.

I haven't read the revised edition—nor do I intend to. I'd not like it any better if only 36 errors (the number comes from an educator) were rectified. I found at least that many in every chapter.

But in such matters it is well to observe the rules of the Establishment. To question the bias and authenticity of a right-winger's output is sound criticism and meaningful dialogue. But to question a left-wing historian is book-burning and interference with academic freedom. It is of the utmost importance to realize there is a world of difference between the



A Book-By-Mail Service For HUMAN EVENTS Readers

That we take note of a book here does not necessarily mean we fully endorse it, nor even that it is written from a conservative viewpoint. It means merely that we regard it as one which may have an impact on political thinking, and accordingly may be of interest to our readers.

THE EDITORS

THE SPIRIT OF '76 by Holmes Alexander (Arlington House, 396 pages, \$6.)

What would become of the country if a conservative suddenly found himself in the White House? Columnist Alexander provides a plausible answer in this very interesting and thought-provoking novel. The story is an account of politics and intrigue staged in 1975-76. A liberal President is killed in an airplane crash and is succeeded by his conservative vice president. The new President reactivates a dormant Constitution, institutes a tough foreign policy, abolishes unnecessary welfare programs and balances the budget.

His programs meet with enthusiastic approval from the American people and shrill hisses from the liberal left. The problems of special interest groups and power-hungry politicians and the dilemma of a congressional impeachment are interwoven into the tale. Mr. Alexander's characters are lifelike and his over-all theme is convincing.

THE PLAY WITHIN THE PLAY by Hernane Tavares de Sa (Knopf, 309 pages, \$5.95)

Mr. Tavares is a Brazilian author and professor who served for five years as under secretary for information at the United Nations. His book, subtitled "The Inside Story of the U.N.," is full of interesting memorabilia about the functioning of the organization and is generally reasonable and objective in assessing its weaknesses. Some of the conclusions, however, are unwarranted, as one example will show. "The [Cuban] missile crisis, however, signaled the beginning of the end of the Cold War. During these last four years a new era in international relations seems to be emerging, marked by a growing sense of joint responsibility on the part of Washington and Moscow. . . ." This book is not recommended for the young, the impressionable or the naive.

THE INTRUDERS by Sen. Edward V. Long (Praeger, 230 pages, \$5.95)

"The Invasion of Privacy by Government and Industry," the book's sub-title, is an issue that divides conservatives, many of whom regard the "right to privacy" as somewhat less sacrosanct than the "right to property." But the abuse of privacy, as Orwell demonstrated, is a fundamental ingredient of totalitarianism. For libertarians, therefore, the question becomes: At what point in bugging, wire-tapping, eavesdropping and mail covers do the interests of state security tread upon the interests of private individuals? Although Sen. Long doesn't presume to draw the line, he does catalogue not only the techniques of the privacy invaders, but furnishes instances of massive abuse by both government

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and industry which should chill all who value their freedom.

NATIONAL PARTY PLATFORMS: 1840-1964, Compiled by Kirk H. Porter and Donald Bruce Johnson (University of Illinois Press, 698 pages, \$10.75)

In no other single reference work are the authenticated platforms of both the major and minor political parties available. The political researcher and writer will welcome this volume. The difficulties of compilation must have been enormous. To begin with, as the compilers point out, party platforms have had a way of getting lost after an election, since there is often no party organization to preserve them. Then there is the problem of defining at what point an amorphous group becomes a political party. The platforms of the principal minor parties have been incorporated, including the Free Soil party in 1848, the Know-Nothings in 1856, the Silver Republican party in 1900 and the Progressive party and the State's Rights party of 1948.

THE AMERICAN REVISIONISTS by Warren I. Cohen (University of Chicago Press, 151 pages, \$7.95)

The opposition of the American intelligentsia to our entry into World War I continues until this day. Dr. Cohen, a member of the faculty at Michigan State University, deals in this book with the five leading "revisionist" historians, who argued against America's overseas intervention: Harry Elmer Barnes, Charles A. Beard, C. Hartley Grattan, Walter Millis and Charles Callan Tansill.

THE BROKEN SEAL by Ladislav Farago (Random House, 439 pages, \$6.95)

Fifteen hours before the bombing of Pearl Harbor ushered in World War II, President Roosevelt, reading an intercepted telegram from the Japanese Foreign Ministry, exclaimed to Harry Hopkins, "This means war!" Six major investigations, including the famous Roberts Commission inquiry, failed to provide definitive answers to why our naval forces were never subsequently alerted to the impending attack. In Mr. Farago's exciting, minute-by-minute chronology of the events leading up to the Japanese attack, he probes areas never before touched by earlier investigators. He amasses convincing evidence to indicate that a conspiracy reaching into the White House had reduced the options of the Japanese to one: attack. Having broken the Japanese code, the probable time and place of attack was known to Gen. George C. Marshall and others then high in the government who took no steps to alert the naval command at Pearl Harbor.

McNamara Questioned

A top Republican expert has accused Defense Secretary Robert McNamara of peddling deliberately misleading statistics to buttress his claim that aircraft production is keeping up with losses in the Viet Nam war. Rep. Glenard P. Lipscomb (R-Calif.), ranking minority member of the House Defense Appropriations subcommittee, took McNamara to task for statements made at a February 15 press conference.

On that day, McNamara released a chart that purported to show losses of fighter and attack aircraft for fiscal '66

and '67 totalled 1,517—compared with deliveries of 1,617. What McNamara didn't say is that the "deliveries" included what the Navy called 141 obsolescent A-3As and F-8a/Bs taken out of mothballs. Without the addition of these outmoded craft, losses show up larger than deliveries.

Lipscomb questioned McNamara sharply about his February 15 statement in a recent closed-door meeting of the Defense Appropriations subcommittee. The transcript of that exchange has been severely blue-pencilled by Pentagon censors.



Managing Editor Robert Scheer, left, and publisher Edward Keating, are the top people in the Ramparts organization. Interestingly, both men ran as "doves" in Democratic congressional primaries and lost.

onally circulated general magazine has carried these advertisements. Other ads have appeared for such left-wing organizations as Americans for Democratic Action, United World Federalists and Women Strike for Peace.

In addition, for months the inside back cover has offered to sell a Scottish island, Inch Kenneth. The island belongs to Ramparts contributing editor Jessica Mitford, author of *The American Way of Death*, who is also known as Decca Treuhaft. Miss Mitford has been identified as a Communist party member by several witnesses testifying before congressional committees and in federal courts.

Perhaps the best identification, however, was provided in the Sept. 19, 1946, issue of the *People's Daily World*, which reported that she was the county financial secretary of the Communist Party of San Francisco and a member of the Twin Peaks Club of the CP.

In the interim Miss Mitford has belonged to more than a dozen officially cited Communist fronts, and as recently as January appeared in New York as a sponsor at a dinner honoring William L. Patterson, chairman of the National Negro Commission of the Communist party. She spoke and Gus Hall spoke.

Miss Mitford and her husband, attorney Robert Treuhaft of Oakland, were lionized in a Ramparts article last year, which portrayed them as signs of "progressive development" in the area. Treuhaft himself has been named as a long-time Communist party member on numerous occasions by witnesses testifying under oath and was also the object of indisputable identification in the *People's Daily World* of April 29, 1946, which said he was a member of the Haymarket Club of CP, a cell set aside for lawyers.

Ramparts publisher Edward Keating revels in his gadfly role to the Establishment, as the New York Times sees his job. He is also quite clear about his foreign policy outlook. "If anything marks American political orientation and direction," he wrote recently, "it is its paranoia over communism. If our policy-makers had their way, we would not only contain communism, we would destroy it."

It is to counter this "paranoia" that Keating has dedicated Ramparts. His use of the verbal overkill, as above, also carried him a few months ago to refer to the Communist newspaper, *People's World*, as a "reactionary" publication.

Two years ago Keating addressed an open letter to President Johnson, which epitomizes his bitterness and addiction to sarcasm: "We propose that you now carry your policies to their logical conclusion: the United States should occupy every country in the world and thus make this planet forever safe from

the menace [i.e., communism].... There are, of course, exceptions, such as the great Republics of South Africa and West Germany, which don't need to be converted."

Last October Keating called a press conference and with tears in his eyes, and his voice breaking, solemnly predicted that once the November elections were behind him Lyndon Johnson would launch an all-out invasion of North Viet Nam. When December came and there was still no invasion, Keating took the stump and rearranged his prediction timetable; it would come right after the new year because Lyndon needed it to wind up the war before the 1968 election campaign.

Publisher's Leftism

This vindictiveness toward Johnson spills over constantly in Ramparts' pages and the magazine ran long excerpts from Barbara Garson's off-Broadway play, MacBird, which implicates Johnson in the assassination of President Kennedy. (Ramparts is also looking out for evidence of a right-wing conspiracy in the Kennedy murder.)

Keating's leftism was unknown a few years ago, but he holds it with such



Ramparts magazine has become one of the leading publications of America's "New Left" sign-carrying brigade.

intensity that it obviously isn't a programmed attitude dictated by his public relations men. (They reportedly told him to turn the magazine left to make it a financial success.) Keating began active participation in anti-Viet Nam rallies in early 1965 and has appeared and spoken before more than 50 meetings throughout the country.

One panel he appeared on is illustrative of his poor choice of companions. It was a November 1965 session in San Francisco on "The Shrinking Press, News

Management and Thought Control," presented by the Bay Area Friends of the *People's World*, the Communist weekly.

Besides Keating the panel members were Dr. Carlton Goodlett, now a Ramparts director; Sidney Rogers, who is editor of Harry Bridges' union newspaper; and Steve Murdock, longtime Communist and editor of *People's World*.

In January 1966 Keating announced his candidacy for the Democratic nomination in the 11th Congressional District, the San Francisco Peninsula, and spent his entire campaign pointing to the black clouds over Viet Nam. After losing, Keating made a specific point of not endorsing his Democratic opponent, who had taken a hawkish attitude on Viet Nam. Keating's researcher during this period was Jerold C. Gray, who had made a two-year career out of being anti-HCUA following his 1960 arrest during the City Hall riots that disrupted HCUA hearings.

One of Keating's main projects right now is heading up the West Coast division of Spring Mobilization, the left-wing movement that plans a week-long national demonstration against the war in Viet Nam starting April 8. Keating's Mobilization group contains avowed Trotskyites and professed Communists, including Bettina Aptheker and other members of the Communist-controlled W.E.B. DuBois Club.

These alliances do not seem to bother Keating, however, and he has been quoted as saying he is "not the least concerned" about the violently anti-U.S. attitude of the DuBoisers. "We have only one political policy," he explains, "and that is non-exclusionary." Anyone opposed to the U.S. actions in Viet Nam is welcome.

In its financial report for the three weeks ending February 2, Keating's West Coast office of Spring Mobilization listed income of \$1,136. According to the New York *Sunday News*, some of this money is known to have come from Albert (Mickey) Lima, Communist party chairman for northern California.

Keating, his wife and five children live in the exclusive residential community of Atherton on the Peninsula, far

parently has never heard of Pleasantville, N.Y.

The 28-year-old Hinckle, who formerly was on the San Francisco *Chronicle*, is credited in some circles with being the miracle worker who lifted the magazine out of the doldrums and made it a general circulation muck-raker. He is given credit for some of the more sensational layouts, typography and story treatment, and shares with Keating any medals for the magazine's purposefully iconoclastic tone.

It was just a few years ago that Hinckle was graduated from the University of San Francisco, where he edited the school paper, and immediately opened a campaign for city supervisor. He lost and wound up promotion director of the sickly Ramparts.

Today Hinckle, his wife and baby live in an olive-drab Victorian mansion in a gradually decaying San Francisco neighborhood. The old house tells an interesting tale, for it illuminates the constant circles within circles of the Ramparts story.

The house is owned by Mrs. June Dunn, administrative secretary of San Francisco Men for Peace, a now-moribund Viet Nam group. The tenant before Hinckle was attorney Marvin Stender, member of the Executive Committee of the local chapter of the National Lawyers Guild, a cited Communist front.

Scheer's Radicalism

Probably the best known nationally of Ramparts' staffers is Managing Editor Robert Scheer, who, at 30, has made a career of New Leftism. A former member of the pro-Castro Fair Play for Cuba Committee, he is the most articulate of the Ramparts crew and contends that he is an anti-Communist.

Last year Scheer ran for the Democratic nomination for U.S. Congress in Berkeley, hinging his entire campaign on getting out of the war in Viet Nam and getting into the "War on Poverty." Several weeks ago, Scheer traveled to Prague, Czechoslovakia, to meet with the Communist-controlled International Union of Students and representatives of the National Liberation Front, the political arm of the Communist Viet Cong in South Viet Nam.

Not publicized in his race for Congress but revealed later was the fact that Scheer's campaign coordinator was Carl Bloice, a 28-year-old Communist party member. Bloice's CP membership was hardly a secret; for several years he had been a by-lined staff writer for *People's World*, the Communist weekly on the West Coast, and then he was publications director of the Communist-controlled W.E.B. DuBois Clubs.

From Berkeley to D.C.

At last summer's Communist party convention in New York City, Bloice was elected to the CP's National Committee and the requirements for serving on that policy board make it clear Bloice has been a CP member since at least January 1964, although intelligence agencies place it many years earlier.

Just two months ago the newsletter of the Robert Scheer campaign—he is keeping his organization intact under the name of Community for New Politics (CNP)—carried a social note: "Carl Bloice, heretofore coordinator for CNP, has left Berkeley for the larger battlefield in Washington, D.C., where he will be a correspondent for *People's World* and *The Worker*. At a farewell party December 23 at the home of Mr. and Mrs. Robert Scheer, Carl was presented with several going-away gifts, including a larger than life poster of Mao-Tse

Continued on next page



The LSD-beatnik-hippie set gets a great deal of attention from Ramparts. Here, psychedelic poet Allen Ginsberg (in striped hat) marches in anti-war parade down New York's Fifth Avenue. Ginsberg's activities have often been featured in Ramparts.

Cont'd. from page 9

Inside Story of 'Ramparts'

Tung. . . Carl has indicated he will be an occasional correspondent [for the Scheer newsletter] . . . We all wish him the best of luck in Washington and we feel fully comforted by the fact that we are not losing a coordinator, but gaining a spy."

Tax Money Helped

The portrait of Mao probably brought a gust of laughter when it was unveiled and presented to the Moscow-line Bloice, and the "gaining a spy" phrase was simply New Left humor. The story makes two important points: 1) Scheer's campaign manager was a Communist; and 2) The Capital correspondent for two Communist newspapers will contribute occasional articles to Scheer's campaign organization.

Scheer has told *Human Events* that he hired Bloice "for his technical competence"; that he likes him as a person, but violently disagrees with his politics.

Communist Bloice, however, was only one of Scheer's supporters. Another backer was the U.S. Treasury, which channeled funds into Scheer's campaign. It worked this way. During his campaign one of his workers was Mrs. Phyllis Haberman O'Donnell, who has been chairman of the East Bay DuBois Club. Mrs. O'Donnell worked on a work-study program directed by the University of California's Department of Criminology (which is now practically another Sociology Department) and was assigned to a leftist group called Welfare Rights Organization as a case worker. In truth, she worked for the Scheer campaign and reported on it at WRO meetings.

The work-study program was originally funded through the Office of Economic Opportunity, receives its funds through the National Defense Education Act and is overseen by the Department of Health, Education and Welfare.

Raskin and Waskow

Two of the men around *Ramparts* are highly placed nationally and rarely ever visit its offices. They perhaps account for the magazine's influence among opinion-makers across the country. (They may also account for Robert Scheer's interview with Sen. Robert Kennedy and other indications of favored treatment about the Capital.)

The two are Marcus Raskin and Arthur I. Waskow, both graduates of the staff of Wisconsin's ultra-liberal Rep. Robert Kastenmeier (D.).

Raskin is on the *Ramparts* board of directors and both he and Waskow have contributed articles. Raskin's most recent comment was on the CIA-NSA affair in which he sneered that the CIA is "primarily a commercial institution which deals in buying, renting and selling people." He also suggested that CIA operatives were pocketing some of the subsidy money they were supposed to be passing on.

'Liberal Papers' Authors

Raskin and Waskow worked in 1962 on those famous articles of surrender, *The Liberal Papers*, which dealt with the difficulty of "decent Americans" to be "outspeakably and genuinely anti-Communist." *The Liberal Papers* suggested breaking ties with Chiang Kai-shek in order to split the Sino-Soviet alliance and proposed letting the Russians plug in on the DEW line. M. Stanton Evans, in *The Politics of Surrender*, says of *The Liberal Papers*, "The book as a whole is a complete agenda for American backdown, pullout and conciliation in every known category of foreign policy and national defense."

Having prepared *The Liberal Papers*, Raskin was promoted from Kastenmeier's office to John F. Kennedy's National Security Council, the highest policy-making body in the United States. He left after several years but still maintains his contacts in the executive mansion.

Waskow was, if anything, more successful than Raskin. His contribution to *The Liberal Papers* called for an end to nuclear testing (now effectively halted), creation of a "Peace Agency" (we now have the U.S. Arms Control and Disarmament Agency) and elimination of weapons "provocative" to the Soviet Union (well, let's see, there's Skybolt scrapped, those "obsolete" Thors in Europe, and most of SAC's bombers, etc.).

Today both Raskin and Waskow work for one of those "independent" research groups, the Institute for Policy Studies, churning out position papers on disarming the United States. Some of Waskow's work has been submitted to the Disarmament Agency itself, and for *Ramparts* he jotted down a satirical rendering of various articles of the Constitution, to shape it to the peacenik's view of how Lyndon Johnson is mismanaging his office.

Another *Ramparts* director is Dr. Carlton B. Goodlett, a San Francisco Negro physician who also publishes a left-leaning newspaper for Negroes, the *Sun-Reporter*. The *Sun-Reporter*, for instance, will run uncritically the latest pronouncement of Gus Hall and prints most of the press releases from the American-Russian Institute and other left-wing groups.

Goodlett holds both a Ph.D. and an M.D., and has for the past 20 years participated in activities of at least 20 officially cited Communist fronts, including the California Labor School, the National Committee for Protection of Foreign Born, Committee to Secure Justice for Morton Sobell, American Youth for Democracy. He was a signer of a famous statement urging American students to attend the Communist-directed 1962 Helsinki World Youth Festival.

Goodlett has made several trips to Moscow to attend "peace" conferences and is an American sponsor of the biggest of the international Communist fronts, the World Peace Council of Vienna. He was active in the Fair Play for Cuba Committee and last year was sponsor of the Herbert Aptheker testimonial dinner.

For the past several months the *Ramparts* masthead has listed Don Rothenberg as assistant to the publisher. Rothenberg is also executive director of Californians for Liberal Representation, a far-left group made up of disgruntled left-wing Democrats and many of the same crowd that used to cluster about Henry Wallace rallies in the old days. During the last election campaign Rothenberg tramped the state, lecturing Californians on how they should vote. Rothenberg himself was unable to vote, since he had only recently arrived from Ohio.

What makes Rothenberg so interesting is that he was identified as a member of the Communist party, in Washington, D.C., by FBI informant Mary Stalcup Markward. For many years he served in Ohio as the executive of the Committee to Secure Justice in the Rosenberg Case. As most *Ramparts* (and *Human Events*) readers know, the Rosenbergs were convicted Soviet espionage agents executed for their part in betraying America's atomic secrets.

By uncanny coincidence, *Ramparts* recently advertised the book, *Invitation to an Inquest*, by Walter and Miriam Schneir, which is an attempt to posthumously rehabilitate the Rosenbergs, claiming the principal evidence against them was perjured testimony or concoctions of the FBI. The *Ramparts* advertisement was inserted by the Sobell Committee, a cited Communist front, which is trying to gain freedom for Morton Sobell, who was sentenced to 30 years on spy conspiracy charges.

How that ad got into *Ramparts* should be apparent to a three-year-old, when given the facts. *Ramparts*' New York public relations man is Marc Stone, the brother of leftist publisher I. F. Stone. It was just a year ago that a news release reported that Marc Stone was to handle publicity for the Walter and Miriam Schneir book. So, *Ramparts*' PR man is, in effect, the PR man for the Rosenberg-Sobell committees. Marc Stone once managed the New York office of Federated Press, cited as a Communist press service by both HCUA and the Senate Internal Security subcommittee. The old Dies Committee found that Federated Press was financed by the American Fund for Public Service and the Robert Marshall Foundation, "both principal sources of funds for Communist enterprises" (a nice way of saying conduits).

Last year Marc Stone traveled to Cambodia with six other Americans—one of them *Ramparts*' military editor, Donald Duncan—and after inspecting selected

areas announced that the Viet Cong were not using Cambodia as a sanctuary, an expression identical to the press statements they had issued before leaving New York.

Other writers for *Ramparts* with CP connections include Carl Marzani, a former State Department employee who served a three-year prison term for perjury in denying his CP membership. Marzani is now affiliated with Alex Munsell, a notorious fellow traveler, in a leftist publishing house, Marzani & Munsell. They specialize in books attacking the CIA, FBI and any foreign policy based upon opposition to Communist advance.

Besides expertise at criticizing the CIA for its service to American freedoms, *Ramparts* also keeps a stable of nationally known FBI-baiters. Rex Stout, the Nero Wolfe creator, has contributed a piece attempting to absolve the Rosenbergs and implicating the FBI. Fred J. Cook has checked in with more warmed-up minutiae of alleged FBI malfeasance and a renegade ex-FBI agent, William Turner, is a *Ramparts* staff writer.

Several of Turner's articles have criticized his former employer in abusive terms. In the past few years Turner's criticism has progressed from what some FBI agents privately will admit was "constructive" to a high-pitched vendetta, complete with personal attacks upon J. Edgar Hoover.

One Turner story claimed to expose FBI wire-tapping and eavesdropping techniques, but Turner played tricks on his readers. He told, for example, about having worked in the highly secret FBI covert operation which monitored telephone taps and bugs placed in the San Francisco area. Turner wrote, "At a San Francisco cocktail party recently I had the odd sensation of hearing a voice from the past that I couldn't quite place. I studied the face—it was totally unfamiliar. Then it suddenly dawned on me; the voice was one I had heard many times while monitoring the tapes in the 'clubs.' It belonged to Robert Treuhaft, a prominent civil liberties lawyer and husband of noted author Jessica Mitford."

For all the *Ramparts* reader knew, the FBI was simply plugged in on the phone of a "prominent civil liberties lawyer." Turner did not mention Treuhaft's long and documented connections with the Communist party.

FBI Under Attack

The Turner article also explained current FBI eavesdropping programs, although he has been out of the bureau for six years. And the tone of the article is distinctly one of how he suffered for 10 years while installing bugs and taps.

Actually, following Turner's dismissal in 1961 he fought to be reinstated, carrying his battle, via Edward Bennett Williams, all the way to the U.S. Supreme Court. Such conduct is the mark of a man who liked the bureau and wanted to remain a G-man, not one who loathed his profession.

Now let's look at some others of the *Ramparts* staff. One category comes under the general subdivision of San Francisco *Chronicle*. Full-time *Chronicle* staff members who earn their bylines at *Ramparts* include Judy Stone (I.F. and Marc Stone's sister) and Ralph Gleason, both of whom has a reputation on the left. No shifting of journalistic gears is necessary for this type of moon-lighting: On the days the *Chronicle* fails to carry an editorial condemning the CIA, it can be depended upon to carry one, upbraiding (a) the

Continued on page 14

THE WHITE HOUSE
WASHINGTON

8

Mr. Rosten

I have asked Jessup
to get you the story on
Spain. You may want
to call Jack Valenti in
for a bit of guidance
BKS

~~WAF~~ 9

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LDX copy sent to
the President 9:55 P.M.
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DEPARTMENT OF STATE
WASHINGTON

~~SECRET/EXDIS~~

February 13, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Ramparts--NSA--CIA

I spent several hours yesterday and today reviewing the situation and attempting to come up with the best way of handling it. The following recommendations are tentative, since it may be important to know exactly what tomorrow's newspapers say.

I do not believe a backgrounder as such is a possible way of dealing with the situation since (1) I am not absolutely confident that we are in possession of all of the facts and I am concerned that whoever attempted the backgrounder (Foy Kohler or myself) would inadvertently answer incorrectly questions; (2) a backgrounder will open up for questioning related programs of CIA, and it would be extremely difficult to control this aspect.

I am working on the following tentative scenario:

1. A statement the State Department would give at the noon briefing attributable to CIA. This would be a bare bones admission of the fact of NSA subsidy, coupled with the fact that this program was tapering off to complete ending at the request of NSA and as a result of Government review. The statement would note that the program had continued for many years.

DECLASSIFIED

Authority State 8-9-78, CIA 3-9-81, NSC 10-24-79

By rip, NARS, Date 3-20-81

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2. A statement on background which explained some of the reasons for the initial decision in the most favorable light it could be put. This would be attributable only to official sources.

3. A statement from the State Department, in response to a question, that this sort of program was reviewed inter-departmentally at a high level.

I think that it would not be wise to involve the State Department more directly than this, since I see little to be gained from the point of view of protecting CIA and considerable to be lost from the view of the State Department.

As soon as we have seen the morning papers I will send drafts of the proposed statements indicated above, as well as any changes in the scenario which might be called for.


Acting Secretary

~~SECRET/EXDIS~~

UPI-70

(CIA)

WASHINGTON--PRESIDENT JOHNSON WITHIN THE NEXT FEW DAYS IS EXPECTED TO RECEIVE A COMPLETED REPORT ON A SPECIAL INVESTIGATION OF SUBSIDY OF OVERSEAS ACTIVITIES OF STUDENT ORGANIZATIONS BY THE CENTRAL INTELLIGENCE AGENCY (CIA), THE WHITE HOUSE SAID TODAY.

PRESS SECRETARY CHRISTIAN, IN REPOSE TO QUESTIONS, SAID THAT ABOUT A WEEK OR 10 DAYS AGO THE PRESIDENT MET WITH HIS SPECIAL INVESTIGATING COMMITTEE HEADED BY UNDERSECRETARY OF STATE NICHOLAS KATZENBACH.

JOHNSON RECEIVED SOME RECOMMENDATIONS FROM THE COMMITTEE, BUT DUE TO THE GUAM CONFERENCE AND OFFICIAL COMMI

JOHNSON RECEIVED SOME RECOMMENDATIONS FROM THE COMMITTEE, BUT DUE TO THE GUAM CONFERENCE AND OFFICIAL COMMITMENTS SINCE THEN, THE STUDY OF CIA OPERATIONS HAS NOT BEEN COMPLETED.

CHRISTIAN EXPECTED THE PRESIDENT TO RECEIVE A COMPLETED REPORT "IN A FEW MORE DAYS." THE PRESS SECRETARY ASSUMED THAT THE RECOMMENDATIONS WOULD BE MADE PUBLIC, BUT HE DID NOT KNOW WHEN.

3/27--JD1216PES

FOR IMMEDIATE RELEASE

11
5
MARCH 29, 1967

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have received the report from the committee which I appointed on February 15 to review relationships between the Central Intelligence Agency and private American voluntary organizations. This committee consisted of Under Secretary of State Nicholas Katzenbach, as Chairman, Secretary of Health, Education, and Welfare John Gardner, and CIA Director Richard Helms.

I accept this committee's proposed statement of policy and am directing all agencies of the government to implement it fully.

We will also give serious consideration to the committee's recommendation "that the government should promptly develop and establish a public-private mechanism to provide public funds openly for overseas activities of organizations which are adjudged deserving, in the national interest, of public support." To review concrete ways of accomplishing this objective, I am requesting Secretary Rusk to serve as chairman of a special committee which will include representatives from the Executive, the Congress, and the private community.

#

Dear Mr. President:

The committee which you appointed on February 15, 1967 has sought, pursuant to your request:

--To review relationships between government agencies, notably the Central Intelligence Agency, and educational and private voluntary organizations which operate abroad; and

-- To recommend means to help assure that such organizations can play their proper and vital role abroad.

The committee has held a number of meetings, interviewed dozens of individuals in and out of government, and reviewed thousands of pages of reports. We have surveyed the relevant activities of a number of federal agencies. And we have reviewed in particular and specific detail the relationship between CIA and each relevant organization.

Our report, supplemented with supporting classified documents, follows.

In summary, the committee offers two basic recommendations:

1. It should be the policy of the United States Government that no federal agency shall provide any covert financial assistance or support, direct or indirect, to any of the nation's educational or private voluntary organizations.
2. The Government should promptly develop and establish a public-private mechanism to provide public funds openly for overseas activities of organizations which are adjudged deserving, in the national interest, of public support.

1: A NEW POLICY

The years immediately after World War II saw a surge of communist activity in organizations throughout the world. Students, scientists, veterans, women and professional groups were organized into international bodies which spoke in the cadences, advocated the policies, and furthered the interests of the communist bloc. Much of this activity was organized, directed, and financed covertly by communist governments.

American organizations reacted from the first. The young men and women who founded the United States National Student Association, for example, did so precisely to give American youth the capacity to hold their own in the international arena. But the importance of students as a force in international events had yet to become widely understood and NSA found it difficult to attract private support for its international activities. Accordingly, the United States Government, acting through the Central Intelligence Agency, provided support for this overseas work.

We have taken NSA as an example. While no useful purpose would be served by detailing any other CIA programs of assistance to private American voluntary organizations, one fundamental point should be clearly stated: such assistance was given pursuant to National Security Council policies beginning in October, 1951 and with the subsequent concurrence of high-level senior interdepartmental review committees in the last four Administrations. In December, 1960, in a classified report submitted after a year of study, a public-private Presidential Committee on Information Activities Abroad specifically endorsed both overt and covert programs, including those assisted by CIA.

MORE

Our study, undertaken at a later time, discloses new developments which suggest that we should now re-examine these policies. The American public, for example, has become increasingly aware of the importance of the complex forms of international competition between free societies and communist states. As this awareness has grown, so have potential sources of support for the overseas work of private organizations.

There is no precise index to these sources, but their increase is suggested by the growth in the number of private foundations from 2,220 in 1955 to 18,000 in 1967. Hence it is increasingly possible for organizations like NSA to seek support for overseas activities from open sources.

Just as sources of support have increased, so has the number of American groups engaged in overseas work. According to the Agency for International Development, there has been a nine-fold increase just among voluntary organizations which participate in technical assistance abroad, rising from 24 in 1951 to 220 in 1965. The total of all private American voluntary groups now working overseas may well exceed a thousand.

The number of such organizations which has been assisted covertly is a small fraction of the total. The vast preponderance have had no relationship with the government or have accepted only open government funds -- which greatly exceed funds supplied covertly.

The work of private American organizations, in a host of fields, has been of great benefit to scores of countries. That benefit must not be impaired by foreign doubts about the independence of these organizations. The committee believes it is essential for the United States to underscore that independence immediately and decisively.

For these reasons, the committee recommends the following:

STATEMENT OF POLICY

No federal agency shall provide any covert financial assistance or support, direct or indirect, to any of the nation's educational or private voluntary organizations. This policy specifically applies to all foreign activities of such organizations and it reaffirms present policy with respect to their domestic activities.

Where such support has been given, it will be terminated as quickly as possible without destroying valuable private organizations before they can seek new means of support.*

We believe that, particularly in the light of recent publicity, establishment of a clear policy of this kind is the only way for the government to carry out two important responsibilities. One is to avoid any implication that governmental assistance, because it is given covertly, is used to affect the policies of private voluntary groups. The second responsibility is to make it plain in all foreign countries that the activities of private American groups abroad are, in fact, private.

The committee has sought carefully to assess the impact of this Statement of Policy on CIA. We have reviewed each relevant program of assistance carried out by the Agency in case - by-case detail. As a result of this scrutiny, the committee is satisfied that application of the Statement of Policy will not unduly handicap the Agency in the exercise of its national security responsibilities. Indeed, it should be noted that, starting well before the appearance of

*On the basis of our case-by-case review, we expect that the process of termination can be largely -- perhaps entirely -- completed by December 31, 1967.

recent publicity, CIA had initiated and pursued efforts to disengage from certain of these activities.

The committee also recommends that the implementation of this policy be supervised by the senior interdepartmental review committee which already passes on proposed CIA activities and which would review and assist in the process of disengagement. **

2: NEW METHODS OF SUPPORT

While our first recommendation seeks to insure the independence of private voluntary organizations, it does not deal with an underlying problem -- how to support the national need for, and the intrinsic worth of, their efforts abroad.

Anyone who has the slightest familiarity with intellectual or youth groups abroad knows that free institutions continue to be under bitter, continuous attack, some of it carefully organized and well-financed, all of it potentially dangerous to this nation.

It is of the greatest importance to our future and to the future of free institutions everywhere that other nations, especially their young people, know and understand American viewpoints. There is no better way to meet this need than through the activity of private American organizations.

The time has surely come for the government to help support such activity in a mature, open manner.

Some progress toward that aim already has been made. In recent years, a number of federal agencies have developed contracts, grants, and other forms of open assistance to private organizations for overseas activities. This assistance, however, does not deal with a major aspect of the problem. A number of organizations cannot, without hampering their effectiveness as independent bodies, accept funds directly from government agencies.

The committee therefore recommends that the Government should promptly develop and establish a public-private mechanism to provide public funds openly for overseas activities of organizations which are adjudged deserving, in the national interest, of public support.

** If the Statement of Policy is to be effective, it must be rigorously enforced. In the judgment of this committee, no programs currently would justify any exception to this policy. At the same time, where the security of the nation may be at stake, it is impossible for this committee to state categorically now that there will never be a contingency in which overriding national security interests may require an exception -- nor would it be credible to enunciate a policy which purported to do so.

We therefore recommend that, in the event of such unusual contingencies, the interdepartmental review committee be permitted to make exceptions to the Statement of Policy, but only where overriding national security interests so require; only on a case-by-case basis; only where open sources of support are shown to be unavailable; and only when such exceptions receive the specific approval of the Secretaries of State and Defense. In no event should any future exception be approved which involves any educational, philanthropic, or cultural organization.

MORE

Such a mechanism could take various forms. One promising proposal, advanced by Mr. Eugene Black, calls for a publicly funded but privately administered body patterned on the British Council.

The British Council established in 1934, operates in 80 countries, administering approximately \$30,000,000 annually for reference libraries, exhibitions, scholarships, international conferences, and cultural exchanges. Because 21 of its 30 members are drawn from private life, the Council has maintained a reputation for independence, even though 90 percent of its funds are governmental.

According to the UNESCO Directory of Cultural Relations Services, other nations have developed somewhat similar institutions. The Indian Council for Cultural Relations, for example, is entirely government-financed but operates autonomously. The governing body of the Swedish Institute for Cultural Relations consists of both government and private members. This institute receives 75 percent of its funds from the government and the remainder from private contributions.

The experience of these and other countries helps to demonstrate the desirability of a similar body in the United States, wholly or largely funded by the federal government. Another approach might be the establishment of a governmental foundation, perhaps with links to the existing Federal Inter-Agency Council on International Education and Cultural Affairs.

Such a public-private body would not be new to the United States. Congress established the Smithsonian Institution, for example, more than a century ago as a private corporation, under the guardianship of Congress, but governed by a mixed public-private Board of Regents.

The committee began a preliminary study of what might be the best method of meeting the present need. It is evident, however, that, because of the great range both of existing government and private philanthropic programs, the refinement of alternatives and selection among them is a task of considerable complexity. Accordingly, we do not believe that this exclusively governmental committee is an appropriate forum for the task and we recommend, instead, the appointment of a larger group, including individuals in private life with extensive experience in this field.

The basic principle, in any event, is clear. Such a new institution would involve government funds. It might well involve government officials. But a premium must be placed on the involvement of private citizens and the exercise of private judgments, for to be effective, it would have to have -- and be recognized to have -- a high degree of independence.

The prompt creation of such an institution, based on this principle, would fill an important -- and never more apparent -- national need.

Respectfully,

/s/ John W. Gardner
Secretary of
Health, Education and Welfare

/s/ Richard Helms
Director of
Central Intelligence

/s/ Nicholas deB. Katzenbach
Under Secretary of State,
Chairman

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THE UNDER SECRETARY OF STATE
WASHINGTON

March 17, 1967

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

Subject: Report of your committee on
CIA Relations with Private
Voluntary Organizations

1. The Nature of the Report

I thought that you might wish, prior to our meeting today, to have an idea of the direction in which our study is going. Hence I enclose a very nearly final draft report.* There may yet be language changes, but I believe this has the general approval of the committee.

You might focus particularly on the two underlined recommendations on pages 1 and 2 and the proposed Statement of Policy on page 4. The footnote is particularly important. I believe it fair to say that Dick Helms would wish more leeway than the Policy allows and that John Gardner would prefer virtually no leeway at all. The footnote represents a position that we ought to try to achieve a flat ban, but without handcuffing the Administration or the United States Government, whatever the future danger. I believe the footnote is acceptable to both Messrs. Gardner and Helms -- but they can speak for themselves.

2. Public Reaction

In my view, this report would be a satisfactory

* The final report will include a series of classified appendices which do not affect the substance of the report proper, which is drafted in a way to permit you to make it public.

DECLASSIFIED

Authority State 8-9-78, CIA 3-9-81, NSC 10-24-79 ~~SECRET~~
NEW 8-22-79

By inf, NARS, Date 3-20-81

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-2-

solution to the first public problem of how to sweep up the broken china.

The committee also has sought to provide a platform for the second problem -- a constructive alternative. We did not attempt to particularize a recommendation of a new funding mechanism for the reasons stated in the report. (But we also thought it unwise for a committee on which CIA was represented to undertake this task).

I would suggest that you now have an opportunity to turn the whole issue to advantage and to win substantial credit with the liberal, academic, intellectual community, by going forward promptly with the recommended followup committee. For this reason, you might wish to release a response to our report at the time it is released. This response could announce the new committee and reflect your determination to achieve and support a sensible solution.

Respectfully,

Under Secretary of State

cc: Secretary Gardner
Director Helms

~~SECRET~~

1967 MAR 17 PM 6 43

THE REPORT THAT FOLLOWS IS
UNCLASSIFIED BUT THE APPENDICES
CONTAIN SECRET/SENSITIVE MATERIAL

126

THE UNDER SECRETARY OF STATE
WASHINGTON

Dear Mr. President:

The committee which you appointed on February 15, 1967 has sought, pursuant to your request:

--To review relationships between government agencies, notably the Central Intelligence Agency, and private American voluntary organizations which operate abroad; and

--To recommend means to help assure that such private organizations can play their proper and vital role abroad.

The committee has held a number of meetings, interviewed dozens of individuals in and out of government, and reviewed thousands of pages of reports. We have surveyed the relevant activities of a number of federal agencies. And we have reviewed in particular and specific detail the relationship between each such private, voluntary organization and CIA.

Our report, supplemented with supporting classified documents, follows.

In summary, the committee offers two basic recommendations:

1. It should be the policy of the United States

The President

The White House

Government that no federal agency shall provide any covert financial assistance or support, direct or indirect, to any of the nation's private voluntary organizations.

2. The Administration should develop and the Congress promptly establish a mechanism to provide public funds openly for overseas activities of private, voluntary organizations which are adjudged deserving, in the national interest, of public support.

1: A NEW POLICY

The years immediately after World War II saw a surge of communist activity in organizations throughout the world. Students, scientists, veterans, women and professional groups were organized into international bodies which spoke in the cadences, advocated the policies, and furthered the interests of the communist bloc. Much of this activity was organized, directed, and financed covertly by communist governments.

American organizations reacted from the first. The young men who founded the United States National Student Association, for example, did so precisely to give American youth the capacity to hold their own in the international arena. But the importance of students as a force in international events had yet to become widely understood and NSA found it difficult to attract private support for its international activities. Accordingly, the United States Government, acting through the Central Intelligence Agency, provided support for this overseas work.

We have taken NSA as an example. While no useful purpose would be served by detailing any other CIA programs of assistance to private American voluntary organizations, one fundamental point should be clearly stated: such assistance was given pursuant to National Security Council policies beginning in October, 1951 and with the subsequent concurrence of high-level senior interdepartmental review committees in the last four Administrations.

In December, 1960, in a classified report submitted after a year of study, a public-private Presidential Committee on Information Activities Abroad specifically endorsed both overt and covert programs, including those assisted by CIA.

Our study, undertaken at a later time, discloses new developments which suggest that we should now re-examine these policies. The American public, for example, has become increasingly aware of the importance of the subtler forms of international competition between free societies and communist states. As this awareness has grown, so have potential sources of support for the overseas work of private organizations.

There is no precise index to these sources, but their increase is suggested by the growth in the number of private foundations from 2,220 in 1955 to 18,000 in 1967. Hence it is increasingly possible for organizations like NSA to seek support for overseas activities from open sources.

Just as sources of support have increased, so has the number of American groups engaged in overseas work. According to the Agency for International Development there has been a nine-fold increase just among voluntary organizations which participate in technical assistance abroad, rising from 24 in 1951 to 220 in 1965. The total of all private American voluntary groups now working overseas may well exceed a thousand. The number of such organizations which have been assisted covertly is a small fraction of this total. The others have accepted only open government funds or have had no relationship with the government.

The work of private American organizations, in a host of fields, has been of great benefit to scores of countries. That benefit must not be impaired by foreign doubts about the independence of the organizations. The committee believes it is essential for the United States to underscore that independence immediately and decisively.

For these reasons, the committee recommends the following:

STATEMENT OF POLICY

No federal agency shall provide any covert financial assistance or support, direct or indirect, to any of the nation's private voluntary organizations. This policy specifically applies to all foreign activities of such organizations and it reaffirms present policy with respect to their domestic activities.

Where such support has been given, it will be terminated as quickly as possible without destroying valuable private organizations before they can seek new means of support. On the basis of our case-by-case review, it is the judgment of this committee that the process of termination should be completed by December 31, 1967.

We believe that, particularly in the light of recent publicity, establishment of a clear policy of this kind is the only way for the government to carry out two important responsibilities. One is to avoid any implication that governmental assistance, because it is given covertly, is used to affect the policies of private voluntary groups. The second responsibility is to make it plain in all foreign countries that the activities of private American groups abroad are, in fact, private.

The committee has sought carefully to assess the impact of this Statement of Policy on CIA. We have reviewed each relevant program of assistance carried out by the Agency in case-by-case detail. As a result of this scrutiny, the committee is satisfied that application of the Statement of Policy will not unduly handicap the Agency in the exercise of its national security responsibilities. Indeed, it should be noted that, starting well before the appearance of recent publicity, CIA had initiated and pursued efforts to disengage from much of this activity.

The committee also recommends that the implementation of this policy be supervised by the senior interdepartmental review committee which already passes on proposed CIA activities and which would review and assist in the process of disengagement.*

2: NEW METHODS OF SUPPORT

While our first recommendation seeks to insure the independence of private voluntary organizations, it does not deal with an underlying problem--how to support the national need for, and the intrinsic worth of, their efforts abroad.

Anyone who has the slightest familiarity with intellectual or youth groups abroad knows that the concept of the open society continues to be under bitter, continuous

* If the Statement of Policy is to be effective, it must be rigorously enforced. In the judgment of this committee, no current programs would justify any exception to this policy. At the same time, where the security of the nation may be at stake, it is impossible for this committee to state categorically now that there will never be a contingency in which overriding national security interests may require an exception--nor would it be credible to enunciate a policy which purported to do so. We therefore recommend that, in the event of such contingencies, the interdepartmental review committee be permitted to make exceptions to the Statement of Policy, but only where overriding national security interests so require; only on a case-by-case basis; only where open sources of support are shown to be unavailable; and only when such exceptions receive the specific approval of the Secretaries of State and Defense. In no event should any future exception be approved which involves any private educational, philanthropic, or cultural organization.

attack, some of it carefully organized and well-financed, all of it potentially dangerous to this nation.

It is of the greatest importance to our future and to the future of free institutions everywhere that other nations, especially their young people, know and understand American viewpoints. There is no better way to meet this need than through the activity of private American organizations.

The time has surely come for the government to help support such activity in a mature, open manner.

Some progress toward that aim already has been made. In recent years, a number of federal agencies have developed contracts, grants, and other forms of open assistance to private organizations for overseas activities. This assistance, however, does not deal with a major aspect of the problem. A number of organizations cannot, without hampering their effectiveness as independent bodies, accept government funds directly.

The committee therefore recommends that the Administration should develop and the Congress promptly establish a mechanism to provide public funds openly for overseas activities of private voluntary organizations which are adjudged deserving, in the national interest, of public support.

Such a mechanism could take various forms. One promising proposal, advanced by Mr. Eugene Black, calls for a publicly funded but privately administered body patterned on the British Council.

The British Council established in 1934, operates in 80 countries, administering approximately \$30,000,000 annually for reference libraries, exhibitions, scholarships, international conferences, and cultural exchanges. Because 21 of its 30 members are drawn from private life, the Council has maintained a reputation for independence, even though 90 percent of its funds are governmental.

According to the UNESCO Directory of Cultural Relations Services, other nations have developed somewhat similar institutions. The Indian Council for Cultural Relations, for example, is entirely government-financed but operates autonomously. The governing body of the Swedish Institute for Cultural Relations consists of both government and private members. This institute receives 75 percent of its funds from the government and the remainder from private contributions.

The experience of these and other countries helps to demonstrate the desirability of a similar body in the United States, wholly or largely funded by the federal government. Another approach might be the establishment of a governmental foundation, perhaps with links to the existing Federal Inter-Agency Council on International Education and Cultural Affairs.

Such a public-private body would not be new to the United States. Congress established the Smithsonian Institution, for example, more than a century ago as a private corporation, under the guardianship of Congress, but governed by a mixed public-private Board of Regents.

The committee began a study of what might be the best method of meeting the present need. Officers of a number of major private foundations accepted the committee's request for preliminary advice on these and other possible alternative approaches, and their work is now in progress. It is evident, however, that, because of the great range both of existing government and private philanthropic programs, the refinement of alternatives and selection among them is a task of considerable complexity.

Accordingly, we do not believe that this exclusively governmental committee is an appropriate forum for the task and we recommend, instead, the appointment of a larger group of individuals, both from government and private life, with extensive experience in this field.

The basic principle, in any event, is clear. It must be private citizens rather than government officials who have the controlling voice in the allocation of funds by such a new institution. To be effective, it would have to be--and be recognized as--an independent body, not controlled by the government.

The prompt creation of such an institution, based on this principle, would fill an important--and never more apparent--national need.

Respectfully,

John W. Gardner
Secretary of
Health, Education and Welfare

Richard Helms
Director
Central Intelligence Agency

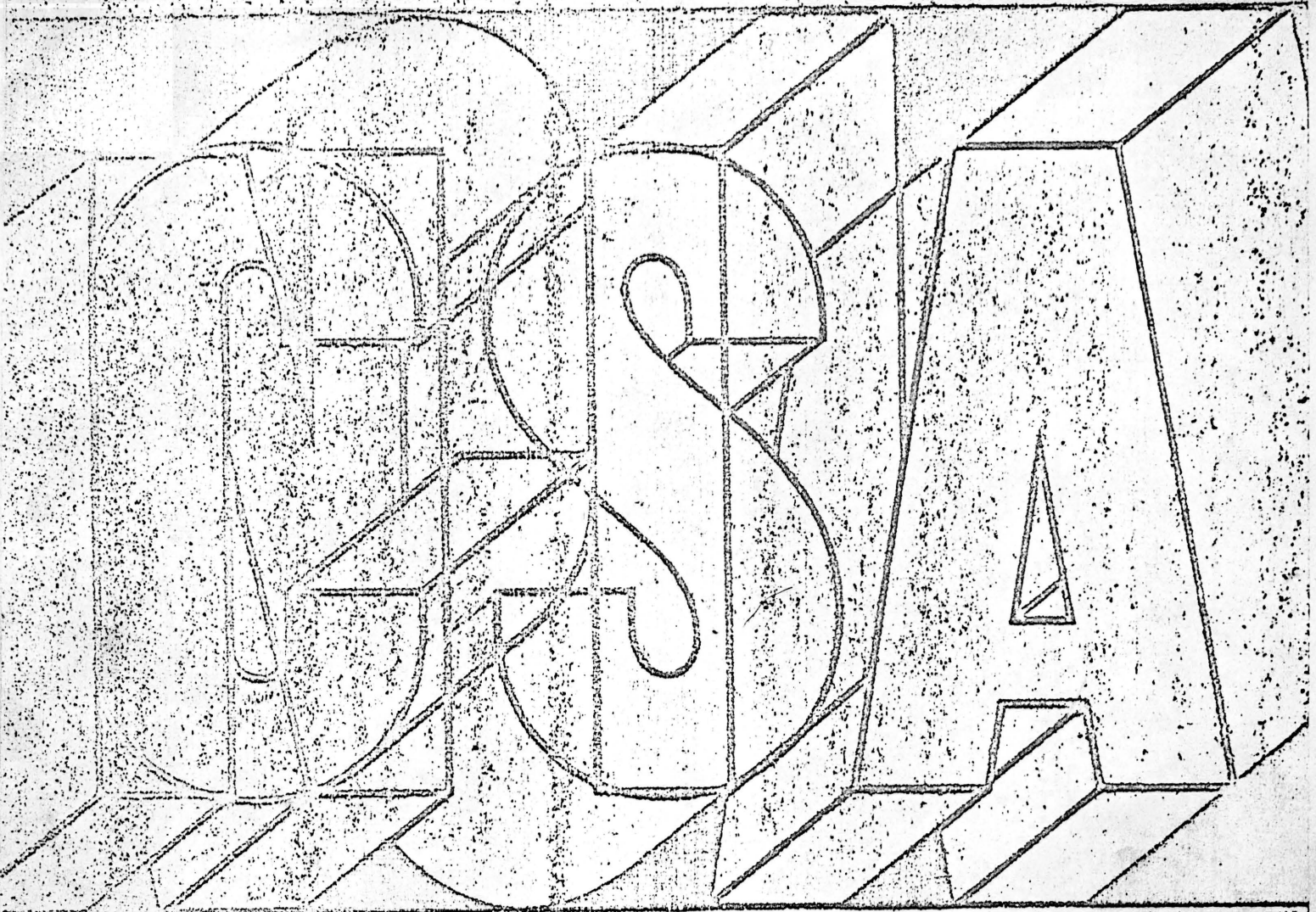
Nicholas deB. Katzenbach
Under Secretary of State,
Chairman

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Thanks Judy.

Elna

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[I. SOME NECESSARY BACKGROUND]

THE CHILL OF THE COLD WAR was already in the air in August of 1946, when some 300 students from 38 countries assembled in the flag-bedecked Artists' Hall in Prague for the first World Student Congress. Among the delegates were 24 American students, many of them World War II veterans, representing various youth and student organizations and ten prominent universities. The communists were in the majority at the Congress, and disputes arose as to the proper role of international student organizations. Still, the Congress ended on an amicable note, with a call for further cooperation and the building of a truly representative international student organization—which came into existence shortly afterwards, and was named the inter-

national Union of Students (IUS). The American delegates, who came to be known as the Prague 25, returned home, fully convinced that a new, truly representative *national* organization had to be created which could fittingly represent the U.S. student community in the international student world.

Establishing themselves as an organizing committee, the Prague 25 issued a call for a national conference of student leaders to organize a new national union of students. They were remarkably successful. In the summer of 1947, a new body known as the United States National Student Association (NSA) held its Constitutional Convention in Madison, Wisconsin. By the time of this convention, the atmosphere of the IUS had become even more openly pro-communist than it had been in Prague. However, it was not until the communist coup had taken place in Czecho-

slovakia in 1948 and the IUS had failed to condemn the communists' mishandling of Czech students that the break between NSA and IUS became official.

Finally, in 1950, NSA met in Stockholm with 18 other national student groups to form a new international student body which was ultimately called the International Student Conference (ISC). During the first meetings, the overwhelming majority of the delegates were opposed to the conception of the ISC as a "rival," set up to fight the IUS and international communism. The delegates to the first ISC wanted to avoid controversial political questions and any further schism of the international student world.

The new international organization grew quickly and impressively. By the middle '50s, over 55 national student unions were participating, more than half of which were from the underdeveloped "Third World," and the ISC had a huge budget providing for many programs of technical assistance, education and student exchanges. The ISC became the pacesetter for international student politics and NSA was on its way to becoming the most powerful force within the new international organization.

AS THE ISC GREW, the students of the underdeveloped world pressed the hardest for it to take political stands on controversial issues such as colonialism and racism. And as the "Third World" student unions started to press political issues in the ISC, it was usually the NSA delegation that played the moderating role, trying to keep the ISC focused on the problems of "students as students."

In a sense, the very growth of the ISC engendered its problems. Most student unions, originally attracted to the organization out of resentment against the strictures imposed by the IUS, became alienated from it when, partly under NSA's prodding, the ISC began to set forth its own tight Cold War positions. By the 1960's, the situation had begun to reverse itself: the IUS was making gestures for consultations that might lead to a reunification of the world student movement, while the ISC—with NSA in the lead—kept to a rigid Cold War line and put off most of these overtures.

At its peak in 1960, over 400 schools were affiliated with NSA. Its staff operations and budget grew every year. Though there was little income from the dues of its constituent members, NSA picked up financial support for its operations from a number of foundations. Most of this went entirely to NSA's international operations. NSA was able to sponsor yearly international relations seminars, foreign student leadership training projects, scholarships for foreign students, and still maintain a large travel budget for its international commission staff and its overseas representatives.

Despite the formal democracy in NSA, there was little relationship between its overseas operations and its on-campus base. NSA Congresses were massive affairs attended mostly by students sent as delegates from the student governments of NSA's member schools. They had little knowledge of NSA's year-round staff operations. International affairs and the operations of NSA's international staff were debated by a select few who could usually move the rest of the Congress on the basis of their esoteric expertise. Overseas representatives of NSA and delegates to the ISC were never elected by the NSA Congress.

NSA has always shown two faces. Its domestic programs, its Congresses and its regional meetings have always been open and spontaneous. If NSA national leaders were occasionally over-cautious, they still moved with the liberal currents of opinion among American students. In the '50s, NSA took even more liberal stands than the prevailing apathy among students might have suggested. And in the '60s, NSA responded to the new militant protest mood on the campuses. It supported students against the draft, opposed the war in Vietnam, and participated in civil rights struggles. It played a crucial role in the formation of the Student Nonviolent Coordinating Committee and was one of its staunchest supporters, a position which cost it the affiliation of many schools in 1961.

Yet NSA's overseas image has been very different. Despite its liberal rhetoric, NSA-ers abroad seemed more like professional diplomats than students; there was something tough and secretive about them that was out of keeping with their openness and spontaneity back home.

In the light of all this, it is not surprising that a number of NSA's critics have pointed a suspicious finger at its international operations. Nor is it a shock to discover that some people in the left wing of NSA, like Paul Potter, who was elected national affairs vice president in 1961 and went on to become president of Students for a Democratic Society, revealed that they had always suspected NSA's international operations of being tightly tied in with the State Department. Very few ever seriously raised the more sinister spectre of CIA involvement.

[II. SOME FANCY FINANCING]

It is widely known that the CIA has a number of foundations which serve as direct fronts or as secret "conduits" that channel money from the CIA to preferred organizations. An intimation of the scope of this financial web was afforded the public on August 31, 1964, when Texas Congressman Wright Patman, in the course of an investigation into the use of foundations for tax dodges, announced that the J. M. Kaplan Fund of New York was serving as a secret conduit for CIA funds. As soon as Patman made his announcement, representatives of the

CIA and Internal Revenue came scurrying to his office for a hasty conference. Patman apparently was satisfied with the results. Without retracting his allegations about the Kaplan Fund he announced: "... The CIA does not belong in this foundation investigation."

Before bringing down the curtain of secrecy, he did, at least, reveal one fact of substance. It turned out that a number of other foundations had contributed to the Kaplan Fund during the crucial years of 1961-63 when the Fund had been serving the CIA. Five of these foundations were not even on the Internal Revenue Service's list of tax-exempt foundations. They were the Borden Trust, the Price Fund, the Edsel Fund, the Beacon Fund and the Kentfield Fund. The implication was clear that some or all of these were the channel through which the CIA money passed into the Kaplan foundation coffers.

Ramparts was provided with an unusual insight into the manner in which the CIA uses legitimate foundations with liberal interests, such as the Kaplan Fund, in a recent conversation with the president of a prominent New England foundation who asked to remain anonymous: "I didn't want my foundation dragged through the CIA mud." In 1965 he was approached by what he described as "two nice middle-aged Irish cop types who flashed CIA cards at me." The men asked the foundation president if they could look over the list of organizations that his foundation supports. He volunteered the list to them and after looking it over, the agents said that there were organizations on the list that they would also be willing to support. The CIA men explained, "We are trying to pose an alternative to communism and want to back third-force programs, which we could not do if it was known that this support comes from a government source."

The agents then proposed to support some of the organizations already on the foundation's list as well as suggesting new prospective recipients. The agents promised that if this arrangement was accepted, they would be able to channel CIA money into the foundation without it ever being traced back to the CIA. They said that they were very skilled at these manipulations.

The president, however, took the proposal directly to the board which rejected it by a vote of four to one, out of what the foundation president called "a 19th century sense of morality. We just did not like the secrecy of it."

THE CIA-SUSPECT Funds mentioned in the Patman investigation are a key to understanding part of NSA's finances. Conveniently, they are spread all over the country (Borden in Philadelphia, Price in New York, Beacon in Boston, Kentfield in Dallas and Edsel, whose last known address was in San Francisco). When a Ramparts reporter checked out the

addresses officially listed by the foundations, he usually found himself in a law office where no one was willing to talk about the Funds.

Two foundations that have supported the international programs of NSA—the J. Frederick Brown Foundation and the Independence Foundation—have received regular contributions from four of these CIA-linked Funds: Price, Borden, Kentfield, and Edsel. Both the J. Frederick Brown and the Independence Foundations list the same address, 60 State Street, Boston, which is also the address of the prestigious law firm of Hale and Dorr. Paul F. Hellmuth, a well-known Boston attorney and a member of Hale and Dorr, and David B. Stone, a Boston businessman and philanthropist, are the trustees of the Independence Foundation. Hellmuth alone is the trustee of the J. Frederick Brown Foundation.

Of the two, J. Frederick Brown is less important as a source of NSA funds. It made only \$3300 in contributions to NSA, in 1963. It also made contributions to the American Friends of the Middle East, among other organizations with overseas interests. In an article in the May 9, 1966 issue of *The Nation*, Robert G. Sherrill implied that the American Friends had CIA ties. No official of the organization denied the allegations.

As far as NSA is concerned, the Independence Foundation is the more important of Mr. Hellmuth's two interests. Independence got its tax-exempt status in 1960. Since then, most of its funds have come from other trusts and foundations. In 1962, for example, the Independence Foundation received a total of \$247,000, of which only \$18,500 came from individuals or corporations; all the rest came from other foundations. Of the total, the four Funds cited in the Patman investigation gave \$100,000.

Between 1962 and 1965, NSA received \$256,483.33 in grants for its international programs from Independence. Much of that sum went to pay for NSA's International Student Relations Seminars, yearly extravaganzas which served as effective training grounds for future NSA international leaders.

NSA is still coasting on Independence's largesse. The building which houses NSA's present headquarters is occupied under a 15-year rent-free agreement with the Independence Foundation. Originally, NSA purchased the building with a down payment and a yearly mortgage payment to be secured from Independence. But Independence suddenly changed its mind and bought the property back from NSA. Deeds on file with the clerk of the District of Columbia reveal that NSA sold the property on October 20th, 1965, to the First National Bank, but that the bank was acting as a "trustee under an undisclosed trust." The undisclosed party is Paul Hellmuth, who secured the property, and leased it to the Independ-

ence Foundation which turned it over to NSA for the 15-year free rent agreement.

Shortly after NSA moved into its new, plush Washington offices in the fall of 1965, a reporter from the Washington Post, who was doing a feature article on NSA, asked NSA President Phil Sherburne who was paying the rent on the building. Sherburne refused to divulge this information. This secrecy in protecting the names of NSA's benefactors was not unusual. In fact, NSA has never made a full financial accounting to its own Congresses.

THE INDEPENDENCE FOUNDATION has served NSA's overseas operations in other indirect ways. It has provided a number of scholarships for former NSA officers, usually in the neighborhood of \$3000 per year. The purpose of these scholarships was to enable former NSA officers to function as overseas representatives where they were free to make contacts with foreign student unions and roam as free operatives for NSA, sending back periodic reports. Ostensibly, the overseas representatives were supposed to be in overseas universities, but this was entirely pro forma.

Independence has not restricted its largesse exclusively to NSA. In the period between 1961 and 1965 it spent \$180,000 in financing an interesting operation known as the Independent Research Service (IRS). This was the organization that made life so miserable for the organizers of the communist-leaning world youth festivals in Vienna in 1959, and in Helsinki in 1962. The Independent Research Service actively recruited a delegation of hundreds of young Americans to attend the festivals in order to actively oppose the communists. The travel expenses of all the delegates were fully paid for and the bill was footed as well for a jazz group, an exhibition of famous American painters and a daily newspaper printed in five languages, all of which accompanied the delegates.

Although the official position of the NSA Congress was not to participate in the youth festivals, important NSA officers and ex-officers were very active in the Independent Research Service activities in Vienna and Helsinki. The director of the IRS during the Helsinki Youth Festival was Dennis Shaul, who was elected NSA president shortly thereafter. Shaul has also been the recipient of one of the Independence Foundation's "scholarships" in 1964.

When questioned by a Ramparts reporter about some of the activities and sources of funds for his Independence Foundation, Mr. Hellmuth, a normally outgoing man, became guarded and curt. He refused to divulge the addresses or any other information about the money which had been donated to both of his foundations. However, he was quite voluble about his close friendship with the officers of NSA.

Still another foundation which has given to NSA is the Sidney and Esther Rabb Charitable Foundation of Boston. The similarities between the Rabb Foundation and the J. M. Kaplan Fund are striking. Rabb, like Kaplan, is a Jewish businessman, prominent in liberal democratic circles. The records show that up until 1963 the Rabb Foundation's only source of income was from Rabb himself. And up to that year, the Rabb Foundation's contributions were minimal and only to local charities.

Then, in 1963, two contributions to the Rabb Foundation flowed in from the Price Fund of New York—one of the Funds named in the Patman investigation, and a contributor to the J. Frederick Brown and Independence Foundations. The contributions were for \$25,000 and \$15,000 respectively. Strikingly, in the same year, the Rabb Foundation itself made two unusual and large contributions in precisely the same amounts—one for \$25,000 to Operations and Policy Research Incorporated, a Cold War-oriented strategy organization; and \$15,000 to the Fairfield Foundation. Fairfield, in its turn, has been a frequent contributor to the Congress for Cultural Freedom, previously identified in The New York Times as having received CIA funds.

During 1964, the Rabb Foundation again received unusual contributions, from three Funds, and also made three matching disbursements. It received \$25,000 from the Tower Fund, and turned over the exact sum of \$25,000 as a grant to the International Development Foundation which has been engaged in organizing anti-communist peasant unions in Latin America. It was particularly active in the Dominican Republic during that country's period of revolution and American intervention. The Rabb Foundation also received a \$20,000 contribution from the Appalachian Fund, and during that year made a disbursement of \$20,000 to the American Society of African Culture. Finally, the Rabb Foundation received \$6000 from the ubiquitous Price Fund, and during the same year it turned over—would you believe—\$6000 to the United States National Students Association to help retire an NSA deficit. Rabb made at least one other contribution to NSA in 1965 in the amount of \$5000.

IT IS NOT ALWAYS EASY to obtain information on the foundations which have sustained NSA's international operations. Take the San Jacinto Foundation, for example. In the past, San Jacinto has not only funded important portions of NSA's international program, but it has also given huge sums of money to the program budget of the ISC. In particular, it has been overly generous in supporting The Student, an ISC publication printed in five languages and distributed all over the world as an anti-communist weapon.

One other interesting fact about the San Jacinto Foundation is that, like the J. Frederick Brown Foundation, it has contributed to the CIA-suspect American Friends of the Middle East. No one at NSA, or ISC for that matter, appears to have the vaguest notion of what the San Jacinto Foundation is, who is on its board of directors or where its money comes from. San Jacinto has also apparently managed to avoid the reporting procedures required by law of all tax-exempt foundations. No records for it have been entered at the district office of the Internal Revenue Service in Austin, or with the secretary of the State of Texas, or with the county clerk.

San Jacinto's mailing address is the offices of F. G. O'Conner in the San Jacinto Building in downtown Houston. Mr. O'Conner is the secretary of the foundation. When asked by Ramparts' peripatetic reporter for some information about the foundation, Mr. O'Conner, a graying, distinguished-looking man in his sixties replied, "It is a private, closed foundation, never had any publicity and doesn't want any."

As far back as anyone can remember, the mainstay of NSA's overseas operations has been the Foundation for Youth and Student Affairs of New York City, founded in 1952. In contrast to the likes of Independence and San Jacinto, FYSA has a for-real office, a full-time staff and an eminently respectable board of directors.

In recent years, FYSA annually pumped hundreds of thousands of dollars per year into NSA's treasury. The figure for October 1965 to October 1966 was \$292,753.60. It provided a general administrative grant of up to \$120,000 per year and funded projects such as NSA's magazine, *The American Student*, foreign student participation at NSA Congresses, technical assistance projects; and its funds paid NSA's dues to the ISC. In addition, FYSA could be relied upon to pick up any operating deficit that NSA incurred during the year, and FYSA gives "scholarships" to ex-NSA officers for overseas study.

FYSA has also been the chief U.S. source for channeling money overseas to national unions of students favored by the NSA leadership. And FYSA has been practically the only external source of support, except for the mysterious San Jacinto Foundation, of the programs of the ISC. Between 1962-1964, ISC records show that these two foundations provided over 90 per cent of ISC's program budget (most of it from FYSA)—a gargantuan total of \$1,826,000 in grants completed or in progress. The ISC would be literally impotent as an international organization without the support of FYSA, having been unable to establish any sizable alternative sources of funding.

The executive secretary of FYSA is Harry Lunn, a tall, ruddy-faced, balding man in his middle thirties, himself a past president of NSA, who used to make applications for

grants to the foundation which he now directs. Lunn vehemently denied the suggestion that his foundation might be channeling CIA money for NSA, although he would not release a financial statement to this magazine.

After his presidency of NSA (1954-55) had terminated, Lunn became a member of an ISC delegation to Southeast Asia. Then, following a short stint in the Army, he went to the Department of Defense as a research analyst. From there he went on up the ladder to the political desk of the American embassy in Paris and then on up to the Agency for International Development, where he worked on the Alliance for Progress. It was from this last position that Lunn came to FYSA in 1965. Lunn also took part in the activities of the militantly anti-communist Independent Research Service at the Vienna Youth Festival in 1959, while he was attached to the Department of Defense.

Lunn's career is a case study in the intimate relationship between NSA, international student politics and the Cold War. It is living documentation of a slogan that used to hang in NSA's old Philadelphia headquarters: "The student leader of today is the student leader of tomorrow."

[III. AN EXTRAORDINARY CONVERSATION]

THE SCENE WAS the Sirloin and Saddle, a plush, dimly-lit, continental style restaurant on Washington, D.C.'s Connecticut Avenue. It was lunchtime, the third week of March 1966, and over a table an earnest conversation was taking place that eventually resulted in the exposure of the CIA's 15-year infiltration of the National Student Association.

There were two people there that day. One of them was Phil Sherburne, NSA president for 1965-1966. Athletic-looking, blonde, self-possessed, his NSA post was his latest stop in a meteoric career in student politics.

Sherburne's luncheon companion that eventful day was 23-year-old Michael Wood, NSA's director of development, or fund raising chief. Wood, too, had risen rapidly in student politics. He left Pomona College during his senior year to become a civil rights worker in Watts, where one of his projects had caught the eye of an NSA officer. He became an NSA consultant in the spring of 1965, and was soon promoted to the post of director of development. Besides raising money for NSA, he helped Sherburne work out new programs, and had even been consulted by the White House staff on possible Presidential proposals about the draft and the lowering of the voting age. He had received a letter from Douglass Cater, special assistant to the President, commending him for his excellent reports.

Wood was talking to Sherburne because he was troubled. He had been running into irritating roadblocks in trying to raise money for NSA. He had encountered a curious lack of concern among other members of the

Association's international staff about the rigorous preparation usually required for foundation fund raising. The amount of money needed often ran into hundreds of thousands of dollars, yet the proposals being submitted to the foundations funding the international program were ill-prepared, perfunctory and brief. Furthermore, President Sherburne was negotiating with the foundations without Wood's participation.

After six months of this confusion, Wood told Sherburne, with whom he had grown quite close, that he either had to be given full responsibility for the fund raising program or he would have to resign. It was at this time that Sherburne invited him to a heart-to-heart lunch conference. The following is Wood's account of what transpired during this and subsequent conversations:

Sherburne began by telling Wood that NSA had "certain relationships with certain government agencies engaged in international relations" which Wood didn't know about. This, explained Sherburne, was why Wood couldn't have full responsibility for NSA's fund raising. Wood was astonished. "You mean the CIA?" he asked. Sherburne nodded yes. Sherburne then told Wood that he was supposed to have been informed of the CIA relationship after he was appointed director of development, but that other NSA staff members and CIA contacts had decided he was politically unreliable. As well as having been a civil rights worker, Wood had gained a reputation as something of a radical. Because he couldn't be told of the CIA relationship, it was necessary to keep him in the dark about certain aspects of NSA funding.

Sherburne told Wood he hoped that everything said over lunch that day would be kept secret. He was divulging the information only because he did not want Wood to leave NSA. Later he explained that he wanted a friend he could trust with whom to discuss the CIA relationship, other than staffers who were already involved.

The CIA, said Sherburne, had managed to inject itself into the Association's international operations in the early 1950's. Since that time, virtually every president and international affairs vice president of the organization had been aware of the CIA relationship and had cooperated.

Sherburne went on to say that most of the foundations that had funded NSA's international operations were merely passing along CIA money. Moreover, some of them had made up NSA's yearly deficits, and had financed the purchase and renovation of NSA's new offices in Washington. This explained the mystery surrounding the acquisition and the rent for NSA's new national offices.

Among the CIA-front foundations specifically mentioned, according to Wood, were the Independence Foundation, the San Jacinto Foundation, the Foundation for Youth and Student Affairs, the Sidney and Esther Rabb Founda-

tion, and the J. Frederick Brown Foundation. To the best of Sherburne's knowledge, CIA money did not pass through the Ford Foundation, the Rockefeller Foundation, the Asia Foundation, and other groups which had also funded NSA international programs in the past.

Sherburne presented the Agency's involvement in international student politics as a *fait accompli*; he argued that the CIA's vast supply of money was absolutely essential. Although he had serious doubts about the desirability of the relationship, he felt that NSA could not get as much money from any other source; moreover, the Agency had supported many worthwhile and liberal overseas programs. In any event, Sherburne felt that a sudden termination of the relationship would leave NSA in disastrous financial straits.

The CIA was interested almost exclusively in NSA's international programs. Over the years no staff member who worked exclusively on NSA's national program was involved in a CIA relationship; and few, if any, even knew about it. Keeping the CIA connection secret was made easier by the fact that NSA's national and international departments were in different cities from 1947-1960.

During their frequent conversations, Sherburne gave Wood a partial glossary of "black" language that was used by NSA's CIA operatives whenever they discussed the relationship in a semi-public place. They referred to the CIA as the "firm" and not the Agency; people were not described as operatives or agents but as being "witty"; those who worked inside the Agency bureaucracy were referred to as the "fellas" or the "boys." Frequently, important NSA-ers were given code names for their contacts with the Agency. Sherburne's code name was "Mr. Grants" (based on his facility for fund raising).

Sherburne told Wood that normal procedure involved a careful evaluation by former NSA international officers of international staff members for their reliability—as well as a full national security check by the CIA. If a member passed the test, he was made "witty."

The prospective "witty" staff member would usually be taken out to lunch by another already "witty" staff member, and a representative of the CIA. NSA's dealings were with Covert Action Division No. Five of the CIA's Plans Division, and the personnel they dealt with there were themselves former NSA officers. Thus, when the new officer was taken to lunch, he at first assumed that he was merely going out with another staff member and an NSA alumnus. The prospective "witty" staff member was told at lunch that there was information relating to work on the international staff which affected national security and which he should know about, but which required him to sign a national security oath. If he signed the oath, which pledged him to keep secret any information that

was then divulged, he was then told about the CIA relationship and asked to cooperate.

The implication was clear that if the international staff member ever divulged any of the information about the relationship, there could be severe legal penalties. Thus the international officers were placed in a position in which they could not acknowledge the existence of the relationship, even to other "non-witty" NSA-ers. Sherburne made the first breach in a 15-year wall of secrecy.

The typical "witty" international staff member would first consult with an Agency representative about his overseas programs. Grants for international programs, travel allowances and expense accounts for NSA members going to overseas student conferences, would then all be supplied by CIA-front foundations.

SO INTIMATELY was the CIA involved in NSA's international program, that it treated NSA as an arm of U.S. foreign policy. The point is illustrated by a story that Sherburne told Wood. At one point during his tenure in office, Sherburne was to attend the International Student Travel Conference in Istanbul. There had already been much talk in NSA circles of opening up some bilateral contact with student unions in Soviet-bloc countries. Sherburne felt his trip to Turkey would provide a good opportunity to meet with Soviet students and discuss possible student exchanges. Sherburne sent off a cable to the Soviet National Union of Students saying that he would be in Istanbul and requesting permission to travel on to Moscow for a meeting with the Soviet student organization. But the CIA got wind of Sherburne's cable and admonished him for doing such things without first consulting the Agency. A CIA agent explained to Sherburne that since KGB (the Soviet "CIA") assumed that NSA took its cues from the U.S. government, Sherburne's gesture might be interpreted as an official change in CIA policy on bilateral student contacts. Sherburne, even though he was president of the United States National Student Association, was enjoined against making such diplomatic overtures without first requesting permission from the Agency.

The Soviet Union has always spent a good deal of money working with student and youth groups, especially in underdeveloped countries. The CIA's instrument for countering Soviet efforts was NSA, working through the International Student Conference. Former "witty" NSA staffers were always in the Secretariat of the ISC.

And NSA, with the CIA's aid, was able to play a major role in cooperating with favored national unions of students all over the world. No other union of students in the Western world has the kind of financial backing as NSA. The Canadian Union of Students, for example, operates

on a budget of about \$14,000 a year for its international programs, all of which comes from the dues of member schools. NSA, with its almost unlimited funds, was able to conduct a full program of foreign diplomacy.

Of course, the CIA was also interested in intelligence. "Witty" NSA international staff members would pass along reports on foreign student leaders directly to the Agency. This information helped the CIA in evaluating the political tendencies of prospective political leaders in critical areas of the world.

One of the lures the CIA dangled before NSA was the assurance that this intelligence gathering role did not seem to require NSA to violate its foreign policy principles. The CIA is interested in alternatives to communism in the underdeveloped world, even if the only alternative is a moderate left. "Witty" staff members were told that, in working with the CIA, they would be providing the information that would help get a more enlightened foreign policy presented in high Washington circles.

Thus an NSA international staffer, while on an overseas assignment cleared with the CIA, visited student groups in Spain that were militantly protesting against the Franco dictatorship's suppression of free student unions. This NSA-er, a genuine supporter of the Spanish students, joined a protest meeting and was roughed up by the Spanish police, jailed, and held incommunicado for three days. The same staff member had previously gone to the Dominican Republic shortly after the American intervention there. He brought back a report on his contacts with university students who had participated in the civil war on the side of the constitutionalists.

To NSA the CIA relationship was a comfortable one. It meant lots of money, a sense of doing important work, overseas travel, and, perhaps most important of all, very little feeling of having sold out one's political convictions. The CIA relationship meant something more personal, too. For years elected (and appointed) officials and staffers of NSA have been getting draft deferments. The deferment given for having an "occupation vital to the national interest" would last as long as the member worked for NSA; it was then possible for him to go on to graduate school and receive a student deferment again.

The standard practice was for the president of NSA to send a letter to the local draft board stating that the staff member's services were required in an area that affected the national interest. Always included was a Cold War paragraph about how NSA was combatting communism. In what had become almost a form letter, the NSA president, asking for an occupational deferment for his staff member, wrote: "NSA is largely responsible for the creation and maintenance of the International Student Conference, which was established in 1950 to combat the

communist-controlled International Union of Students. More than 50 countries—almost every state with a national union this side of the Iron Curtain—now participate in the International Student Conference."

During 1965-66 the war in Vietnam escalated, and a panic developed in the NSA office when staff members suddenly found themselves re-classified I-A under the impact of the increased draft quotas. Sherburne took the matter of the office staff's status to the Selective Service Presidential Review Board, and also went directly to General Hershey. No NSA staff members, "witty" or "non-witty," were drafted. The Agency looks after its own.

[IV. THE PRESIDENT REBELS]

WHEN THE CIA made Phil Sherburne "witty" it got more than it bargained for. Sherburne has a tough-minded, gritty independence that soon led him into conflict with those who were paying NSA's bills. Not only did Sherburne break the CIA cult of secrecy, but he also began fighting for NSA autonomy in international programming.

Sherburne's initial attitude to the Agency was friendly but reserved. He was willing to take CIA money for NSA projects and to consult with the Agency on matters of common interest, but he was the first NSA president who demanded full control of international programs. Previously, international programs—scholarships, student exchanges, conferences and the like—had all been worked out by NSA staff members and their CIA contacts.

But the Agency resisted Sherburne's reforms and applied pressure through their foundations. For the first time in years there were delays in the granting of funds from foundations such as FYSA and San Jacinto. But Sherburne fought back. He refused to release the funds (paid for by FYSA) that would have paid the dues of NSA to the International Student Conference. Finally, most of the money was released to NSA and a *modus vivendi* of sorts was reached. Eventually, Sherburne told Wood, Covert Action Division No. Five became so upset at its errant child, it considered severing ties with the NSA altogether.

Sherburne's effort at establishing some independence left its financial marks. Previously, any year-end operating deficits were quickly picked up by FYSA or some other foundation. In 1962-63 NSA had blundered into a disastrous financial venture with a book cooperative and wound up with approximately a \$70,000 deficit. After NSA made a pro forma appeal to alumni that brought in practically nil, several key CIA foundations and individuals came through with the cash and the debt was miraculously retired in two years. The cost of NSA's move from Philadelphia and at least \$35,000 worth of furniture and renovations for the new Washington offices were just

as easily absorbed. Among others, FYSA put up \$15,000 and two men, Thomas Millbank and George Baker, put up \$10,000 and \$5000 respectively. Millbank and Baker are both well-established New York corporate executives and fellow members of the Racquet and Tennis Club. These two men once joined with FYSA in making an \$18,000 grant to the ISC for a Latin American student conference. When asked about his interest in NSA and international student politics by this magazine, Mr. Millbank, once an assistant naval attache in Cairo, said: "It is none of your business," and promptly hung up the phone.

At the end of a year of relative independence, Sherburne was faced with approximately a \$35,000 deficit that no one picked up. The deficit has remained, despite staff cutbacks. The "firm" doesn't like rebellious children.

By the end of a year of wrangling with the CIA, Sherburne was convinced that it was impossible to maintain an independent but friendly relationship. In an attempt to find new funds that would free NSA of its financial dependence on the CIA, Sherburne went to see Vice President Humphrey in July of 1966. Humphrey had been friendly to NSA, had addressed its National Congress in 1965, and had met Sherburne once previously.

Sherburne told the Vice President about the CIA ties and NSA's financial predicament. Humphrey promised to help NSA get other, independent sources of financing.

Humphrey kept his word and wrote to Roger Blough, Chairman of the Board of U.S. Steel, David Rockefeller of the Chase Manhattan Bank, and Henry Ford, among others. In a typical letter (the one to Roger Blough), Humphrey said:

I have been very much impressed by the work done over the past few years by the National Student Association. I know the officers of the Association well.

As with other such groups the NSA has had a continuing financial difficulty.

I believe that this organization should be able to find support in the private sector, which will enable it to continue its work independently and in the best spirit of private initiative.

Despite Humphrey's entreaties, only a few hundred dollars rolled in from "the private sector." Thus NSA went to its 1966 Congress, the deficit still on its back, and its relationship with the CIA badly damaged. Sherburne continued to resist Wood's suggestions that he make a thoughtful public statement about the relationship and have it openly discussed as a public issue.

Yet what Sherburne had accomplished was considerable. For the first time in years, new national officers were elected without apparent commitments to the CIA relationship. The only problems bothering the new officers were their knowledge of the past, and the large financial

deficit—for it appeared that Humphrey's friends in the "private sector" were not as interested in supporting NSA as a rather un-public part of the "public sector" had been.

[V. EPIGRAPH TO A CAPER]

PHIL SHERBURNE FINALLY went to Harvard Law School after his year of escapades with the CIA. He was in Cambridge when Ramparts called him early last month to get his reaction to Mike Wood's revelations. In a subdued voice he said: "I think I would prefer not to say anything until I have had a chance to look at the article pretty carefully. . . . I think the article should be discussed by the current administration of NSA, and that anything that I would say would be resolved in discussions with them."

Then he was asked, "Did you sign a national security oath?" Sherburne paused a few moments and said, "At this point I don't want to make any comment."

Sherburne was under enormous pressure, not only out of a remaining loyalty to NSA, but also from the CIA. That "enlightened" organization had viciously turned on him for talking to Wood, and was trying hard to intimidate him into publicly denying Wood's story.

Sometime in the middle of January, the NSA officers and Sherburne heard that Michael Wood had passed his information along to Ramparts. Sherburne called Wood and asked him to fly to Boston, where Sherburne pleaded with him for an entire day to retract his story. Then they both flew to Washington for four more days of intense and harrowing discussion with two of the current NSA national officers, an NSA staff member, and a former national affairs vice president.

In the Washington conversations with Wood, the officers of NSA desperately tried to dissuade him from giving the information to this magazine. Wood refused and instead urged the officers to affirm the story publicly, which would be the only way of salvaging NSA's dignity. The officers would not commit themselves.

There followed two weeks of hectic caucusing and emergency meetings at NSA headquarters. NSA officers visited a number of well-known NSA alumni, including Douglass Cater of the White House staff, to ask their advice. At least one of the officers also went straight to the Agency. The current CIA operative whom he contacted is a former NSA president. He is officially employed by the Agency for International Development in Washington.

At one point the officers assembled the staff, told them of the impending story and flatly denied that it was true. They suggested that Wood was making up the story to revenge NSA for having lost his job as director of development. Finally, another staff meeting was called and it was admitted that the story was true.

Meanwhile, on the west coast, two Ramparts editors were talking to Ed Schwartz, NSA's current national affairs vice president. Schwartz, talkative and quick-witted, had been the leader of the liberal caucus in NSA. He was in Berkeley, working as a behind-the-scenes student political advisor-negotiator during the University of California campus crisis precipitated by the firing of Clark Kerr.

It seems a direct, ironic result of Cold War politics that Schwartz had to drop his liberal Berkeley activities and cross the Bay to discuss his organization's cooperation with the CIA. Through a long and tiring discussion that lasted most of one night, Schwartz did not deny NSA's relationship to the CIA. Instead, he pleaded that great damage would be done to the good works of NSA by the revelation of this relationship. As the discussion ended, he muttered something about losing his draft deferment.

A few days later, in Washington, D.C., a Ramparts editor had an almost identical conversation with two other NSA officers. The talk began in NSA's national headquarters, a four-story colonial-style brick building in a quiet residential section. On the desk in President Gene Groves' office there was an autographed picture of Hubert Humphrey. With Groves was Rick Stearns, the international affairs vice president.

During the conversation neither Stearns nor Groves denied NSA's CIA connections in the past but stated that "all of our current financing comes from legitimate sources which observe the normal legitimate reporting procedures." And yet NSA's current budget records grants totaling \$56,673.30 from FYSA. Stearns was asked, "Will you flatly say you have had no contact with the CIA during your time in office?" He shook his head.

Stearns and Groves pleaded that disclosure of the CIA relationship would be disastrous for NSA. It would put them in an awful political predicament. If they publicly admitted past CIA connections, it would tarnish NSA's image badly at home and abroad, and hurt its chances of receiving grants from other government agencies. NSA staff members also feared CIA retaliation, especially the loss of their draft deferments.

Having kept quiet about the CIA since their election, the officers now went into action to minimize the effects of the forthcoming disclosures. NSA President Gene Groves flew off to Leiden, Holland for an emergency Summit meeting with the leaders of the ISC. Groves came back convinced that NSA must make some acknowledgment of the CIA relationship—but at the urging of his colleagues in Leiden there would be as few details as possible admitted.

If older Americans have been a little put off by the style of the draft card burners or the Mario Savios, there has always been somewhat of a consensus about the good

works of the young men and women of the United States National Student Association. The NSA seemed to mix the idealism of the community organizers, the FSM activists and the Peace Corps with the buttoned-down practicality of young junior executives.

The quality which rank and file NSA-ers have cherished most about themselves is independence, especially independence from government controls. It was this quality that was supposed to distinguish their organization from national unions of students in the communist world. The quality for the most part was genuine, for the rank and file never knew of the CIA connection.

There were many arguments put forward by NSA's current officers as to why the CIA-NSA relationship should be kept secret, and many similar arguments desperately made to Mike Wood as to why he should not have given the information to anyone. Of all the reasons given—by Stearns and Groves to Ramparts' editor in Washington, and by others who pleaded with Wood—the most pathetic, which appeared again and again, was this: exposing the story would not only hurt NSA, it would hurt the CIA. Covert Action Division No. Five, after all, was not in the business of assassinating Latin American leftists, it was supporting liberal groups like NSA, groups with international programs in the best tradition of cultural exchanges between countries. NSA might be anti-

communist, but certainly no one could ever argue that its anti-communism was more militant or more narrow-minded than that of the average American. Rather, it was less so. Thus the exposure of the NSA-CIA tie would deeply hurt the enlightened, liberal, internationalist wing of the CIA. Conservative congressmen, such as L. Mendel Rivers of the House Armed Services Committee, would cut off Agency funds for these purposes, and the hardliners in CIA's "core" would be proven right in their contentions that the Agency shouldn't give large sums of money to support liberal students, no matter what intelligence it was getting in return.

The twisted sickness of this Orwellian argument should speak for itself. Yet it is extraordinary, and frightening, that it could be so easily made by the talented young liberals at the head of NSA. One would think the idea of "an enlightened wing of the CIA" would be an obvious contradiction in terms. But the idea's acceptance and support by a generation of student leaders indicates how deeply the corruption of means for ends has become ingrained in our society, and how much dishonesty is tolerated in the name of the Cold War.

By Sol Stern

With the special assistance of Lee Webb, Michael Ansara and Michael Wood.

An Epilogue...

THE DECISION to tell this story was the most agonizing of my life. Phil Sherburne, whose personal trust I have betrayed, was a close friend. Though we disagreed on many subjects (especially on how to handle the CIA), in seeking to terminate NSA's relationship he acted with a dignity rare among those who knew the facts.

Moreover, I still believe in NSA, and deeply respect the progressive stance it has taken among American students for 20 years. Yet the issues involved are larger, and my public trust as a citizen of the United States must transcend my private trust.

For years the United States National Student Association has stood for "a free university in a free society." Its resolutions on academic, political and social freedoms are clear. Its constitutional commitment to free and open democracy is of long standing. Its defense of civil liberties has been staunch and consistent. Yet because of NSA's relationship to the CIA, its leaders have for 15 years undermined those principles.

This story is only a case study in CIA corruption. When I was told of Covert Action No. Five's infiltration

of NSA, I was also told of numerous other organizations similarly infiltrated. A few have been named in this article; many others have had to be omitted. In an age when the average man's only access to the centers of decision is through private institutions, the responsiveness of those institutions to his wishes is critical to the healthy workings of a democracy. The spectre of CIA infiltration of domestic institutions—and the covert creation of coordinated leadership among them—must horrify those who regard unfettered debate as vital to representative democracy.

Those of us who worked for NSA during 1965-66, experienced an unusual sense of personal liberation. While actively involved in many of the insurgent campus and political movements of the day, we were also able to move freely through the highest echelons of established power. If those who occupied the command posts didn't always sympathize with our goals, they listened nonetheless and were sometimes affected. We felt like full citizens, able to move freely without compromising our principles. It gave us a heady feeling and a sense of power beyond our years.

The mobility and influence was as it should be for a national union of students; to learn that it had been bought with so terrible a compromise made me realize how impotent we really were.

Because of the pain involved in public discussion of so sensitive an issue, I have often wished that I had never learned the truth. Yet to avoid the truth, however painful, would be irresponsible.

There have always been staff members of the international commission who were entirely unaware of the relationship. It is unfortunate that all of them could not be protected, and that many of them may suffer the onus of NSA's guilt. I should like to note, however, that Gregory Delin, Gilbert Kulick, and Marcia Casey were in no way aware of the relationship. I am similarly sure that Mrs. Isabel Marcus Welsh, international affairs vice president in 1959-60 had no knowledge of the CIA's presence in NSA.

For those individuals in NSA who—like myself for a time—knowingly allowed themselves to be part of the relationship with the CIA, the worst consequences are internal. Very few staff members so involved were callous Cold Warriors who cynically appreciated their work with the CIA. Most of them, rather, were deeply committed liberals, whose consciences had no rest while they served two masters. All of them, I am sure, have at times felt horribly trapped in the conflict between their actions and their liberal principles.

Perhaps worst of all is the everyday dishonesty, the need to clam up when in the presence of "non-witty" staff members, to fudge, to make excuses and deflect embarrassing questions. Perhaps a professional intelligence operative, who sincerely believes in anti-communism at any price, can learn to suppress with not too much damage that most basic instinct of youth—to be open, frank, questioning of all things, in communion with his friends. But for the typical NSA staff member, part of a generation whose instinct is to unmask hypocrisy, the compromise comes very hard indeed. Many of them have suffered as a consequence the most agonizing sort of emotional schizophrenia—part of the human toll in an otherwise impersonal and cynical international intelligence operation.

MICHAEL WOOD

San Francisco, February 1967

...and a Judgment

IN SIMONE DE BEAUVOIR'S roman à clef, *The Mandarins*, there is a passage where the State Department tries to "help" Henri Perron (supposedly Camus) by offering him newsprint if his journal holds to an independent, neutralist line. Perron construes the offer to mean that the magazine should not criticize the fundamental methods of American foreign policy, and turns down the "aid." To protect the magazine's independence he also turns down aid from communist sources. But the

gods play with men and their ideals. For a period of time the magazine receives its funds from a man who took gold from dentists who collaborated with the Nazis. Living in the world makes it hard to avoid dirty hands, perhaps because we are egocentric and overvalue the work we do. When we try to bring our projects into being they become more important to us than the reason we initiated them.

For example, it is not written in the Torah or the Constitution that educational institutions had to become fronts for the government, places where the rhetoric for the Cold War is supplied and the equations and technology for hydrogen bombs are manufactured. Nobody forced them into this position. Nor did the small, cliquish groups who ran the National Student Association have to take money from the CIA. Perhaps 15 years ago it was easier that way. For the young college graduate who was a "student leader" there was nothing quite as flattering as being approached by the CIA to help in the National Effort. Furthermore, it was the way up the status ladder, to success, travel, excitement, money, and government or foundation jobs. By following that road the student leaders of my generation—a decade ago—played it safe. As a result, they became instruments of the Cold War.

I have tried to figure out why the CIA would bother attempting to get to American students. After all, it takes a good deal of trouble and expense to set up front organizations and all the other tools that used to be the monopoly of the communists. The best way to understand the CIA's motives is to see it as primarily a commercial institution which deals in buying, renting and selling people.

Yet after we examine the CIA's motives and purposes, we are left with Cold War wreckage as serious and immoral as the Bay of Pigs operation, the U-2 overflights, or the Guatemalan caper. We are left with the fact that one generation attempted to corrupt the young by paying them off, buying and renting them on the installment plan. (Now that there is a crack in the door isn't it about time that we have a public accounting of CIA funds? How much of that loot sticks in the pockets of the CIA operatives themselves?) We are left with the fact that the CIA made patsies out of thousands of young Americans who went abroad to conferences or who studied under NSA auspices, but who unknowingly were being paid for, and were used by the CIA as contacts, covers and mail drops. Furthermore, how do we now face other nations who took us at our word that our students were "free" and therefore different from the communist-run youth groups? The CIA owes an apology to the innocent college students of this last generation.

MARCUS RASKIN

*Co-Director, Institute for Policy Studies
Washington, D.C.*

Washington Post

Times Herald

THURSDAY, FEBRUARY 16, 1967

Phone 223-6000 Circulation Classified

Denial Sought

Ramparts Charges CIA Intimidation

By Richard Harwood

Washington Post Staff Writer

Ramparts magazine made public yesterday its version of the financial marriage and divorce of the National Student Association and Covert Action Division No. 5 of the Central Intelligence Agency.

Before the relationship was disclosed this year, Ramparts said, CIA had poured millions into the college student organization and NSA officials had gone to such Government figures as Vice President Hubert Humphrey in a vain effort to end their financial dependence on the intelligence agency.

Moreover, the magazine said, the CIA "viciously turned on" former NSA president Philip Sherburne "to intimidate him into publicly denying" that the relationship had ever existed.

The story is told in advance proofs of an article that is to appear in Ramparts next month. The major revelations in the article have already been confirmed substantially by the State Department.

The story began in the 1950s when the U.S. Government became alarmed at the Communist take-over of international student groups in Europe. In response to this problem, NSA set up a new International Student Conference in 1950 in cooperation with 18 other national student organizations. The new organization flourished, and "kept to a rigid

See ARTICLE A4, Col. 1

Cold War line" under NSA leaders "who seemed more like professional diplomats than students."

Only a tiny handful of NSA's officers, Ramparts said, were aware that the organization was tied into the CIA, derived from the agency important financial support for its international activities, and was treated, in turn, by CIA as "an arm of U.S. foreign policy."

The money and the policy direction, Ramparts said, came from Covert Action Division No. 5 of the CIA's Plans Division, whose personnel included former NSA officers.

The magazine, said the money was channeled to NSA through an intricate maze of "foundations," some of which may be nothing more than dummy conduits for CIA funds. They included the Borden Trust of Philadelphia, the Price Fund of New York, the Beacon Fund of Boston, the Kentfield Fund of Dallas, the Edsel Fund of San Francisco, the San Jacinto Fund of Houston, the Tower Fund and the Appalachian Fund, for

which no addresses have been given.

Through these conduits, Ramparts claimed, CIA money was passed to various private foundations and organizations such as the Foundation for Youth and Student Affairs, the J. Frederick Brown and Independence Foundations of Boston, the Sidney and Esther Rabb Charitable Foundation of Boston, and the Fairfield Foundation.

These foundations, in turn, said Ramparts, passed on money to NSA and such other groups as Independent Research Service, the International Student Conference, Policy Research, Inc., the American Society for African Culture, and the International Development Foundation.

In the case of NSA, Ramparts said the CIA funds were used solely for its international activities and to permit NSA delegates and officers to travel abroad and take part in international student meetings.

For NSA officials, the magazine said, "it meant lots of money, a sense of doing im-

portant work, overseas travel and, perhaps, most important of all, very little feeling of having sold out one's political convictions . . . The CIA relationship meant something more personal, too. For years elected (and appointed) officials and staffers of NSA have been getting draft deferments . . . for having an 'occupation vital to the national interest.'"

The few NSA officers aware of the relationship, according to Ramparts, were required to take the secrecy oath prescribed in the National Security Act. But the story broke as a result of a conversation that occurred in March, 1966 between Phil Sherburne, the NSA president at that time, and Michael Wood, NSA's director of development.

Sherburne told Wood the whole story and subsequently took steps to end the relationship with CIA.

Ramparts said Sherburne demanded that NSA make its own policy decisions, independent of CIA, and went to Vice President Humphrey for

help. Ramparts says he told Humphrey of the CIA connection and asked the Vice President to help NSA become financially independent. Humphrey, according to the magazine, tried to raise money for NSA from Roger Blough of U. S. Steel, Henry Ford, and David Rockefeller of the Chase Manhattan bank but "only a few hundred dollars came in."

The issue was finally forced, Ramparts said, by Wood who told the story to the magazine and who writes in the magazine that he has "betrayed" Sherburne's "personal trust" because of, "my public trust as a citizen of the United States."

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March 10, 1967

Walt -

There is a potentially messy situation arising in California regarding an Afghan student who has allegedly spilled some beans to Ramparts and a local TV station about contacts CIA had with him. He is alleging Prime Minister Maiwandwal was put in power by the US.

I doubt if this will blow this weekend. I will have a detailed report for you on Monday. If you need details sooner, Jim Spain in State knows all about it.

Howard Wriggins

DECLASSIFIED
Authority CIA letter APR 2 1979
By ing, NARS, Date 10-10-79

cc: Bromley Smith

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ROGER CHANNEL

FOR SECRETARY FROM ACTING SECRETARY

1. LIKELIHOOD THAT RAMPARTS MAGAZINE MAY SOON PUBLISH AN EXPOSE OF CIA SUPPORT CHanneled TO ASIA FOUNDATION HAS PROMPTED THE FOUNDATION'S BOARD OF TRUSTEES TO PREPARE PREEMPTIVE STATEMENT WHICH WILL BE ISSUED THE AFTERNOON OF MARCH 21 IN SANFRANCISCO.

2. THE STATEMENT WILL POINT OUT THAT THE FOUNDATION IS A PRIVATE PHILANTHROPIC ORGANIZATION WHICH SUPPORTS ASIAN INDIVIDUALS AND ORGANIZATIONS STRIVING TO STRENGTHEN THEIR OWN SOCIETIES, FACILITATES REGIONAL COOPERATION, AND PROMOTES IN THE US A BETTER UNDERSTANDING OF ASIAN COUNTRIES. TO CARRY ON ITS WORK THE FOUNDATION HAS SOUGHT AND RECEIVED PRIVATE CONTRIBUTIONS AND GRANTS FROM AMERICAN CORPORATIONS, FOUNDATIONS, AND INDIVIDUALS. THE

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TRUSTEES HAVE QUOTE ALSO KNOWINGLY RECEIVED CONTRIBUTIONS FROM PRIVATE FOUNDATIONS AND TRUSTS END QUOTE WHICH HAVE BEEN RECENTLY NAMED AS HAVING TRANSMITTED CIA FUNDS TO PRIVATE AMERICAN ORGANIZATIONS. THE ACCEPTANCE OF THESE FUNDS HAS IN NO WAY AFFECTED THE FOUNDATIONS POLICIES OR PROGRAMS. NOR HAS THE FOUNDATION USED ITS ASSOCIATIONS WITH ANY INDIVIDUAL OR INSTITUTION TO EXERT INFLUENCE, PROCURE INFORMATION, OR ACHIEVE POLITICAL GAIN.

3. THE TRUSTEE'S STATEMENT EMPHASIZES THEIR BELIEF IN THE WORTH OF THE WORK OF THE ORGANIZATION AND THEIR DETERMINATION TO SEEK CONTINUING FINANCIAL SUPPORT FOR THE FOUNDATIONS WORK. THEY WILL ASK FOR INCREASING CONTRIBUTIONS FROM AMERICAN FOUNDATIONS, CORPORATIONS AND INDIVIDUALS. THE STATEMENT IS SIGNED BY THE EIGHTEEN TRUSTEES, INCLUDING GRAYSON KIRK, ARTHUR DEAN, WALLACE STERLING, ED REISCHAUER AND ELLSWORTH BUNKER.

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PAGE 3 RUEHC 158827 ~~CONFIDENTIAL~~

INFORM GOVERNMENT CONTACTS. KOREAN, JAPANESE, AND MALAYSIAN GOVERNMENT ALREADY INFORMED, AMBASSADOR BOWLES HAS ASKED THAT YOU BE ADVISED [REDACTED] COPY BEING SENT YOU AND DIRECTOR HELMS THAT THE TRUSTEES' DECISION TO ANNOUNCE FOUNDATION CONNECTION WITH CIA WILL CAUSE ACUTE EMBARRASSMENT TO US POSITION IN INDIA. WE ARE REPLYING THAT WE SYMPATHIZE WITH THE AMBASSADOR'S POSITION BUT THAT THE TRUSTEES' DECISION IS QUITE FIRM AND HAS REACHED AFTER PAINSTAKING CONSIDERATION AND CONSULTATION WITH GOVERNMENT AGENCIES CONCERNED.

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THE WHITE HOUSE

WASHINGTON

29 March 1967

MEMORANDUM FOR MR. ROSTOW

Jim Critchfield sent this over on AFME. He is the Chief of the Near East Division, a Brig. General in the Reserve, and one of our better people. He is a brother of the Washington Post foreign correspondent you cited this morning.

Peter Jessup

Attachment

↓ Saunders says if any further reply goes to ~~STATE~~ Scott, STATE should be advised.

I do not see any further answer other than MANNING as being necessary

March 24, 1967

Hon. Hugh M. Scott
United States Senate
Washington, D.C. 20025

Dear Senator Scott:

I am addressing myself to your letter of March 23, to the President of the United States, which commented upon the integrity and responsibility of American Friends of the Middle East (AFME), and which your office released to the press.

Quite frankly, I am shocked that your office apparently made no effort to examine either the material being published by AFME, or its activities - but simply extracted information and allegations published by the Near East Report in its March 7 issue. I attach, for your information, material from the "Hearing Before the Committee on Foreign Relations, United States Senate, May 23, 1963" regarding the "sponsorship" of the Near East Report by the American Zionist Council - and the latter's relationship to The Jewish Agency, the American Section, Inc., a registered foreign agent.

The Board of Directors and I take considerable pride in the constructive manner in which AFME activities and programs have contributed to strengthening relations between the countries of the Middle East/North Africa and the United States - and I invite you and your staff to visit our Washington office and take the time to examine this record.

From our close concert over the years with American Ambassadors to the area, with the Department of State and with a wide variety of American firms, organizations and educational institutions with active interests and programs in the Middle East, we are assured that we have been completely supporting U.S. national interests and serving to further them. I would urge your office to consult such organizations and institutions and to seek the judgment of American Ambassadors in the countries where AFME is active, and determine directly from them whether AFME acts constructively and responsibly.

XEROX FROM QUICK COPY

Senator Scott

-2-

March 24, 1967

~~Enclosed~~ I am enclosing my statement of February 20, 1967 in response to allegations regarding AFME's integrity as a private organization. Also, I am enclosing my letter to The Nation in connection with the tendentious article published in its issue of May 9, 1966. That article, ~~also~~^{too} drew on assertions made by the Near East Report. The Nation published my letter in its issue of July 11th, 1966.

Sincerely,

Earl Bunting, Chairman
Board of Directors

Enclosures

XEROX FROM QUICK COPY

On Secrecy and Censorship

There is an ominous trend toward secrecy in the conduct of government. It abridges the right of the people to be informed; it disrupts the machinery of democracy and it subverts its high purpose.

Those who believe in freedom of speech are dismayed to observe how easily people surrender to the suppression of the facts because of the dictates of "national security."

We refer to the recent disclosures that the Central Intelligence Agency has been secretly transmitting government funds to American organizations which are engaged in propaganda, such as the American Friends of the Middle East.

The exposé that AFME was the recipient of substantial bounty from the CIA came as no surprise to readers of the *Near East Report*, which published the charges in 1963, and in a supplement in October 1964.

At that time we were under the impression that the subsidy had been suspended because of publicity and congressional testimony. But we were misinformed. The grants were reduced but not discontinued.

We can understand why CIA was constrained to strengthen American organizations engaged in a propaganda struggle against government-subsidized Communist groups in confrontations around the world.

But we could never see any justification for supporting AFME, which for many years smeared Israel and disparaged her supporters, disseminating pronouncements inconsistent with U.S. policy. This is a free country and any organization may carry on any propaganda it wishes. But not at government expense.

If the purpose was to assist Arab students to secure education or training in this country, why was it necessary to resort to secret financing by CIA? If the purpose was to use AFME's overseas offices for undercover or intelligence operations, then we submit that the money could have been much better spent. The "intelligence" gleaned by some of these AFME representatives could not have been very reliable, for they observed events through tinted glasses and wrote with slanted pens.

AFME was created in 1951, ostensibly to improve relations between the United States and the Middle East. But its founders included the same people who lobbied so passionately against the UN partition resolution in 1948 and who claimed credit for the shocking reversal of U.S. support for that resolution after the UN adopted it. This group opposed the creation of Israel, and Israel is not on AFME's list of Middle Eastern friends.

In 1953, we heard an AFME leader disclose that his organization was supported by the Dearborn Foundation and by oil companies. It was assumed that this foundation was a conduit for large corporations which might not want to disclose their contributions. No one suspected that the U.S. government was the source of a large part of AFME's rapidly mounting income.

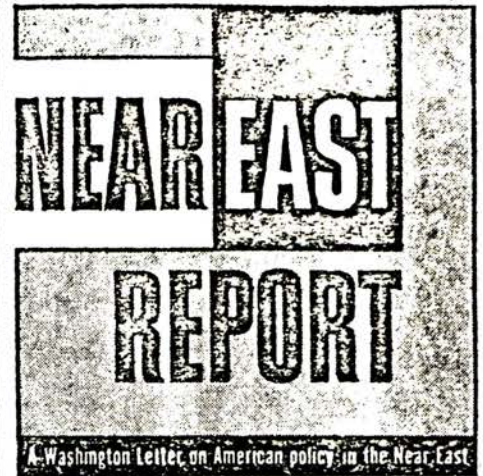
By 1954, it was estimated that AFME was receiving as much as \$400,000 a year through Dearborn and other foundations.

[It is relevant—and ironic—to note that in 1954 American Jewish leaders decided to establish a Washington political committee to offer views on American policy in the Near East and to lobby for the foreign aid program. Thus, while AFME had a tax exemption and government subsidies to carry on its propaganda, the American Israel Public Affairs Committee had to raise its funds the hard way, by soliciting modest contributions which were not deductible from income tax. AFME's budget was more than ten times the size of AIPAC's.]

In 1961, we were amazed to hear, for the first time, that AFME's funds originated with the sacrosanct CIA. No one dared talk about it because of "national security."

In July 1962, a Jordanian newspaper published a vituperative statement issued by the late Col. Elmo Hutchison, AFME's Middle East director.

Col. Hutchison attacked Israel and Israelis as "fascist, intolerant, aggressive, defiant, expansionist," and he told the Arab press that "final settlement of the Palestine problem will not come easily, but justice and time are on the side of the Arabs. One thing is certain—the Israel of Ben-Gurion, the belligerent arm



Vol. XI, No. 6, Mar. 21, 1967

... viewing the **NEWS**

Red Sea Gateway

France has won the first test in her effort to retain her last possession in Africa—French Somaliland, with its capital the busy port of Djibouti.

On Sunday, the colony voted to remain part of the French Union. The referendum was offered by President de Gaulle after his visit last August.

But the struggle is not over. Most people in Djibouti favor independence. They were outweighed by rural areas and are now challenging the vote. French troops opened fire at rioting Somalis, killing 17 yesterday.

Control over Djibouti is an issue in the cold war—as well as between Ethiopia and Somaliland, whose military forces are deployed on the frontiers in readiness for a clash.

What is at stake in the Ethiopian-Somali confrontation is more than prestige or the barren, New Jersey-size piece of real estate. Both countries would like to control Djibouti, which stands across from Aden at the southern gate to the Red Sea.

Ethiopia claims that the majority of French Somaliland's population is closely related to tribes living in Ethiopia and that the territory itself belonged to Ethiopia before colonization.

Addis Ababa also has a vital rail link with Djibouti, through which most of its external trade passes. Somalia claims Djibouti as part of Greater Somalia.

Somalia's Russian-equipped army of 10,000 is no match for Ethiopia's 40,000 men and U.S. arms.

While France still holds a grip on Djibouti, there is continuing uncertainty on the duration of Britain's control over the port of Aden across the sea. The British are now considering an agreement with the South Arabian Federation to extend British military

(Turn to Page 24)

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Secrecy and Censorship

... continued

of world Zionism, is not here to stay."

The *Near East Report* reprinted Col. Hutchison's statement on July 17, 1962.

In its literature AFME announces that the "basic aim" of AFME's overseas offices is "to correct various misconceptions concerning the United States." But startled U.S. officials who read Hutchison's statement emphatically declared that this AFME expression was in sharp conflict with U.S. policy. And they insisted that no U.S. funds were going to pay Col. Hutchison's salary.

If there had been a CIA subsidy, and no one would officially confirm it, the attitude of government officials led questioners to infer that it had been finished.

And there was some corroborative evidence the following year, for AFME's financial report showed a reduction of exactly \$350,000 in income.

In the meantime, Bushrod Howard, Washington spokesman for the Yemeni royalist cause, testified on the Hill that the government of the United States had poured \$4 million into an anti-Israel organization. This charge was denied by the Department of State, in an unsigned memorandum submitted to Congress.

By 1964 it was widely known that CIA was using conduits to finance some of its overseas operations. Under these circumstances, the *Near East Report* published the AFME story in its October 1964 special supplement.

That supplement of the *Near East Report* was later quoted by *The Nation* in an article on the CIA in 1966, which was one of the sources of *Ramparts* magazine's exposé.

AFME has recently issued a disingenuous statement:

"AFME has had no indication from any of its contributors that the funds contributed to AFME originated from other than private sources. . . . AFME is investigating to insure that this, in fact, is the case."

The statement was signed by Earl Bunting, now Chairman of the Board of AFME. Bunting once told an AFME seminar in Indianapolis, in 1958, that U.S. support for the creation of Israel in 1947 was "a tragic mistake."

We trust that AFME will disclose the results of its investigation, if and when it is concluded.

Over the years AFME leaders have distorted Israel's image and aspirations in their platforms and publications.

They decry Israel's open door immigration policy and the support Israel has received from American Jewish philanthropy. They resort to question-begging epithets. Thus, they inveigh against "expansionist Zionism"—whatever that means.

AFME helped to organize the Organization of Arab Students (OAS) in this country, and that body over the years has tried to use Arab students as a propaganda instrument to undermine Israel's position on the college campus.

We wonder how leaders of the OAS must feel when they come to realize that they have been subsidized by the intelligence arm of the hated "imperialists."

In view of this record, it is hard to see how the Administration can continue to support this or other similar organizations. The funds of American taxpayers should not be used to influence opinion on partisan and political issues confronting the American people.

Censorship in Israel

It is disconcerting to note that democratic Israel has been suffering painful repercussions to press policies which are maintained in the name of security.

Since Israel is still threatened by neighbors who are at war with her, the Government continues military censorship on matters affecting security.

Two newspapermen were arrested and sentenced to one year in prison for security breaches. The two journalists, Shmuel Mor and Maxim Gilan, are the editor and assistant editor of a sensational magazine, *Bul*, which uses scandal and pornography to attract a few thousand readers.

They published vague rumors implicating Israel's intelligence service in the Ben Barka kidnapping affair.

The Israel government prosecuted and the editors pleaded guilty to a criminal law that prohibits the unauthorized publication of security information—even if the information is found to be false.

If the government insists and the court finds *prima facie* evidence, then the court must agree to *in camera* proceedings and the press is forbidden to publish anything about the case or the sentence.

But stories that are suppressed generally have a way of bursting into print somewhere—their impact inflated because of the attempt at concealment.

Thus, critics of the Israel government maintain that had the government merely denied the story in the first place, it would never have created as much excitement as was occasioned by the secret prosecution.

About the time that the U.S. press was exposing the secret operations of the CIA in this country, the *New York Times* published the story of Israel's security trial.

The Israel press was naturally upset because it was scooped. And while there were few journalists who were ready to take up the cudgels on behalf of the jailed editors, there was widespread criticism of the Israel government's press policies.

In England

And there was an unpleasant sequel in England.

The *Jewish Observer and Middle East Review* published an article by Jon Kimche, its veteran editor, calling for the resignation of Israel's Minister of Justice, who was responsible for the *Bul* prosecution.

The Israel government considered this an unwarranted intrusion into Israel's domestic policies and so informed the Zionist Federation, which owns the publication.

One week later, Kimche clashed with his editorial board, which objected to an article that he proposed to print on unemployment in Israel, on the ground that the figures were exaggerated. When Kimche insisted that he would print the article or the publication would not come out, the editorial board discharged him.

The government of Israel subsequently put out a statement that it had not taken any position with respect to the article on unemployment or the relations between the Zionist Federation and Kimche.

Postscript

On Mar. 14, President Zalman Shazar commuted the sentences of the two editors, announcing that they would be released on Apr. 23, Passover eve. The commutation was issued on the recommendation of the Minister of Justice.

Prime Minister Eshkol's government won a 62-14 vote of confidence in the Knesset yesterday. Eshkol said that his government was "grappling successfully" with economic problems. He rejected charges that his government intervened in the Kimche case and he defended the jailing of the two editors as within Israel law.

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This is the second time that Israel has suffered adverse comment in the arena of public opinion because of its handling of press matters. For many years the "Lavon affair" was the subject of widespread criticism because of censorship which exaggerated its significance.

Public opinion has always been of major importance to Israel and it should reconsider and revise press policies which have led to misinterpretation and misunderstanding.

USIS in Syria

Last week it was disclosed that the U.S. government was deferring to Syria and censoring books and other material in the U.S. Information Agency center in Damascus. That brought angry criticism from Sen. Hugh Scott (R-Pa.), who protested to USIS Director Leonard H. Marks, on Mar. 16, that books and other material in the center are censored to "avoid difficulties with the Syrian regime."

Scott wrote:

"It is an incredible situation when the U.S. Information Service, whose function it is to disseminate America's views abroad and to counteract anti-American propaganda, becomes—in effect—the cat's paw of an anti-American regime. In this case, it seems that control of USIS functions by the pro-Communist Syrian regime makes the Damascus USIS Center worse than useless. In effect, the Syrian Government is running the shop."

He based his charges on a Feb. 28 dispatch from Damascus by Paul Grimes, Philadelphia *Evening Bulletin* reporter. The dispatch describes how the USIS center censors its own books and periodicals to avoid conflicts with Syria's pro-Communist regime. The staff uses ink, scissors and paste to censor passages or entire articles which the Syrian government may consider offensive.

The censored material includes any reference to Israel, criticisms of the Communist powers, and most pro-Administration news and opinions on Viet Nam.

The dispatch lists three books, selected at random—one of them was *Kennedy* by Theodore Sorensen—as heavily censored. Passages dealing with Israel were pasted over. Even in *Scott's Standard Postage Stamp Catalogue* the parts on Israel and Iran were covered with brown paper.

As cutting out "offensive" stories on subjects like Viet Nam or Peking would leave hardly anything to be read, the center decided not to furnish any U.S. newspapers. But popular American

weeklies, like *Newsweek*, are bought already pre-censored from local dealers and put on the racks.

Scott lists further indignities. USIS-sponsored films and lectures must be non-political and approved by a censor. American citizens are not allowed in the public areas of the center, which is staffed by local personnel. Nor is any personal contact permitted between Syrians and USIS personnel, except through appointments by the Foreign Ministry.

Censorship at the UN

Sometimes the issue of censorship arises at the UN and there are votes to protect other members from criticism. On Mar. 8, the Special Committee of Twenty-four on Decolonization voted to bar, in its report on Aden, observations critical of Egypt.

The censored parts included ten petitions from political parties and individuals in Aden accusing Cairo of political intervention and support for terrorism in the South Arabian Federation. Tanzania's representative justified the censorship as safeguarding a member-state from "abuse."

The resolution passed by 14 votes against seven, with two abstentions. Among those who voted for censor were the USSR, Syria and Iraq. The United States and Tunisia voted against it.

Tunisia's representative said that the Committee's effectiveness was damaged by a refusal to listen to an important source of information and that this step might create a dangerous precedent.

Britain's Ambassador Lord Caradon charged that the action violated the principles of "free speech and fair hearing" and jeopardized confidence in UN impartiality. He said that his delegation would circulate the censored petitions.

Banning the Crimson

And last fortnight the *Harvard Crimson* ran afoul of Arab censorship.

Let's Go: A Student Guide to Europe, published by Harvard Student Agencies, came out with its 1967 edition bearing an El Al Airlines advertisement with the Israel flag on its back cover. This was too much for Lebanon and the publication was banned.

"We expect to lose as much as six dollars in profit as a result of the ban," Andrew P. Tobias told the *Harvard Crimson*. Tobias is manager of HSA's publishing division. "We printed 50,000 copies of this edition and were trying to sell only ten copies in Lebanon. We don't expect the ban to put us out of business," he said.

heard IN WASHINGTON . . .

More on the Boycott

- The Administration is still opposed to mandatory legislation which would prohibit American exporters from responding to Arab boycott questionnaires.

- Arab boycott activities have not been reduced since Congress voted in 1965 to urge businessmen not to furnish such information.

- The Administration has given wide publicity to that legislation and businessmen do report to Commerce when they receive questionnaires.

- Most American businessmen refuse to answer boycott questions about their investments or interests in Israel itself and less than one percent of the inquiries that are received deal with this issue.

These views were expressed by Acting Secretary of Commerce Alexander B. Trowbridge in reply to members of the House Banking and Currency Committee last Friday.

Representatives Jonathan B. Bingham (D-N.Y.), Garry E. Brown (R-Mich.) and William Widnall (R-N.J.) fired questions at Trowbridge at a briefing session. The Acting Secretary declared that "extensive publicity" has been given to the regulations. Between October 1965 and February 1967, some 8,063 reports, covering 9,820 questionnaires by the Arab countries, had been received.

Trowbridge said that he believed that the Administration had carried out the intent and policy of the 1965 law "in an effective manner." But while the Government requires American businessmen to report the receipt of questionnaires, it does not require them to disclose if and how they replied.

Bingham objected to this policy but Trowbridge defended it on the ground that it is up to a company and not to the Government to decide what it should do. Trowbridge said that he was opposed to forcing a decision on any company. Very often, he said, a company might feel that it was in its own interest to comply with the requested information even though it might not agree with the Arab policy. Trowbridge contended that no law could stop Arab boycott authorities from continuing their practices.

XEROX FROM QUICK COPY

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

March 23, 1967

17d
PJ
Comments
please
up

MEMORANDUM FOR

Walt Rostow

FROM: Mike Manatos *h. m.*

Attached is a letter to the President from Senator Hugh Scott concerning reports of CIA funds channeled to the American Friends of the Middle East through private foundations.

I have acknowledged the letter, and am sending it to you for what additional action you judge to be necessary.

You will note that my acknowledgment does not indicate that a further response can be expected.

17e
CONGRESSIONAL

March 23, 1967

Dear Senator:

May I acknowledge your letter of March 22 to the President concerning reports of government assistance to the American Friends of the Middle East.

Your letter is receiving attention, and you may be assured that careful consideration will be given to your recommendations.

Sincerely,

Mike
Mike Manatos
Administrative Assistant
to the President

Honorable Hugh Scott
United States Senate
Washington, D. C.

jl/jf
3

17F
March 23, 1967

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Mike Manatos
Administrative Assistant
to the President

Honorable Hugh Scott
United States Senate
Washington, D. C.

jl/jf

March 23, 1967

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Sincerely,

Mike
Mike Manatos
Administrative Assistant
to the President

Honorable Hugh Scott
United States Senate
Washington, D. C.

jl/jf

RIDING PAGE

174

United States Senate
WASHINGTON, D.C.

March 22, 1967

The President
The White House
Washington, D.C.

Dear Mr. President:

I am concerned to learn that the American Friends of the Middle East (AFME) apparently has received large sums of money from the Central Intelligence Agency through various foundations.

The following ten foundations, identified as CIA conduits, have contributed to AFME since its establishment in 1951:

Baird	\$ 150,000
Brown	45,000
Dearborn	1,500,000
Granary	75,000
Hobby	175,000
Jones	50,000
Jones-O'Donnell	35,000
Marshall	65,000
San Jacinto	250,000

Total	\$2,345,000
-------	-------------

The American Friends of the Middle East was started by people who fought the establishment of Israel in the 1940's and who have since nursed grievances against U. S. policy in the Middle East. The organization functions primarily as a forum for pro-Arab and anti-Israel speeches in the United States. AFME created and supports the Organization of Arab Students, a major focus of anti-Israel propaganda in this country, which actively campaigns on over 100 U. S. college campuses.

Continued...

THE WHITE HOUSE
RECEIVED

1967 MAR 22 PM 3 31

The President
The White House
Washington, D.C.

Dear Mr. President:

The following statements were made by a director of AFME:

(Israel is) "fascist, intolerant, defiant, aggressive, expansionist."

"Final settlement of the Palestine problem will not come easily, but justice and time are on the side of the Arabs. One thing is certain--the Israel of Ben-Gurion, the belligerent arm of world Zionism, is not here to stay."

"AFME is fighting Zionism...."

Those statements are in sharp conflict with U. S. foreign policy. Although AFME publications and programs clearly reveal its political and propaganda interests, it has always enjoyed tax exemption.

Mr. President, let me underscore the fact that this letter is not to be interpreted as blanket criticism of the C.I.A., which performs many functions vital to American national security. Neither am I critical of any organization which has as its objectives to reduce tensions in the Middle East or to encourage full and free change of students between the United States and all nations of the Middle East.

But I do object most strenuously to any use of U. S. Government money for an organization whose principal objective is to generate anti-Israel propaganda in the United States and to conduct other activities that run counter to the stated objectives of American foreign policy. I am most deeply concerned that such activities increase, rather than decrease, tensions which are already too high in the Middle East. Neither should the funds of American taxpayers be used to influence opinion on issues that currently confront American people.

I respectfully request that you take three actions:

Continued...

Mr. President

3

- 1) Bring an immediate halt to any U. S. Government funds that are going to the American Friends of the Middle East and similar organizations, through whatever conduit.
- 2) Direct the Internal Revenue Service to begin an immediate investigation into the tax exempt status of the foundations that have provided funds for this organization.
- 3) Direct appropriate Government officials to report publicly--eliminating only such details that might jeopardize American national security--on the full amount of U. S. Government money that has gone to the American Friends of the Middle East and the purposes for which this money was spent.

Respectfully,


Hugh Scott

United States Senate

COMMITTEE ON COMMERCE

OFFICIAL BUSINESS

Hugh Scott

U. S. S.

The President
The White House
Washington, D.C.

Andrew Page

~~SECRET~~

Hold S/S sending memo 18

THE WHITE HOUSE
WASHINGTON

March 10, 1967

Walt -

There is a potentially messy situation arising in California regarding an Afghan student who has allegedly spilled some beans to Ramparts and a local TV station about contacts CIA had with him. He is alleging Prime Minister Maiwandwal was put in power by the US.

I doubt if this will blow this weekend. I will have a detailed report for you on Monday. If you need details sooner, Jim Spain in State knows all about it.

Howard Wriggins

DECLASSIFIED
Authority CIA letter APR 2 1979
By inf, NARS, Date 10-10-79

~~SECRET~~

19
MEMORANDUM FOR: Mr. Walt Rostow

The attached is for your delectation.

Dir
Richard Helms

14 March 1967

(DATE)

STANDARD FORM NO. 64

The attached is for your information.

(Typed Name)

1967 MAR 14 PM 4 25

RECEIVED
POSTOFFICE

(DATE)

Radio Liberty Committee

PARIS BUREAU

122. RUE DE RENNES - PARIS 6*

TÉL. 222-88-85



February 28, 1967

Mr. Howland H. Sargeant
Radio Liberty Committee
30 East 42nd Street
New York, N.Y. 10017
U.S.A.

Dear Howland,

You may have wondered what the effect has been on Europeans of the disclosure in the press about CIA programs among American educational institutions, labor unions, etc. These relationships have been widely reported by the French press and I imagine by that of many other European countries. Generally the reporting has been objective.

But I am now in a position to give you a reply to this question which comes from the very front ranks of the French Government.

The occasion was a reception last Saturday morning by Ambassador Bohlen and at one point I found myself talking with Lee Brady, Funkhouser, the head of the Embassy political section, and the director of the American Department of the French Foreign Office, a Monsieur Jorgensen, who, despite his name and Nordic appearance, is very French indeed in his thinking.

I put the question to him, "What, Monsieur Jorgensen, is the French reaction to the recent disclosures about the CIA and its connections with international educational circles, to say nothing of the labor unions?"

"As far as the French are concerned, I think these disclosures are excellent! Nothing could have been better. We never believed the Americans were so clever. Of course we do the same thing in different ways, but never with the finesse, delicacy and penetration that you have exhibited. I think that

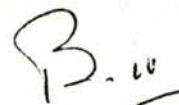
every Frenchman now has a much greater respect for the American government than he had before. They are saying that les Américains sont formidables.

"In fact," and he smiled, "these disclosures were so cleverly arranged that some of us wonder whether they were not disclosed purposely to impress us."

"But Monsieur Jorgensen," Lee said, "surely you must be pulling our leg!" Monsieur Jorgensen laughed.

"Yes, I am, a little, perhaps, but I think you will find that there is a large element of truth in what I am saying. I, for one, think that les Américains sont formidables." Whereupon he turned to waiter and ordered another scotch.

Sincerely,



Morrill Cody

cc.: Mr. W.K. Scott
Mr. Patch

NOV 13 3 12 PM '21

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Mar 13 3 15 PM '67

20
MEMORANDUM FOR: Mr. Walt W. Rostow ←

I did not want you to miss this piece in the current issue of U. S. NEWS & WORLD REPORT. As you will note, it is a relatively accurate description of what we are up against.

Dir

Richard Helms

Attachment

6 March 1967

(DATE)

RECEIVED
ROSTOW'S OFFICE

1967 MAR 6 PM 6 35

BYRONALC HETJES

RECEIVED
ROSTOW'S OFFICE
1967 MAR 6 PM 6 35
BYRONALC HETJES

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1967 MAR 6 PM 6 35
BYRONALC HETJES

CIA: OTHER SIDE OF THE STORY— WHAT REDS ARE DOING

When light is shed on the undercover war the Communists are waging against the U. S. everywhere, you can see what the Central Intelligence Agency faces trying to combat them.

Soviet agents are formidable, unscrupulous, constantly on the offensive on many fronts. This report on how they operate comes from top intelligence officials, here and abroad.

Reported from
WORLD CAPITALS

One question that keeps coming up in the latest controversy over the Central Intelligence Agency is this:

Just whom or what is the CIA fighting?

The answer is found in the other side of the CIA story—the facts on what the Communists are doing all over the world to penetrate and grab control of organizations, underwrite treason and terrorism, stir up strife, stage revolutions, steal secrets.

It is the CIA's job to combat these activities of the Reds in the cold-war struggle that has been going on in the back alleys of the world for more than 20 years.

From intelligence officials in the U. S. and abroad come authoritative accounts of what the CIA is fighting, how the Communists operate and reasons for such CIA programs as subsidization of work in the foreign field by some student, labor and other organizations.

Disclosure of this financing brought the agency under fire, compromised some of its efforts and even led to demands that the CIA be abolished.

Reds' use of fronts. As part of its plot to achieve world domination, Moscow-directed Communism maneuvers through international front groups.

Worldwide, U. S. intelligence experts say, the Communists have 11 such organizations—all under direct control of the KGB, the Soviet Committee for State Security, "operational headquarters" for Russia's whole cold-war scheme.

These fronts are designed to appeal to almost every interest. There is a World

Peace Council, and there are international fronts for labor, youth, women, students, teachers, scientists, lawyers, newspapermen, radio-TV workers and "resistance movements."

The head of the KGB—who at this time is Nikolai Anisimovich Shchelokov—is one of the world's most powerful Communists because his agency controls all of Russia's foreign and military intelligence as well as Soviet internal security.

In American terms, that would be like putting one man in charge of the CIA, the FBI and all of the military intelligence services.

The importance that the Soviet Union places on front organizations is shown by this example:

Alexandr Shelepin was a vice president of the International Union of Students when it was founded in 1946. He later became a vice president of the World Federation of Democratic Youth. Shelepin then shot up to become head of the all-powerful KGB. He now is a top official of the Soviet Communist Party.

Methods of operation. How do Communist fronts operate? Here is one way:

Fronts recruit young Africans, Asians and Latin Americans for training in Communist countries—as labor leaders or guerrilla fighters. The brightest are taught

how to overthrow governments and set up Communist regimes. An ultimate aim is to recruit young Americans.

A major objective of KGB, working through fronts, is to draw non-Communists into unity with Communists. Such a drive now is on the upswing in Western Europe, spearheaded by two of the groups, the World Federation of Trade Unions and the International Union of Students.

A former KGB official who defected to the West says that 80 per cent of Soviet personnel abroad are "trained professional spies."

The KGB, this man says, rates the U. S. as its No. 1 target and seeks to isolate America from its allies on the theory that, when this isolation is accomplished, the U. S. will "crumble from within."

The "unite and capture" theme runs through all Communist-front efforts, such as the World Youth Festivals that draw thousands from all over the world.

Costs of these events are high. The Moscow festival in 1957, for instance, is estimated to have cost up to 150 million dollars. The Vienna affair in 1959 cost 50 million. The Communist outlay on the youth festival in Helsinki in 1962 was around 30 million.

Another one is to take place next year in Sofia, Bulgaria—and the Russians already are blaring propaganda against the American delegation because of the revelation that CIA money financed trips by some young Americans to previous festivals.

Bonanza for the enemy. The "exposé" of this CIA subsidy—which was carried out under national policy established years ago—is described by U. S. officials as a windfall for the Communists. At earlier festivals, the Americans—even though few of them knew that CIA money was helping to pay their expenses—succeeded in blunting effects the Communists hoped to achieve.

In Communist countries, fronts pay travel costs for students, labor leaders and others. Communist funds also have financed travel by the Reds' American sympathizers—including students—to points behind the Iron Curtain and to Red Cuba.

The KGB is said to have almost unlimited funds at its disposal—despite Russia's shortage of foreign exchange—and more manpower than the CIA, the FBI and U. S. military intelligence combined.



—Sovfoto

HEAD OF KGB, Nikolai Shchelokov, is one of the world's most powerful Reds. His agency controls all Russian intelligence as well as Soviet internal security.

WHEN THE "COVER WAS BLOWN"

A veteran U. S. intelligence official, discussing public disclosure that CIA funds were being used secretly to finance some American students at international conferences, said this:

"The U. S., not just the CIA, suffered a severe defeat in this thing.

"The U. S. still must fight to prevent the Communists from having all their own way in international meetings of students—or teachers, or scientists, journalists, labor unions, whatever.

"But now that the CIA cover has been 'blown,' the job will cost much more. And it will take a long time before any U. S. organization or group can regain the effectiveness that the National Student Association had.

"These students were not instructed how to act, except in a very few cases. Main reliance was on the American instincts and patriotism of almost all the students who were financially helped to attend.

"The main arm of the Soviet Government's constant battle to discredit everything American—Moscow's so-called 'Department of Disinformation'

—has been sniping at the National Student Association for years. But it never was able to prove anything.

"Now the Americans have given them the ammunition—perfect ammunition with which to fight any American delegation at any international meeting.

"The Americans have acted to 'devour our own children.'"



—Wide World Photo

Americans at a youth festival: The main reliance was on their patriotism.

One division of the KGB—the "Department of Disinformation," or Department D—operates in the propaganda field. It plants false information, including forged documents, wherever an opportunity exists to smear and discredit the U. S. specifically and the West generally.

In this, Department D gets help from such fronts as the World Peace Council, the World Federation of Trade Unions, the International Union of Students and the World Federation of Democratic Youth.

An illustration: The World Peace Council spread charges during the Korean conflict that the U. S. was using germ warfare. And two other fronts, the International Association of Democratic Lawyers and the World Federation of Scientific Workers, sent "investigating commissions" to obtain "evidence" in support of the charge.

What do Reds seek? What the Communists are attempting to accomplish by undercover methods in every country was made clear in a recent public statement by the chief espionage official in the Security Ministry of Communist East Germany. He was talking about Germany, but he was enunciating the KGB line for all non-Communist countries. This top Red spy said:

"To procure information and material is only one task of our organization.

"The other and more important task is to make use of the material and the knowledge gained for political purposes—to blackmail the enemy, to demoralize the population, and to make the

Communist Party victorious in the whole of Germany."

Like all spymasters in satellite states, the East German official is under KGB control.

In every part of the world, secret Communist activity poses a threat.

Sometimes these activities are flushed into the open. On one such occasion, in 1965, Communist financial support for terrorists in Venezuela was exposed when three Red couriers carrying \$330,000 in cash were seized and jailed.

Venezuelan officials said that the three—two women and a man—were agents of the Italian Communist Party, which Moscow had assigned the job of smuggling money to guerrillas in Venezuela.

The Communist move failed in that instance because of counterintelligence like that in which the CIA—according to members of other intelligence organizations—excels. But Venezuelan terrorists continue to get arms and money from the Communists.

One Communist faction in Venezuela receives weapons and training from Fidel Castro's Cuba—where, only 90 miles from U. S. shores, the KGB has a big stake. Cuba is a transfer point for the Red paymasters and spymasters in Latin America.

From the inside. Throughout South America, Communist "political action" agents infiltrate student groups and labor unions, whip up agitation among peasants and subsidize bandits.

Communists, Western intelligence

sources say, control all but four of the national student federations in Latin America—in all countries except Costa Rica, Bolivia, Chile and perhaps Uruguay. The Communist-front International Union of Students claims, in fact, that 82 of the world's national student federations are affiliated with it.

In the Middle East, the present Soviet objective, as defined by U. S. officials on the scene, is to stir up enough trouble to threaten the stability of countries in which the U. S. has influence—particularly those where Americans control big oil reserves.

Examples of the KGB at work in the Middle East include riots instigated by Communist agents in Jordan, massive supplies of arms to Syria, bombings in Saudi Arabia and floods of Communist propaganda pouring from Cairo, which is headquarters for a number of Communist fronts, such as the Afro-Asian Peoples' Solidarity Organization.

Africa: Agents busy. In Africa, the Reds are trying to keep the whole continent in turmoil.

Moscow and Red China bankroll opponents of President Jomo Kenyatta in Kenya. Communist influence in Tanzania has grown to the point where the Government has undertaken to nationalize most private business. The Chinese Communists used their embassy in Burundi as a relay point for weapons and funds sent to rebels operating against the Congolese Government in Kinshasa.

In the other Congo, of which Brazza-

(continued on next page)

CIA: OTHER SIDE OF THE STORY

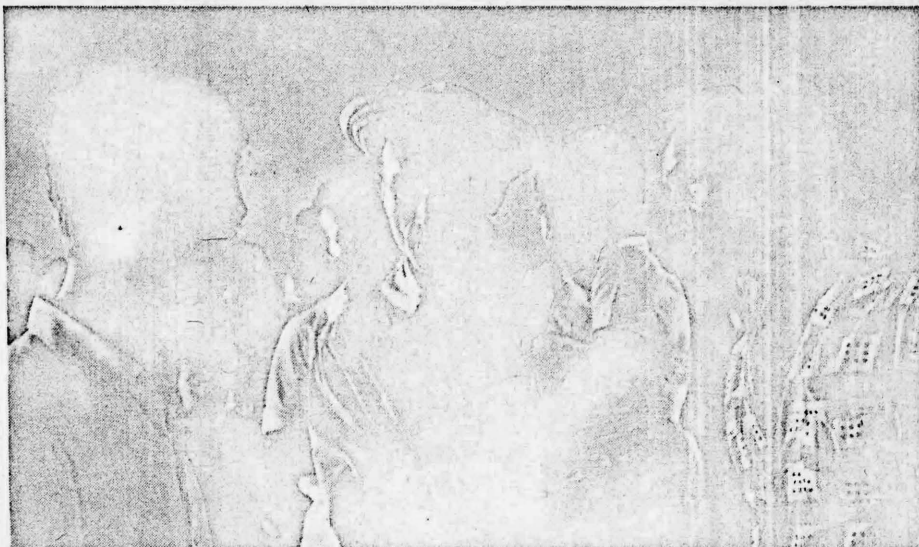
[continued from preceding page]

ville is the capital, Communists—including Cubans—control the military forces. In Ghana, until they were thwarted by the coup that ousted Kwame Nkrumah, Soviet agents had penetrated the Government to the point where they controlled Nkrumah's personal army and were building a military base to be used for operations throughout West Africa.

The Communists regularly supply weapons to rebels in Portuguese Angola and Mozambique. In Somalia, the Army is equipped and influenced by the Communists. Soviet agents are fomenting trouble in Ethiopia. In Tunisia, Communist penetration is mainly through students. In Algeria, Soviet economic aid is a lever used by the KGB.

North of Africa, in the Mediterranean area, a step-up of Communism's covert actions coincides with the growing Soviet naval presence. All along the fringe of the Mediterranean, KGB men are busy. One piece of evidence: secret stockpiles of weapons, uncovered in Greece.

Communist-front efforts are paying off in West Germany and elsewhere in Europe. In 1966, for the first time, West German non-Communist unions were persuaded to send delegations to Poland, Czechoslovakia and Russia. A British trade-union group sent representatives to Russia. A Catholic federation of trade unions in France was induced to take joint action with the Communist-controlled French labor federation.



—Andrew St. George Photo

"POLITICAL ACTION" agents spread Red propaganda throughout Latin America; they infiltrate student and labor groups and whip up agitation among the peasants.

Some of Britain's non-Communist organizations have been heavily infiltrated by Communists and used to promote Soviet propaganda against the U. S.

One of these groups—the Campaign for Nuclear Disarmament—mobilized strong opposition to American nuclear strategy and to British ties with the North Atlantic Treaty Organization. The British Union of Students is now the top target for Communist penetration.

How Asia is affected. In Asia, the World Federation of Trade Unions has been the principal transmission belt for Communist orders.

The series of Communist insurrections which broke out over recent years in

country after country—Vietnam, Indonesia, India, Burma and the Philippines—received the "go" signal from trade-union centers.

Although the attempted Red revolution in Indonesia in 1965 was smashed, large numbers of Communists remain. Both Moscow and Peking are trying again, U. S. intelligence officials believe, to rebuild for another revolt.

In the Philippines, where suppression of the Huk uprising in the early 1950s is counted as one of the CIA's great, but largely unpublicized, victories, the Communists again are trying to activate a Huk rebellion.

A staff study just released by the U. S. Senate's Internal Security Subcommittee says this:

"Previous hearings have established that Moscow has, in the past, distributed vast sums, along with its directives, through various secret channels to support subversive activities in countries outside Russia, including the United States, and there is every reason to believe that this practice continues."

The CIA's role. Countering Communist activities inside the U. S. is a task of the Federal Bureau of Investigation. It is the CIA which has the responsibility for combatting actions in the rest of the world which are inimical to the interests of this country.

In carrying out that mission, the CIA must face enemies of many kinds—enemies masked as "do-gooders" as well as enemies trained in the dark arts of subversion, espionage, blackmail and assassination—all dedicated to the Communist aim once stated bluntly by Nikita Khrushchev and never denied by his successors: to "bury" the U. S.

[END]



—Wide World Photo

DEMONSTRATIONS AGAINST U. S. are frequent in Asia, where leadership is often provided by the World Federation of Trade Unions, agent for Communist orders.

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OUTGOING TELEGRAM Department of State

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Authority State 8-9-78; CIA 3-9-81; ICA 8-7-79By isp, NARS, Date 3-20-81

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Origin ACTION: ALL DIPLOMATIC POSTS

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Info: STATE-USIA

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REF: Deptels 138199, 139098

Posts are requested to cable report of official and other reaction in host countries to press reports of CIA support to US student and youth organizations, to foundations and to other groups active in overseas programs. Messages should include estimate of effects on local US programs, including such aspects as probable reaction to proposed or impending exchange projects (AID as well as others); and estimate of probable effect on operation in host country of voluntary American organizations, including both those alleged to have CIA support and others that may suffer from fallout.

CURRENT GUIDANCE FOLLOWS: Posts will volunteer nothing and will not respond publicly to newspaper allegations nor to statements by individual members of any organizations named. If and when groups that have received government funds do make statements, Department will make case-by-case determination of how it will respond. Background discussions with friendly governments should follow guidelines reftel 138199.

World press reaction NSA-CIA reports limited to thus far to straight news stories and expected reaction Communist controlled press. Domestically, story still frontpages Washington New York Friday AMs, played down PMs.

Drafted by: USIA/IOP: JSlocum *ck*
G/Y: Mr. O. Robison/GSheehan

Tel. Ext.
4371

Telegraphic transmission and
classification approved by:

S/S - Mr. Bruce *ck*~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

Clearances:

CU: Mr. Canter

AF: Mr. Cromwell *ck*AID/PC: Mr. Schott *ck*NEA: Mr. Sober (in draft) *ck*EA: Mr. Robinson *ck*ARA: Mr. Cross *ck*EUR: Mr. Lampson *ck*

INR - Mr. Deane (in draft)

D. MacDONALD *ck*~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

USIA Wireless File carrying James Reston's Time articles and stories Communist front youth organizations and their role in early cold war period but latter not linked with above story. Further background material being prepared and will be sent soonest. ~~Parkaxahunk~~ Posts should consult pages 8 to 14 of "Emphasis on Youth" (confidential, 1965 pamphlet distributed all posts).

There are indications that charges of government connections with private activities may cause less excitement and concern abroad than early U.S. reactions might suggest, although Communists playing up story. Posts may wish comment on this point.

Following are organizations identified in press stories as recipients of CIA funds, directly or indirectly. Some of the organizations have by now denied the charges or professed ignorance of any affiliation with CIA.

U.S. National Student Association; International Student Conference with headquarters in Leyden; World Assembly of Youth, with headquarters in Brussels; U.S. Youth Council; Independent Research Service of New York; Committee of Correspondence of New York; Pan-American Foundation, connected with the University of Miami in Florida; International Marketing Institute; American Society of African Culture in New York; American Friends of the Middle East in Washington; International Development Foundation of New York.

Foundations alleged to have ~~been~~ been conduits for CIA money are the J. Frederick Brown Foundation, the Independence Foundation, and the Sydney and Esther Rabb Charitable Foundation of Boston; and the Foundation for Youth and Student Affairs of New York.

~~CONFIDENTIAL~~

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NOTE: Referenced Deptel 138199 inaccurately reported statement of Harry Lunn,
Director of Foundation for Youth and Student Affairs. Deptel should have said Lunn
quoted as denying
~~that Foundation's funds came from CIA and that the said individual was not from~~
~~the Houghton family and was not of the Houghton~~ (NY Times, February 16).

END

KATZENBACH

GP-3

~~CONFIDENTIAL~~

Mr. Smith - ²² ✓
For your info ✓
and/or files.

Ruth McCall
3/1/67

90TH CONGRESS
1ST SESSION

S. RES. 85

IN THE SENATE OF THE UNITED STATES

FEBRUARY 23, 1967

Mr. McCARTHY (for himself and Mr. YOUNG of Ohio) submitted the following resolution; which was referred to the Committee on Armed Services

RESOLUTION

Resolved, That in order to assure that the conduct of the foreign policy of the United States is not adversely affected by domestic activities of the Central Intelligence Agency, there is hereby created a select committee to be known as the Committee To Study the Foreign and Domestic-Related Activities of the Central Intelligence Agency which committee shall consist of seven Senators to be appointed by the President of the Senate as soon as practicable after the date of adoption of this resolution.

SEC. 2. It shall be the duty of such committee to make a full and complete study and investigation of the foreign and domestic-related activities of the Central Intelligence Agency,

1 with particular emphasis upon the effect of such activities
2 upon domestic, private, and public American institutions
3 and organizations and upon the effect of such activities on the
4 conduct of American foreign policy. The study and investi-
5 gation shall include but not be limited to such matters as the
6 subsidization of organizations within the United States which
7 have an influence on public opinion, the covert use or sub-
8 sidization of academic institutions, student groups, founda-
9 tions, trade unions, emigre groups, or other educational, eco-
10 nomic, or special groups or individuals therein in the United
11 States which might affect the foreign policies of the United
12 States, directly or indirectly, and the subsidization of publica-
13 tions, radio broadcasts, and other informational media dis-
14 seminated in the United States.

15 The committee shall report its findings and recommenda-
16 tions to the Senate no later than January 1, 1968. No pro-
17 posed legislation shall be referred to such committee, and
18 such committee shall not have power to report by bill or
19 otherwise have legislative jurisdiction.

20 SEC. 3. The said committee, or any duly authorized
21 subcommittee thereof, is authorized to sit and act at such
22 places and times during the sessions, recesses, and adjourned
23 periods of the Senate, to require by subpoena or otherwise the
24 attendance of such witnesses and the production of such
25 books, papers, and documents, to administer such oaths, to

1 take such testimony, to procure such printing and binding,
2 and to make such expenditures as it deems advisable.

3 SEC. 4. A majority of the members of the committee or
4 any subcommittee thereof shall constitute a quorum for the
5 transaction of business, except that a lesser number, to be
6 fixed by the committee, shall constitute a quorum for the
7 purpose of taking sworn testimony.

8 SEC. 5. The committee shall have power to employ and
9 fix the compensation of such officers, experts, and employees
10 as it deems necessary in the performance of its duty. The
11 committee is authorized to utilize the services, information,
12 facilities, and personnel of the various departments and
13 agencies of the Government to the extent that such services,
14 information, facilities, and personnel, in the opinion of the
15 heads of such departments and agencies, can be furnished
16 without undue interference with the performance of the
17 work and duties of such departments and agencies.

18 SEC. 6. The expenses of the committee, in an amount
19 not to exceed \$ shall be paid from the contingent
20 fund of the Senate upon vouchers approved by the chairman.

90TH CONGRESS
1ST SESSION

S. RES. 85

RESOLUTION

To create a select committee to inquire into the activities of the CIA in quasi-foreign and domestic activities.

By Mr. McCARTHY and Mr. YOUNG of Ohio

FEBRUARY 23, 1967

Referred to the Committee on Armed Services

1 take such testimony, to procure such printing and binding;
2 and to make such expenditures as it deems advisable.
3 Sec. 4. A majority of the members of the committee or
4 any subcommittee thereof shall constitute a quorum for the
5 transaction of business, except that a lesser number, to be
6 fixed by the committee, shall constitute a quorum for the
7 purpose of taking sworn testimony.
8 Sec. 5. The committee shall have power to employ and
9 hire by the committee, shall constitute a quorum for the
10 transaction of business, except that a lesser number, to be
11 any subcommittee thereof shall constitute a quorum for the
12 Sec. 4. A majority of the members of the committee or
13 and to make such expenditures as it deems advisable.
14 take such testimony, to procure such printing and binding;

Saturday, February 18, 1967 -- 5:00 p.m.

Mr. President:

I put your questions to Nick who will respond, because he is collecting all the data in any case on foundations.

Nick is 100% sure that the source of the leak is Patman, derived mainly from 1965 tax returns. With a few clues, it is apparently easy to sort out which foundations are CIA-linked.

CIA-NSA

W. W. Rostow

WWRostow:rlh

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

24

file

Saturday, February 18, 1967 -- 5:00 p.m.

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Walt. Rostow

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EXECUTIVE SECRETARIAT

520

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February 15, 1967
DATE

FOR: Mr. Walt W. Rostow
The White House

FROM: Benjamin H. Read
Executive Secretary

FS

For your information and files.

DECLASSIFIED

Authority State 8-9-78, CIA 3-9-81, NSC
By inf, NARS, Date 3-20-81
¹⁰⁻²⁴⁻⁷⁹

Enclosures:

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FOR: [illegible]

RE: [illegible]
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SPECIAL ASSISTANT TO THE UNDER SECRETARY OF STATE
WASHINGTON

S/S - 2814

~~CONFIDENTIAL~~
EXDIS

February 15, 1967

MEMORANDUM FOR MR. GEORGE CHRISTIAN
THE WHITE HOUSE

Subject: CIA-NSA Flap

Here is the general press line the Acting Secretary has approved concerning this matter:

1. We will discuss it only in response to official, responsible statements made by groups who have in fact received governmental financial support--and maybe not even then, depending on facts.

In other words, we will volunteer nothing. We will not respond to newspaper allegations. We will not respond to statements made by individual members of such groups.

2. No federal agency, whatever ties it has had to these groups, will attempt in any way to influence these groups either to issue or not issue statements, or to influence the content of such statements. The only exception would be if groups ask for advice. The underlying rationale is that even the risk of such attempted influence resulting in sensationalized exposure would vastly overbalance any possible benefit.

3. If and when groups which have received governmental funds do make statements, we will make case-by-case determinations of what we will say, probably drawing on the line used yesterday in response to the NSA statement, for tone and approach.

4. In the meantime, we will cable all diplomatic posts instructing them to refer questions to Washington; to advise us of NSA grantees who might be targets of official or public hostility; and to give the posts as much background as we can assemble quickly on legitimate, overt, federal assistance to student programs.

DECLASSIFIED

Authority State 8-9-78, CIA 3-9-81, NSC 10-24-79
By inf, NARS, Date 3-20-81
~~CONFIDENTIAL EXDIS~~

~~CONFIDENTIAL-EXDIS~~

-2-

5. What we plan to tell reporters who inquire here as the result of your referral to Mr. Katzenbach this morning is:

Mr. Katzenbach is undertaking an immediate and full survey and study of the problems involved in this matter, in an effort both to clarify the present situation and to suggest sensible future courses of action.

We would then seek to deflect any questions on the ground that it is impossible to answer them sensibly until the study is complete--and that there is no immediate way of knowing the length of time that would take.



Jack Rosenthal

~~CONFIDENTIAL-EXDIS~~

Walt:

The attached is self-explanatory.

I wanted to get this tid-bit to Christian in case he got press questions. He asked me to put it in writing for the President. I suggested I then put it in through him and/or you. But he felt I should do it directly. I tried to show it to you on the way up, but you were out of your office.

Ed Hamilton

ADD 1 CIA, WASHINGTON (UPI-101)

RUSSELL SAID THE USEFULNESS OF CIA SUPPORT FOR THE NATIONAL STUDENTS ASSOCIATION (NSA) HAS BEEN "DESTROYED". HOWEVER, HE SAID, SOME GROUPS "ARE VERY ANXIOUS" TO CONTINUE WITH THE WORK THEY HAVE BEEN DOING--APPARENTLY WITH CIA SUPPORT.

RUSSELL TOLD NEWSMEN HE DID NOT THINK CIA HAS BEEN ACTIVE IN THE EDUCATIONAL FIELD AS SUCH, ALTHOUGH THE INTELLIGENCE AGENCY HAS HAD CONTACT WITH ALMOST EVERY FACIODE OF AMERICAN LIFE THAT HAS ANY CONNECTION OUTSIDE THE U.S.

"SO FAR AS THE TALK THAT THERE'S BEEN ANYTHING DONE THAT IMPINGE ON ACADEMIC FREEDOM OR SUBVERT YOUTH, THAT'S JUST A LOT OF HOGWASH," RUSSELL SAID.

"I HAVE NOT BEEN ABLE TO SEE WHERE THE CIA SUBVERTS THE YOUTH OF THIS LAND. NOT A SINGLE BIT OF EVIDENCE HAS BEEN BROUGHT FORWARD TO SHOW THIS."

"I THINK IT WAS A GOOD PROGRAM. IT PROBABLY PAID A HIGHER DIVIDEND TO STOP COMMUNIST PROPAGANDA THAN ALMOST ANY OTHER KIND OF PROGRAM. WE GOT MORE FOR THE DOLLAR OUT OF THIS," RUSSELL SAID.

HE COMMENTED THAT THE CIA INVOLVEMENT IN STUDENT ACTIVITY BEGAN AS AN EFFORT TO PAY EXPENSES FOR STUDENTS TRAVEL AT A TIME IN 1950'S WHEN COMMUNIST PROPAGANDA WAS "DOMINANT" IN YOUTH MOVEMENTS OVERSEAS AND IN THE WESTERN HEMISPHERE. THE PROGRAMS, HE SAID, "DESTROYED AND BROKE DOWN THE EFFORTS OF THE RUSSIANS TO DOMINATE THE YOUTH OF THE WORLD."

ASKED WHETHER IT MIGHT NOT HAVE BEEN BETTER TO OPENLY PAY STUDENTS EXPENSES AT THAT TIME, RUSSELL REPLIED "IT WAS EASIER IN THOSE DAYS" TO PROVIDE THE FUNDS THROUGH CIA." HE SAID HE THOUGHT THE REQUEST FOR APPROPRIATION AND SUBSEQUENT CONSIDERATION WOULD HAVE DAMAGED THE EFFECTIVENESS OF THE PROGRAM.

RUSSELL STRESSED THAT THE CIA HAS GOTTEN A GREAT DEAL OF USEFUL INFORMATION FROM TRAVELLERS WHO, FROM PATRIOTIC MOTIVE, SIMPLY VOLUNTEERED INFORMATION WHICH THEY HAVE OBTAINED. YOUTH WHOSE EXPENSES WERE PAID BY CIA DID NOT TRAVEL AS REPRESENTATIVE OF THE SPY AGENCY BUT AS REPRESENTATIVE OF THE UNITED STATES TO DEMONSTRATE AMERICAN VALUES.

2/21--TS230PES

UPI-122

ADD 1 CIA, WASHINGTON (UPI-101)

RUSSELL CONFIRMED THAT THE WATCHDOG SUBCOMMITTEE HAS KNOWN OF THE CIA FINANCIAL SUPPORT FOR CERTAIN NON-GOVERNMENT GROUPS FROM THE BEGINNING. HE SAID HE THINKS SOME GOVERNMENT SUPPORT SHOULD BE CONTINUED FOR CERTAIN GROUPS, BUT HE SAID HE BELIEVES A LAW SUCH AS THE BRITISH PUBLIC INTEREST LAW WOULD BE RULED UNCONSTITUTIONAL.

HELMS LEFT THE TWO AND A HALF HOUR SESSION SMILING GRIMLY AND SURROUNDED BY A KNOT OF NEWSMEN AND PHOTOGRAPHERS. ONE NEWMAN ASKED WHETHER HELMS AGREED WITH SECRETARY OF HEALTH EDUCATION AND WELFARE JOHN GARDNER THAT THE CIA INVOLVEMENT IN EDUCATION HAS BEEN UNWISE. HE REPLIED "I HAVE NO OPINION."

SEN. STUART SYMINGTON, D-MO., TOLD NEWSMEN AFTER THE SESSION THAT "EVERYBODY SHOULD REALIZE THAT THE POLICIES OF CIA ARE NOT SET BY THE AGENCY. THEY OPERATE UNDER INSTRUCTIONS."

2/21--TS319PES

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- DOD
- HEW

ACTION: ALL DIPLOMATIC POSTS
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AmConGen HONG KONG
USUN New York

State 142988 CIRCULAR

Following are excerpts from transcript of White House News
Conference conducted by George Christian February 23, 11:30 a.m. EST:

MR. CHRISTIAN ... The President today received a letter from
Secretary Katzenbach which the President asked to be made available to
you. I will give you these copies and will have the letter inserted in the
record at this point.

"Dear Mr. President:

"With respect to your inquiry of yesterday, I wish to assure
you that Secretary Gardner, Mr. Helms and myself will be able to com-
plete our inquiry into the relations of government agencies and private
organizations operating abroad in the very near future. I anticipate that
it will be possible to report our conclusions and recommendations early
next month.

"In the interval, there are certain basic facts with respect
to past activities of the Central Intelligence Agency in this area which
should be underscored.

Drafted by: RK
INR/OD: RKGerman:th:2/23/67

Telegraphic transmission and
classification approved by: INR/OD - Mr. Hughes RA

Clearances:
G/Y - Mr. Robison RA

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"When the Central Intelligence Agency lent financial support to the work of certain American private organizations, it did not act on its own initiative but in accordance with national policies established by the National Security Council in 1952 through 1954. Throughout it acted with the approval of senior interdepartmental review committees, including the Secretaries of State and Defense or their representatives. These policies have, therefore, been in effect under four Presidents.

"The support provided by the Central Intelligence Agency enabled many far-sighted and courageous Americans to serve their country in times of challenge and danger to the United States and the free world.

"Furthermore, the Central Intelligence Agency has been, and continues to be, indispensable to the security of this nation. It is vitally important that the current controversy over its support of certain private organizations not be permitted to obscure the value, or impede the effectiveness, of competent and dedicated career officials serving this country.

"Respectfully yours,

s/s Nicholas deB. Katzenbach"

C. In the third paragraph, where the Secretary says that the agency was acting in accordance with national policy established by the NSC and acted throughout with the approval of senior ~~inter~~ interdepartmental review committees, including the Secretaries of State and Defense, should we infer from that, or should we not, that the President in office at the time was or was not aware of this activity?

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MR. CHRISTIAN: I can't draw any inference on this. I will say that the President agrees with the conclusions in this preliminary report from Secretary Katzenbach.

on BACKGROUND, I would point out the three basic facts as I see them: One, that the report will ~~probably~~ be available next month in more detail; that, two, the CIA did act in accordance with national policy, as stated by Secretary Katzenbach; and that, three, the Central Intelligence Agency is indispensable to the security of this nation and that we should prudently measure our evaluation of its role in this present matter.

Q. George, is this a preliminary report by Katzenbach?

MR. CHRISTIAN: Yes.

Q. George, are you saying in this background little memo to us as to what is new in this that this report is going to be publicly available? In other words, are we going to be allowed to see this report to the President?

MR. CHRISTIAN: I haven't discussed that with Secretary Katzenbach, but I am making this letter available to you at the President's request.

Q. Has Mr. Katzenbach's report to the President thus far gone beyond this letter or is ~~it~~ as much as he has told the President thus far?

MR. CHRISTIAN: This is the preliminary report.

Q. Was the inquiry that he refers to in the first line simply an inquiry as to when there would be a report or were there other matters involved?

MR. CHRISTIAN: Yes.

Q. George, the original announcement from Secretary Katzenbach that

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he had assumed this study spoke of the President telling him to look into educational organizations. Now I see this has been officially broadened to private organizations. Is ~~xxx~~ that a correct assumption that labor and all of these other things that have been tossed around in the press are also in the purview of this committee?

MR. CHRISTIAN: Yes. On BACKGROUND, this is implicit in the letter. He refers to private organizations.

Q. I didn't hear that, George.

MR. CHRISTIAN: The letter refers to private organizations. What I am saying is I think the letter speaks for itself and he refers to private organizations.

Q. Is Katzenbach also studying the validity of the CIA as an organization? The last paragraph. As an agency of government.

MR. CHRISTIAN: I don't think there is any question that the CIA is a very important agency in the government. He is referring in the last paragraph to its importance.

Q. George, can you say whether the Katzenbach inquiry is including talking to any of these private groups, their officials? Is that part of his investigation?

MR. CHRISTIAN: The details on how he is proceeding on his study are going to have to come from him and his other committee members. I don't have that information.

Q. George, you characterize this as a preliminary report and in the first paragraph Katzenbach says "to report our conclusions and recommendations early next month." Is there likely to be anything between this preliminary report and

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his conclusions and recommendations early next month?

MR. CHRISTIAN: I think that would be up to the Secretary; if there is anything else that he desires to advise the President of before the report is completed, I am sure he will. But I can't anticipate there will be anything else until the report is made next month.

Q. George, you say that the President agrees with the conclusions in this preliminary report?

MR. CHRISTIAN: That is right.

RUSK

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LN
29

February 15, 1967

EYES ONLY

SEND LDX TO ACTING SECRETARY KATZENBACH FROM WALT ROSTOW

Nick, As I indicated on the phone, would you give immediate guidance to Henry Wilson so he can get an acknowledgment on the Hill by noon; and a response to the eight by nightfall, if possible.

As I said on the phone, the President thought you might have them in but a written reply might be better. Before deciding, you may want to chat with the President.

MEMORANDUM

29a

THE WHITE HOUSE

WASHINGTON

rec'd
2-15-67
900a

February 14, 1967

7:20 p.m.

MEMORANDUM FOR

THE PRESIDENT

FROM: Henry H. Wilson, Jr. *HHW*

The attached just arrived.

I have sent a copy to Harry McPherson for guidance as to the acknowledgment to be made in the morning by me.

But I thought you might wish to see this tonight.

Walt call
Nick Thum
Henry & let letter
to Hill from Henry
by noon of Saturday
my nightfall if possible
N / I

Congress of the United States

House of Representatives

Washington, D. C.

February 14, 1967

Honorable Lyndon B. Johnson
The President
The White House
Washington, D. C.

Dear Mr. President:

We were appalled to learn today that the Central Intelligence Agency has been subsidizing the National Student Association for more than a decade.

That policy has undercut the independence and freedom of those in a democracy who deserve particularly to be independent and free. It represents an unconscionable extension of power by an agency of government over institutions outside its jurisdiction. It involves the complicity of so-called independent foundations. It raises again basic questions concerning the adequacy of oversight of the CIA.

This disclosure leads us and many others here and abroad to believe that the CIA can be as much a threat to American as to foreign democratic institutions.

We believe that the program requires immediate investigation at the highest level. To what extent did this policy constitute an internal security function for the CIA in contradiction of the National Security Act of 1947? What conditions were laid down for the subsidy? Have officials of the NSA been granted special treatment, including draft deferments, not available to all other student organizations? Are there any other student organizations with similar relations with the CIA? Has the NSA-CIA relationship been effectively severed?

The question also arises whether the CIA is implicated in other supposedly independent domestic organizations. And what effective limits are placed on CIA subsidy of any domestic institution?

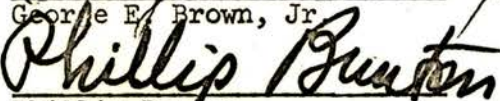
Honorable Lyndon B. Johnson
Page -2-
February 14, 1967

The Central Intelligence Agency, then, has compromised and corrupted the largest student organization in the largest democracy in the world. It has willfully involved inexperienced young men and women in that action, and thus has surely alienated further the best elements of American youth.

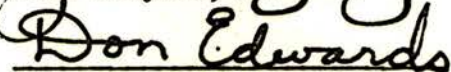
In allowing this to happen, the American government owes an apology to the American people, and, more important, to an American generation.

Respectfully yours,


George E. Brown, Jr.

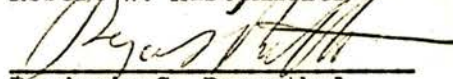

Phillip Burton

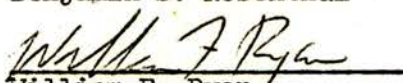

John Conyers, Jr.


Don Edwards


John G. Dow


Robert W. Kastenmeier


Benjamin S. Rosenthal


William F. Ryan

30 ~~530~~
530

DEPARTMENT OF STATE
SPECIAL ASSISTANT TO THE UNDER SECRETARY

February 16, 1967.

TO: Mr. Walt Rostow ^S
The White House

FROM: U ^{JR} Jack Rosenthal

The Under Secretary
asked me to pass these on
to you.

~~CONFIDENTIAL~~

30a ~~530~~
S/S

MEMORANDUM

15 February 1967

TO: The Under Secretary
THRU: S/S
FROM: INR - George C. Denney, Jr.
SUBJECT: Ramparts Magazine

Attached at page 1 is information concerning the financing of Ramparts Magazine that was provided by the CIA. The CIA asked that this information not be attributed to the Agency.

At page 2 and following is information provided by the FBI giving further details on the Ramparts staff. The FBI has never investigated Ramparts Magazine, so this information was acquired in connection with other investigations.

Attachments:
As stated.

DECLASSIFIED

Authority State 8-9-78, FBI 10-31-79

By ing, NARS, Date 3-20-81

~~CONFIDENTIAL~~

GROUP 1
Excluded from automatic
downgrading and
declassification

Financing of RAMPARTS

RAMPARTS is a "Subchapter S" Corporation which was 100% owned by Edward M. Keating as recently as 30 June 1965. A Subchapter S Corporation is one treated as a proprietorship or partnership for federal tax purposes. In other words, the profits or losses of the corporation are carried forward to the individual tax returns of the owners.

Prior to 1965 RAMPARTS was known as Layman's Press. Keating was also the sole owner of Multex Corporation which did all of the printing for Layman's Press. Multex qualified as a Small Business Corporation and therefore losses on the stock of the corporation were treated as ordinary losses rather than capital losses for purposes of the owners individual tax returns.

Both RAMPARTS and Multex have been steady losers. RAMPARTS' losses have run in the neighborhood of about \$450,000 per year. These losses, of course, have been available to Keating as ordinary losses on his individual tax returns and since he is in a very high marginal tax bracket (apparently the maximum 70%), his personal losses were reduced each year by the deduction available on his individual return.

Keating's wife, the former Helen Bentrice English, had a substantial personal estate and these were the capital funds which have been providing the wherewithal for the operation of RAMPARTS. Keating has been liquidating this estate steadily over the years and by 1965 it was completely gone. The first statement of ownership of RAMPARTS appears in the January 1967 issue, by which time Keating lists four additional owners from the management and editorial staff of the magazine.

In October 1966 Adam Hochschild first appears in the masthead of RAMPARTS as a staff writer. Adam is the only child of Harold K. Hochschild, Honorary Chairman of the Board of the American Metal Climax Corporation. He is 23 years old, recently married and is a graduate of Harvard. The extent of his financial support of RAMPARTS, if any, has not yet been determined.

Ramparts Magazine was established in 1962 by Edward M. Keating, who is owner, publisher, and Editor-in-Chief. Headquarters is 301 Broadway, San Francisco, California. It claims a circulation of 65,000. It was said to have been established to provide a platform for Catholic writers, but later it accepted contributions from various other writers -- Protestants, Jews, and even agnostics. It has devoted a large amount of space in the past two years to articles critical toward United States policy, particularly in Viet-Nam. It has also carried articles on bugging and wiretapping critical of the FBI. It is operated by a 58-member staff, which includes a Board of Directors. Some of the main staff members are:

Edward M. KEATING, born April 17, 1925, New York City. Keating served in the Navy from 1943-46. He is a Stanford University graduate and a member of the California Bar Association. He has written articles and books.

Dr. Gerald M. FEIGHAN. Feighan is Travel Editor; he received a medical discharge from the Army in 1943 for psychoneurosis.

Dr. Carlton C. GOODLETT. Goodlett is a member of the Board of Directors. He is a Negro physician who edits a Negro newspaper in San Francisco. He has been very critical of the United States, particularly in regard to civil rights and Viet-Nam. The FBI understands that he was formerly a Communist Party member, although it has no real documentation.

Warren HENCKLE, III. Henckle is a member of the Board of Directors and Executive Editor. He is 27 years old, a former newspaper man and co-author with Robert Scheer of the book "The Viet-Nam Lobby." (Robert Scheer, foreign editor of Ramparts)

Robert SCHEER, Foreign Editor. Scheer was the Peace candidate in the Congressional elections last fall in California. He is also known to the FBI as a member of the Fair Play for Cuba Committee. He visited Cuba in 1960.

Marcos RASKIN, Assistant Editor and member of the Board of Directors. Raskin could be identical with someone of the same name formerly employed by the National Security Council and the Bureau of the Budget. In 1963 he formed an independent research organization called Institute for Policy Study, Washington, D. C. He has been employed by various Congressmen. He has a first cousin who is a Communist Party official in Wisconsin. However, an applicant type of investigation of Raskin failed to show any sympathy on his part for the Communists.

Paul JACOBS, Consulting Editor. Jacobs may be identical with a man named Paul L. Jacobs, born August 24, 1918. The latter Jacobs is a self-admitted former member of the Young Communist League Workers' Party, who now claims to be anti-communist.

DECLASSIFIED

Authority NLS 84-285

By rip, NARS, Date 7-19-85

Donald DUNCAN, Contributing Editor. Duncan is a former United States Army Special Forces Sergeant who served in Viet-Nam. He is now out of the Army and very critical of our actions in Viet-Nam.

Thomas BRANSTEN, Contributing Editor from Paris. Bransten may be related to Louise Bransten Berman, a wealthy woman on the West Coast who has been associated with the Communist Party for years.

William W. TURNER. Turner is a staff writer, a former FBI agent who became disgruntled and was separated from FBI rolls. He wrote an article in the last few months for Ramparts about his FBI activities -- wiretapping, lock picking, and surreptitious entry, and the like.

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the USA and was charged of one sentence in 1948-1949.
 was charged longer sentence was served in 1948-1949. He is now out of
 prison and is a member of the USA. He is a member of the USA.

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S/S

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By ig, NARS, Date 3-20-81

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1967 FEB 16 PM 4 23

the wind and sea, the storm of the day, the day of the storm.
The storm of the day, the day of the storm. He is now one of
the storm of the day, the day of the storm. The storm of the day, the day of the storm.

OUTGOING TELEGRAM Department of State

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PRIORITY

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Origin ACTION: ALL AMERICAN DIPLOMATIC POSTS

GPM
Info:

STATE 138199 CIRCULAR

SS

JOINT STATE/USIA MESSAGE

SP

SC

Subject: Dept guidance CIA NSA story and subsequent press developments

SAH

L

Ref: State 137161 Circular

H

SAB

1. Press follow-up to Rampart disclosures of past CIA assistance to

AF

National Students Association assures continuing worldwide interest in

ARA

EA

story and makes likely inquiries to many posts from press, diplomatic

EUR

NEA

colleagues and friendly host governments.

IO

P

2. Under Secretary of State Katzenbach, who has been directed by the

CU

President to undertake an immediate and full survey and study of the

USIA

NSC

problems involved in this matter today said:

INR

CIA

BEGIN UNCLASSIFIED

NSA

DOD

QTE The President believes strongly that the integrity and independence of the education community must be preserved. He has directed a careful review of any government activities that may endanger this integrity and independence.

HEW

He has further directed me, in consultation with Secretary Gardner and Director Helms, to formulate a policy which will provide necessary guidance for government agencies in their relationship to the

Drafted by: R G/Y: GSheehan/
O C Robison-USIA/IOP: JSlocum

Tel. Ext. Telegraphic transmission and
classification approved by:

G - Mr. Foy D. Kohler

Clearances:

CU - Mr. Carter

INR - Mr. German

S/S - Mr. Walker

DECLASSIFIED

NSC 10-24-79, CIA 3-9-81

~~CONFIDENTIAL~~

Authority State 8-9-78, ICA 8-7-79, HEW 8-22-79,

By is, NARS, Date 3-20-81

~~CONFIDENTIAL~~

international activities of American educational organizations.

At the same time, the President recognizes the great need of America's private organizations to participate in the world community. Other countries provide heavy subsidy for such activities. He has asked me to explore means for assuring that US organizations play their proper and vital role. UNOTE

END UNCLASSIFIED

in NSA-administered programs
4. Department should be informed immediately of ~~NSA~~ grantees/who are targets of
official or public hostility. Department in turn will provide posts as much
background as can be assembled quickly on overt, federal assistance to student
programs.

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4.X. / Press reports today included the following:

Washington Star, leaving source unattributed, reported CIA has also given substantial support to US Youth Council (USYC), World Assembly of Youth (WAY), and International Student Conference (ISC). [US Youth Council is umbrella organization that embraces 36 political, service and student groups; it is American member of WAY. WAY is federation of more than 50 national committees that embrace youth groups in member countries; it has headquarters in Brussels and is counterpart of Moscow-dominated World Federation of Democratic Youth. ISC is federation of Western and non-aligned national student unions, with headquarters at Leyden, the Netherlands, and is counterpart of Moscow-dominated International Union of Students.]

~~CONFIDENTIAL~~

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Story says that CIA gave millions over more than a decade to those organizations; that money was channeled through foundations; that principal donor to those organizations and to NSA is Foundation for Youth and Student Affairs in New York; that in WAY and ISC a limited number US citizens have served in executive posts and usually were only ones aware of source of funds.

Story adds that the two international organizations, like NSA, received CIA funds after it became apparent they were engaged in bitter struggle with Communist-financed counterpart organizations for allegiance of youth and student leaders in emerging nations of Africa, Asia and Latin America. While NSA and USYC have sizable programs aimed at increasing political awareness and participation of students and youth in US, as well as extensive international programs, according to story, WAY and ISC involved almost entirely in continuing ideological struggle with Communist-controlled counterparts headquartered in Prague (IUS) and Budapest (WFDY). It was against this background that CIA in early 1950s began providing financial support.

Story charges that young people in all four organizations carried on limited intelligence work, forwarding to CIA confidential reports from overseas representatives and reports on foreign students or youth leaders visiting US. Policies of all groups involved described as generally liberal.

Story says CIA came to rely on NSA as means of developing potential recruits; adds that officers of the four organizations played musical chairs in moving from group to group.

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Harry Lunn, former NSA president and current director Foundation for Youth and Student Affairs, quoted as saying his organization was not CIA front. While relying heavily on CIA for money, he said it also receives sizable contributions from a number of wealthy US citizens, and has made donations to wide variety nonprofit groups.

New York Times, quoting NSA officers, said CIA financed NSA seminar on student newspapers in 1965 in East Africa. Student newspaper editors from Zambia, Kenya, Uganda, Tanzania and Ethiopia attended. It said in earlier years, between 1958 and 1962, CIA financed scholarship program for Algerian students through NSA, presumably because USG decided it could not publicly provide scholarships for Algerians, many of whom had been expelled from French universities for anti-French activities, at time when France was attempting quell Algerian rebellion. After Algerian independence, State Department began openly funding the program.

James Reston in Times said that the history of international youth and student organizations and the use made of them by the USSR help explain both the CIA policy with regard to them and the embarrassing consequences of that policy. He said the reason for establishing CIA help to the student association is perfectly clear.

Washington Post quoted former CIA official as saying that CIA gave American students the wherewithal to attend international student conferences such as World Youth Festivals in Helsinki in 1962 and in Vienna in 1959.

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5. In addition specific guidance contained reftel and future guidance from Dept, posts may wish emphasize following points in off-the-record discussions with friendly foreign officials:

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war,

a. USG support for NSA began at height of cold ~~war~~ when USSR was seeking to dominate international youth movements with Party-picked and financed delegates. Aforementioned article by James Reston developed this, pointing out communist delegations gained control of key positions at first World Students Congress in Prague in 1946 and notes inter alia that first Soviet Vice President of International Union of Students was Aleksandr Shelepin, later chairman Soviet State Security Committee (KGB). Dept also preparing fuller summary for background info of posts.

b. At that time, USG was only source of funds to enable American students to participate on equal basis in international youth activities.

c. Student groups from all countries obviously require and receive extensive financial support. In totalitarian countries, it generally known that delegations are financed by government or ruling party and that delegates have no alternative but to advocate official government line. From some free world countries, youth delegations are customarily sponsored and chosen by dominant political party. Covert support of US student ~~activities~~ activities in international field had obvious disadvantages, as noted in background quoted reftel, but had advantage permitting students express own opinion without government interference.

d. American delegates to international conferences have in fact traditionally expressed their own views irrespective of official USG policy.

e. Knowledge of CIA support limited to very few NSA officials, hence disclosure this past association carries no implication that all American youth active in student work were witting beneficiaries of USG assistance. (Many such

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former youth leaders are ~~xxx~~ ^{now} active in government; among those now in Foreign Service and AID, Reston article mentions US Ambassador to Chile Dungan, AID Director in Peru William Dentzer, and special assistant to Director of AID Robert Smith.) It also totally unfounded to assume that students active in NSA, with or without knowledge CIA support, maintained continuing association with CIA after student days. (Front page Washington Post article Feb. 15 quotes unnamed NSA officers to effect that CIA recruited agents from top echelons of NSA over period of fourteen years.)

f. Covert CIA funding should not be confused with other student activities with which ^g agencies of USG, including State, have been and are openly associated. Resume of activities which Department's Bureau of Cultural Affairs arranges on contract basis with NSA being provided septel.

GP-3

END

KATZENBACH

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OUTGOING TELEGRAM Department of State

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FOR SECRETARY FROM READ

FEB 15 9 22 PM '67

DECLASSIFIED

Authority State 8-9-78; CIA 3-9-81; NSC 10-24-79; HEW 8-22-79
By ing, NARS, Date 3-20-81 02

SUBJECT: Follow-up to Ramparts Disclosure of CIA Funding of NSA

1. Full page ads in Times and Post Feb. 14 announcing forthcoming Ramparts expose were accompanied by front-page articles, written around statement by National Students Association and interviews with NSA president Groves admitting and explaining NSA-CIA financial relationship.

2. At noon briefing Feb. 14 McCloskey confirmed for the record that NSA has been working the past two years to terminate CIA support, which even earlier had begun tapering off sharply. For background, McCloskey explained origins and need for government support and fact that USG support did not impede free decisions, policies, and actions of NSA. (Full text McCloskey statements contained Department's Circular 137161.)

3. Feb. 15 papers headline our acknowledgment of CIA support and report call for investigation by eight Democratic congressmen. Times refers to "reports" that President had "instructed CIA to close out all secret programs of aid to student groups" and had called for review of "all other programs to

Drafted by: Rldg

INR/OD:RKGerman:ew x2485

Telegraphic transmission and

classification approved by: S/S-Mr. Read

Clearances:

INR-Mr. Denney h.c.d.

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~~CONFIDENTIAL~~

combat communist activities in private organizations." White House spokesmen denied the report.

story

4. Wire services Feb. 15 enlarging on Washington Star ~~XXXXXX~~ report that CIA has also supported U.S. Youth Council, World Assembly of Youth, and International Student Conference, with funds channeled through foundations.

5. George Christian announced today that all public statements would be made by Katzenbach. Acting Secretary approved following government press line:

a. We will discuss matter only in response to official, responsible statements made by groups who have in fact received governmental support, volunteering nothing and not responding to press allegations or statements by individual members of groups.

b. No Federal agency will attempt to influence groups to issue or not issue statements or to influence content of statements, only exception being if groups ask for advice.

c. We will instruct all diplomatic posts to refer questions to Washington. (Separate circular telegram going out tonight.)

6. Following statement by Acting Secretary was released at 4 p.m. Feb. 15:

"The President believes strongly that the integrity and independence of the education community must be preserved. He has directed a careful review of any government activities that may endanger this integrity and independence.

"He has further directed me, in consultation with Secretary Gardner and Director Helms, to formulate a policy which will provide

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necessary guidance for government agencies in their relationship to the international activities of American educational organizations.

"At the same time, the President recognizes the great need of America's private organizations to participate in the world community. Other countries provide heavy subsidy for such activities. He has asked me to explore means for assuring that U.S. organizations play their proper and vital role."

7. At meeting Feb. 16 Acting Secretary will discuss with Clark Clifford, Mac Bundy, and Wash. Post's Wiggins next steps, including feasibility of drafting bill to establish a foundation funded by the Government but run by outsiders, analogous perhaps to British Council, which might carry on essential functions in student field.

GP-3

END

SKATZENBACH

~~CONFIDENTIAL~~

DEPARTMENT OF STATE
SPECIAL ASSISTANT TO THE UNDER SECRETARY

33

FS

February 14, 1967

MEMORANDUM FOR MR. WALT ROSTOW
MR. DOUG CATER
MR. CORD MEYER, JR.

FROM: U - Jack Rosenthal

Here are the on-the-record statements and the
background we propose to issue at our noon briefing.

Enclosure:
LDX'd

NSA-CIA BRIEFING PAPER
Tuesday, February 14, 1967

on the record. [I] We have confirmed, with
1. STATEMENT, ~~the~~ the Central Intelligence Agency,
that, As stated by the National Student Association
yesterday, its leadership has been working with government
officials over the past two years to terminate the financial
relationship concerning support of NSA's international acti-
vities.

Even prior to that time, the degree of governmental
support for those activities had begun tapering off sharply.

2. BACKGROUND, for attribution to Government officials.

A. Communist Advances Among Youth in Early 1950s.

There was, in the Cold War tension of the early
1950s, a spread of Communist subversive activity in inter-
national youth organizations and student groups, particularly
in Asia, Latin America, and Africa.

B. American Students Responded.

American students, notably the National Student
Association, felt the need to counteract this subversive and
propaganda activity and to express effectively their own free
ideas abroad. The Communist students were well-financed from
official sources. The American students, however, were deeply
handicapped by lack of funds for overseas work.

C. Government Agreed to Provide Support.

Private contributions were insufficient, hence the agreement between the NSA and the United States Government that the government would help support the NSA efforts.

D. This Involves a Basic Dilemma.

Governmental support for an institution such as NSA obviously raises difficult and delicate problems. No matter how complete the freedom of decision and action retained by the students, such support is bound to raise the legitimate question of whether the purse does not influence the policy. We understand and appreciate this. But at an earlier time, the alternatives were limited.

E. The Alternative of Overt Support.

Overt governmental support for NSA in its foreign activities would have destroyed its utility because NSA would hence have been subjected to attacks as an instrument of government. Its credibility as a free spokesman of democracy--which in fact it consistently has been--would have been impugned at the outset. Indeed, such attack would have come precisely from those students who in fact were paid agents of communist governments.

F. ...Or Covert Support.

Hence, if support were to be given at all, covert support was the only feasible alternative. The very fact that the support was covert--and thus known only to two NSA officers a year--guaranteed the integrity of the views expressed by the many other NSA members who participated in international sessions. But, because it was covert, it also exposed the NSA and the government to all the associations which go inevitably with that word.

G. No Government Control of Policy.

It would be grossly unfair now to accuse the students of having been propagandists or agents--or to accuse the government of attempting to influence what were independent, free decisions and views.

And the NSA's decisions, policies, and actions have been free, as surely is evidenced by fact that the organization ^{has} frequently and sharply differed with the government. The purpose of the government support was to provide free students with the means to do the things they would have done unaided, had they had the funds.

3. FOR GUIDANCE TO THE PRESS OFFICER:

You should know that the NSA, when pressed as to the time and nature of termination of the CIA relationship, has said the following to the press:

In 1965, the officers of the Assn decided that the relationship should be terminated. The decision to disengage was a difficult one, causing some personal dislocation and financial hardship. This year, remaining funds from sources which are ultimately the CIA, are less than 5 percent of US NSA's budget. All subsidies were ended in 1966. No new funds have been or will be received in 67.

(STUDENTS)

WASHINGTON--THE CENTRAL INTELLIGENCE AGENCY (CIA), UNDER FIRE FOR SUBSIDIZING THE NATION'S LARGEST COLLEGE STUDENT ORGANIZATION, WAS REPORTED TODAY TO HAVE ALSO BEEN SLIPPING CASH TO THREE OTHER YOUTH GROUPS--TWO OF THEM FOREIGN BASED.

THE WASHINGTON EVENING STAR SAID THAT BESIDES THE NATIONAL STUDENT ASSOCIATION, THE CIA HAD BEEN CHANNELING FUNDS THROUGH PRIVATE FOUNDATIONS TO THE U.S. YOUTH COUNCIL, THE WORLD ASSEMBLY OF YOUTH IN BELGIUM AND THE INTERNATIONAL STUDENT CONFERENCE, BASED IN THE NETHERLANDS.

A CONGRESSIONAL INVESTIGATION WAS ANNOUNCED TODAY BY REP. CARL PERKINS, D-KY., OF THE EARLIER DISCLOSURE THAT THE CIA HAD PUMPED MILLIONS OF DOLLARS OVER A 15-YEAR PERIOD INTO THE NSA. PERKINS IS CHAIRMAN OF THE HOUSE EDUCATION AND LABOR COMMITTEE.

THE STAR SAID THE U.S. YOUTH COUNCIL, HEADQUARTERED IN NEW YORK, AND THE EUROPEAN-BASED ASSOCIATIONS OF YOUTH GROUPS FROM WESTERN AND NON-ALIGNED NATIONS ALSO HAD RECEIVED MILLIONS OVER A PERIOD OF MORE THAN A DECADE.

"DESPITE THE LARGE CONTRIBUTIONS FROM THE CIA, YOUTH AND STUDENT LEADERS FROM THIS COUNTRY WHO HAVE SERVED IN EXECUTIVE POSITIONS IN ALL THE GROUPS DO NOT BELIEVE THEIR INDEPENDENCE OF ACTION WAS AFFECTED TO ANY GREAT DEGREE BY THE COVERT GOVERNMENT SUPPORT," THE STAR SAID.

THE NSA, HOWEVER, WAS UNDERGOING SEVERE INTERNAL RUMBLINGS. ITS OFFICIALS HELD AN EMERGENCY MEETING TODAY TO DISCUSS WHETHER THEY MIGHT COMPLETELY REORGANIZE. OFFICERS OF THE NSA SAID MOST MEMBERS AND OFFICERS OF STUDENT GOVERNMENTS ON 350 CAMPUSES IN THE COUNTRY HAD NO PREVIOUS KNOWLEDGE OF THE CIA FUNDING.

ONE NSA MEMBER, AN AMERICAN EXCHANGE STUDENT FROM UCLA, WHO HAD BEEN STUDYING AT KRAKOW UNIVERSITY IN POLAND, WAS CALLED HOME FOR FEAR THAT HE MIGHT GET IN TROUBLE WITH COMMUNIST AUTHORITIES BECAUSE OF THE DISCLOSURE THE CIA WAS HELPING FINANCE HIS ORGANIZATION.

THE STAR SAID THE YOUTH COUNCIL'S AIMS WERE SIMILAR TO THAT OF NSA--TO INCREASE THE POLITICAL AWARENESS AND PARTICIPATION OF YOUNG PEOPLE IN THIS COUNTRY AS WELL AS IN INTERNATIONAL PROGRAMS.

THE NEWSPAPER SAID, HOWEVER, THE FOREIGN ORGANIZATIONS, BASED IN BRUSSELS AND LEYDEN, HOLLAND, ARE DIRECTLY INVOLVED IN EAST-WEST IDEOLOGICAL STRUGGLES WITH TWO SIMILAR COMMUNIST ORGANIZATIONS IN EASTERN EUROPE.

IT WAS REPORTED EARLIER THAT THE REASON THE CIA STARTED FUNNELING BIG MONEY--\$200,000 OR MORE IN SOME YEARS--INTO THE NSA WAS TO COUNTERACT THE IMPACT AT WORLD YOUTH GATHERINGS OF LIBERALLY FINANCED COMMUNIST DELEGATIONS IN THE IMMEDIATE POST-WORLD WAR II PERIOD.

THE STAR SAID THE WORLD YOUTH ASSEMBLY COMPETED WITH THE WORLD FEDERATION OF DEMOCRATIC YOUTH, BASED IN WARSAW, AND THE INTERNATIONAL STUDENT CONFERENCE'S OPPOSITE WAS THE UNION OF STUDENTS, HEADQUARTERED IN PRAGUE, CZECHOSLOVAKIA.

THE CLANDESTINE CIA INFLUENCE ON YOUTH GROUPS WAS CONDEMNED BY SEVERAL MEMBERS OF CONGRESS AND BROUGHT A RENEWED DEMAND TODAY FOR A BROADER CONGRESSIONAL COMMITTEE TO OVERSEE CIA OPERATIONS.

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SPECIAL ASSISTANT TO THE UNDER SECRETARY OF STATE
WASHINGTON

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February 15, 1967

MEMORANDUM FOR MR. GEORGE CHRISTIAN
THE WHITE HOUSE

Subject: CIA-NSA Flap

Here is the general press line the Acting Secretary has approved concerning this matter:

1. We will discuss it only in response to official, responsible statements made by groups who have in fact received governmental financial support--and maybe not even then, depending on facts.

In other words, we will volunteer nothing. We will not respond to newspaper allegations. We will not respond to statements made by individual members of such groups.

2. No federal agency, whatever ties it has had to these groups, will attempt in any way to influence these groups either to issue or not issue statements, or to influence the content of such statements. The only exception would be if groups ask for advice. The underlying rationale is that even the risk of such attempted influence resulting in sensationalized exposure would vastly overbalance any possible benefit.

3. If and when groups which have received governmental funds do make statements, we will make case-by-case determinations of what we will say, probably drawing on the line used yesterday in response to the NSA statement, for tone and approach.

4. In the meantime, we will cable all diplomatic posts instructing them to refer questions to Washington; to advise us of NSA grantees who might be targets of official or public hostility; and to give the posts as much background as we can assemble quickly on legitimate, overt, federal assistance to student programs.

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Authority State 8-9-78; CIA 3-9-81; NSC 10-24-79

By inf, NARS, Date 3-20-81

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5. What we plan to tell reporters who inquire here as the result of your referral to Mr. Katzenbach this morning is:

Mr. Katzenbach is undertaking an immediate and full survey and study of the problems involved in this matter, in an effort both to clarify the present situation and to suggest sensible future courses of action.

We would then seek to deflect any questions on the ground that it is impossible to answer them sensibly until the study is complete--and that there is no immediate way of knowing the length of time that would take.



Jack Rosenthal

~~CONFIDENTIAL-EXDIS~~

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Tuesday, February 14, 1967
7:00 p. m.

Mr. President:

At my request Dick Helms is filing this account of the Senators and Representatives with whom the Agency has been in touch on the RAMPARTS matter.

W. W. Rostow

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Authority CIA 4-2-79, NSC 7-12-79
By inf, NARS, Date 10-10-79

WWRostow:

OUTGOING TELEGRAM Department of State

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~~CONFIDENTIAL~~ Authority E.O. 11652 SEC. 5(A) and (D)
Classification By JB NARS Date 3/22/78

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CIRCULAR

ACTION: To All American Diplomatic Posts **PRIORITY**

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1. Following provides background and guidance on press attention devoted to forthcoming Ramparts Magazine "expose" of past CIA support for National Students Association.
2. Full-page ads in NY Times and Washington Post Feb. 14 announce March issue Ramparts "will document how CIA has infiltrated and subverted the world of American student leaders, over past 15 years." Calling forthcoming 10,000 word article on CIA financial support of National Student Association a "case study in corruption of youthful idealism," ad says CIA has used students to spy and to pressure international student organizations into taking Cold War positions and has interfered in shocking manner in internal workings of NSA. Promising that article will be "disquieting indication of extent to which government's secret intelligence apparatus wormed its way into American institutions," ad refers to "amazing account" of CIA use of "so-called independent foundations" as "conduits for espionage money," adding that "Names are named and dollar amounts cited."
3. Both Times and Post treat Ramparts disclosure in front-page stories, with Post quoting extensively from statement issued Feb. 13 by NSA president W. Eugene Groves and Times referring to telephonic interview with Groves.

Drafted by: INR/OD:RKGerman :ew x2485

Telegraphic transmission and classification approved by: G - Mr. Kohler

Clearances:
INR-Mr. Denney h.c.d.1
INR/DDC-Mr. Carpenter WJC
QY-Mr. Robinson OR

P- Mr. McCloskey (draft)
U- Mr. Rosenthal R
CU- Dr. Frankel (draft) OKV
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S/S - Mr. Walker

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Groves quoted as saying NSA officers aware receipt CIA funds, which channeled through foundations acting as go-betweens for Agency. He disclaimed knowledge of exact amount but called figures given Times by spokesman for Ramparts (\$200,000 a year few years ago with gradual decrease to about \$50,000 last year) a "reasonably accurate estimate." Current NSA budget according Post is \$825,000.

4. Groves explained origin of NSA-CIA relationship, dating from early 1950's, in terms of feeling by NSA officers that "existence of heavily financed and totally controlled Soviet front organizations in international student field made it imperative that democratic and progressive organizations maintain a presence abroad that would offer an alternative," coupled with fact that "at that time it was impossible obtain funds from private groups." Post quotes Groves as saying CIA funds were used for "broad programs of international affairs which worked with other unions of students," with almost all these activities taking place in developing countries, particularly Africa. (Nigeria cited as only example.)

According Times interview, Groves said funds used to send student representatives to conferences, finance student exchange activities, and provide counseling and technical help in seminars abroad. Post, quoting statement, says CIA funds "supported number of projects assisting student groups abroad and promoting international understanding on American campuses, and staff necessary to maintain continuing contact with student organizations in other countries." Both papers carry Groves denial that NSA at any time served any "intelligence function" or provided "information of sensitive nature" to any USG agency, with Times adding that NSA frequently took positions at variance with Administration actions or

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official policy.

5. In explaining decision to terminate relationship Groves reportedly cited belief on part NSA officers for past two years that conditions have changed, plus belief that "relationship inconsistent with democratic open nature of NSA." Post says Groves recently met with Vice President to ask his help in finding new funds from corporations and foundations, and Times quotes Groves as saying that, since NSA decision to terminate relationship with CIA, NSA has to best of his knowledge been receiving all its funds either from private or open Government sources, including OEO, Office of Education, and State. FYI: When pressed, however, as to time and nature of termination of CIA relationship, NSA said following to press (not all of which used by either Times or Post): "In 1965, officers of Assn. decided relationship should be terminated. Decision to disengage was difficult one, causing some personal dislocation and financial hardship. This year, remaining funds from sources which are ultimately the CIA are less than 5 percent of US NSA's budget. All subsidies were ended in 1966. No new funds have been or will be received in '67." (END FYI)

6. FYI: Department's only financial association with NSA involves contracts entered into since 1962 for specific projects involving student visits and exchanges. In FY 1967, for example, contracts include program for eleven Algerian students in US and seminar for ten students from Bolivia. END FYI.

7. At press briefing Feb. 14 Department spokesman made following on-the-record statement: "We have confirmed with the Central Intelligence Agency that as stated by National Student Association yesterday, its leadership has been working ~~with~~

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which began in the early 1950's.
concerning support of NSA's international activities. Even prior to that time, the degree of governmental support for those activities had begun tapering off sharply."

8. Following additional information was provided on background basis, for attribution to U.S. officials: a. "There was, in Cold War tension of early 1950's, a spread of Communist subversive activity in international youth organizations and student groups, particularly in Asia, Latin America, and Africa.

b. "American students, notably National Student Association, felt need to counteract this subversive and propaganda activity and to express effectively their own free ideas abroad. The Communist students were well-financed from official sources. The American students, however, were deeply handicapped by lack of funds for overseas work.

c. "Private contributions were insufficient, hence the agreement between the NSA and the United States Government that the government would help support the NSA efforts.

d. "Governmental support for an institution such as NSA obviously raises difficult and delicate problems. No matter how complete the freedom of decision and action retained by the students, such support is bound to raise legitimate question of whether the purse does not influence the policy. We understand and appreciate this. But at an earlier time, alternatives were limited.

e. "Overt governmental support for ^{these} NSA ~~XXXXXXXXXXXX~~ ^{abroad} activities/would have destroyed its utility because NSA would hence have been subjected to attacks as an instrument of government. Its credibility as a free spokesman of democracy--which in fact it consistently has been--would have been impugned at outset. Indeed, such attack would have come precisely from those students who in fact were paid agents of

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communist governments.

f. "Hence, if support were to be given at all, covert support was only feasible alternative. Very fact that support was covert--and thus known only to two NSA officers a year--guaranteed the integrity of the views expressed by the many other NSA members who participated in international sessions. But, because it was covert, it also exposed NSA and government to all the associations which go inevitably with that word.

g. "It would be grossly unfair now to accuse students of having been propagandists or agents--or to accuse government of attempting influence what were ~~XXXXXXXXXX~~ independent, free decisions and views.

h. "And the NSA's decisions, policies, and actions have been free, as surely is evidenced by fact that the organization has frequently and sharply differed with government. The purpose of government support was to provide free students with the means to do the things they would have done unaided, had they had the funds."

9. Transcript of ensuing questions and answers (most of which on background basis and added little to paras 7 and 8 above) not yet available.

10. Posts should limit public comment to statement in para 7 above but may in their discretion draw on paragraph 8 as required for background briefings.

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END

KATZENBACH

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DEPARTMENT OF STATE
WASHINGTON

~~SECRET/EXDIS~~

February 13, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Ramparts--NSA--CIA

I spent several hours yesterday and today reviewing the situation and attempting to come up with the best way of handling it. The following recommendations are tentative, since it may be important to know exactly what tomorrow's newspapers say.

I do not believe a backgrounder as such is a possible way of dealing with the situation since (1) I am not absolutely confident that we are in possession of all of the facts and I am concerned that whoever attempted the backgrounder (Foy Kohler or myself) would inadvertently answer incorrectly questions; (2) a backgrounder will open up for questioning related programs of CIA, and it would be extremely difficult to control this aspect.

I am working on the following tentative scenario:

1. A statement the State Department would give at the noon briefing attributable to CIA. This would be a bare bones admission of the fact of NSA subsidy, coupled with the fact that this program was tapering off to complete ending at the request of NSA and as a result of Government review. The statement would note that the program had continued for many years.

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2. A statement on background which explained some of the reasons for the initial decision in the most favorable light it could be put. This would be attributable only to official sources.

3. A statement from the State Department, in response to a question, that this sort of program was reviewed inter-departmentally at a high level.

I think that it would not be wise to involve the State Department more directly than this, since I see little to be gained from the point of view of protecting CIA and considerable to be lost from the view of the State Department.

As soon as we have seen the morning papers I will send drafts of the proposed statements indicated above, as well as any changes in the scenario which might be called for.



Acting Secretary

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