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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Letter	Lawrence R. Houston, General Counsel CIA, to McPherson re financial claim against CIA 1 p	6/2/67	A
Memo	Houston for the Record re financial claim against CIA 3 p	6/2/67	A
Memo	? to ? re forthcoming article by Thomas Braden in the Saturday Evening Post <del>EXEMPT 8-15-98</del> 2 p <i>Exempt 1/14/10 per NLS/RAC 15-202</i>	4/19/67	A
Draft Memo	Secretary of State for the President re scope of special review of funding of private voluntary organizations abroad <del>sanitized 9-9-92</del> 4 p <i>same sanitization 7/21/15 per NLS 14-104 NLS 91-331</i>	4/4/67	A
Memo	McPherson for the President re attached Fulbright to Raborn letter (unclassified and opened) 3 p <del>sanitized 6-27-14 RAC</del> <i>same sanitization 7/21/15 per NLS 14-104</i>	6/14/66	A

FILE LOCATION

WHCF, Aides File, McPherson, Box ~~XXXXX~~ #1409, "CIA"

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May 3, 1967

Dear Mr. Anderman:

I have conferred with Mr. Lawrence Houston, General Counsel of the Central Intelligence Agency, concerning your inquiry to me as to the method of lodging a complaint against the CIA. He advises that you may present your complaint by addressing a letter to him. Your letter gave no indication of the nature of your problem. He, therefore, was unable to suggest any specifics for you. In any event, an informal letter to him would be satisfactory. His address is: Mr. Lawrence R. Houston, General Counsel, Central Intelligence Agency, Washington, D. C., 20505.

Very truly yours,

Harry C. McPherson, Jr.  
Special Counsel to the President

Mr. Samuel Anderman  
112 N. 18th Street  
Philadelphia, Pennsylvania 19103

*Basic to  
Central Files*

MMX HCM:fs

*(no other cy available)*

*"CIA"*



THE WHITE HOUSE OFFICE

REFERRAL

To: Counsel of CIA

Date: April 27, 1967

ACTION REQUESTED

- ☒ Draft reply for:  
\_\_\_\_ President's signature.  
☒ Undersigned's signature.  
\_\_\_\_ Memorandum for use as enclosure to reply.  
\_\_\_\_ Direct reply.  
\_\_\_\_ Furnish information copy.  
\_\_\_\_ Suitable acknowledgment or other appropriate handling.  
\_\_\_\_ Furnish copy of reply, if any.  
\_\_\_\_ For your information.  
\_\_\_\_ For comment.

NOTE

*Prompt action is essential.*

If more than 48 hours' delay is encountered, please telephone the undersigned immediately, Code 1450.

Basic correspondence should be returned when draft reply, memorandum, or comment is requested.

REMARKS:

Description:

☒ Letter: \_\_\_\_\_ Telegram: \_\_\_\_\_ Other: \_\_\_\_\_  
To: Harry C. McPherson  
From: Samuel Anderman  
Date: 112 N 18 Street, Phil. Pa. 19103  
4/22/67  
Subject: Procedure for lodging complaint against CIA

By direction of the President:

Harry C. McPherson  
Special Counsel to the President

(White House Suspense Copy)

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4-22-'67

Henry J. McPherson  
Special Counsel to the President  
Washington, D. C.

Dear Sir:

I wish to lodge a complaint against  
the C. I. A. Please advise me how to proceed.  
Are there any specific rules to be followed?  
If damages are requested, should a lump sum  
be indicated, or should a specific amount be  
assigned for each wrongdoing?

Samuel ANDERMAN  
112 N 18 ST  
Philadelphia, Pa 19103

Very truly yours,  
Samuel Anderman  
Member of the N. Y. Bar

April 19, 1967

MEMORANDUM FOR

GEORGE CHRISTIAN

Peter Jessup, the CIA man on the Security Council staff, gave me this. You might bring it to the President's attention before the Friday meeting. Mathews has apparently been a supporter.

Harry C. McPherson, Jr.

**Attachment** - Memo to HCM, Apr 19 (Eyes Only) from Peter Jessup  
"W.R. Mathews, Editor-Publisher of Arizona Daily Star"

"CIA"



April 19, 1967

MEMORANDUM FOR MR. HARRY McPHERSON

SUBJECT: W. R. Mathews, Editor-Publisher of Arizona Daily Star

William Rankin Mathews (born 1893), editor, publisher, and author, and Editor-Publisher of the Arizona Daily Star since 1930, will be one of the guests at the White House on Friday.

I have learned from an unimpeachable source that Mr. Mathews feels gravely hurt, and has been for one year, by a remark purportedly made by the President last year to him at Max Frankel's in the presence of Mathews' peers to the effect that "You talk too much."

Mr. Mathews cannot understand this since he has been an administration supporter consistently before this and still is. He believes that possibly the President confused him with Herbert Lionel Matthews of the New York Times, who is seven years younger but, as you know, paddles a completely different kettle of fish.

I thought that the jibe, imagined or otherwise, is worth checking since old man Mathews is one of the deans of American respected journalism and because of the President's known concern for all aspects of press relations.

Peter Jessup  
NSC Staff Member

\* A CIA man who owns property in Arizona and who talked to Mathews out there.

Am

XEROX FROM QUICK COPY

Eyes Only



NEWS CONFERENCE #799-A

AT THE WHITE HOUSE

WITH TOM JOHNSON

4:05 P.M. EST

APRIL 6, 1967

THURSDAY

MR. JOHNSON: I have several announcements for you. Last Wednesday, March 29, it was reported that the President had asked Secretary Rusk to serve as Chairman of a special committee to review concrete ways of accomplishing the objective recommended by the Katzenbach report.

You will remember it read: "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."

The President indicated that this committee would include representatives from the Executive, the Congress, and the private community.

The following will serve on this committee: Secretary of State Dean Rusk, Chairman; Attorney General Ramsey Clark; Budget Director Charles Schultze; Senator Carl Hayden of Arizona, Chairman of the Appropriations Committee; Senator Richard B. Russell of Georgia, Chairman of the Armed Services Committee; Senator J. W. Fulbright of Arkansas, Chairman of the Foreign Relations Committee; Senator Milton R. Young of North Dakota, Republican, member of the Agriculture Committee; Representative George Mahon of Texas, Chairman of the Appropriations Committee; Representative L. Mendel Rivers of South Carolina, Chairman of the Armed Services Committee; Representative Thomas Morgan of Pennsylvania, Democrat, Chairman of the Foreign Affairs Committee; Representative Frank Bow of Ohio, member of the Appropriations Committee; Dr. Milton S. Eisenhower, President, Johns Hopkins University, Baltimore, Maryland; the Honorable Thomas S. Gates, Jr., President, Morgan Guaranty Trust Company and former Secretary of Defense; Dr. James H. McCrocklin, President, Southwest Texas State College, San Marcos, Texas; the Honorable Paul R. Porter, Attorney, Arnold & Porter, Washington, D.C.; Dr. Frank A. Rose, President, University of Alabama, Tuscaloosa, Alabama; the Honorable Henry S. Rowen, President, The Rand Corporation, Santa Monica, California. As you know, Mr. Rowen was Assistant Director of the Bureau of the Budget until recently. Mr. Robert M. Travis, President-elect of the Student Body, University of North Carolina at Chapel Hill.

Q Do you know where he is from?

MR. JOHNSON: He is currently at Chapel Hill. Dr. Herman B. Wells, Chairman of the Board, Education & World Affairs and Chancellor, Indiana University, Bloomington, Indiana.

MORE



Q Is Senator Young serving in his capacity as a member of the Senate Agriculture Committee or as a member of the Senate oversight committee on the CIA?

MR. JOHNSON: He is a member of the Agriculture Committee and a member of the Appropriations Committee.

You will receive on your departure a Loyalty Day Proclamation.

The President today named Lieutenant General Ralph E. Haines, Jr., United States Army, to replace General Abrams as Vice Chief of Staff, United States Army, and for appointment to the grade of General. General Haines is presently serving as Commanding General, III Corps, Fort Hood, Texas.

He is a native of Fort Mott, New Jersey. He has served on active duty for 31 years, holds the Legion of Merit with an oak leaf cluster, a Bronze Star Medal, the Army Commendation Medal, and the Combat Infantryman Badge.

The President's schedule for tomorrow:

11:00 a.m. - Presentation of credentials by Their Excellencies Dr. Wong Lin Ken of the Republic of Singapore, and Rupiah Bwenzani Banda of the Republic of Zambia. This will be in the Fish Room.

12 noon - Secretary of Defense Robert McNamara and the NATO Defense Ministers. On BACKGROUND, the Nato Defense Ministers are meeting here in Washington. Secretary McNamara will bring them by for a session with the President. We expect this to be in the Cabinet Room. I will advise you of coverage on it tomorrow.

1:30 p.m. - Frank Pace and David Rockefeller. This will be a report on the International Executive Service Corps.

The President today accepted with deep regret the resignation of the Honorable Charles F. Luce as Under Secretary of the Interior.

For BACKGROUND, Mr. Luce has taken a position as Chief Executive Officer of Consolidated Edison Company of New York.

Q Is any replacement being announced?

MR. JOHNSON: No.

Q Is there a date on the resignation?

MR. JOHNSON: Yes, July 15.

Q Tom, the wire services say that Senator Pell brought the Mayor of Florence to see President Johnson today.

MR. JOHNSON: Let me check that. I believe that is correct.

MORE



Q July 15 is the date when he is leaving?

Q Or is the letter dated July 15?

MR. JOHNSON: No. The effective date of the resignation is July 15.

Q What is the date of the letter?

MR. JOHNSON: The President's letter is dated today.

Q What about Mr. Luce's letter?

MR. JOHNSON: There is no date on it.

The President is expected to depart from Dulles Airport at 11 P.M. Monday, arriving approximately 11 A.M. Tuesday, Montevideo.

Q That is Montevideo time?

MR. JOHNSON: Yes. All times are local.

Q What is the time difference, please?

MR. JOHNSON: It is minus two hours. It is about a 10-hour flight.

Q Is there a refueling stop?

MR. JOHNSON: No.

Q Do you have anything on his return plans?

MR. JOHNSON: No.

The Vice President is expected to arrive at the Ellipse shortly before 10 o'clock Monday morning. There will be a welcoming ceremony by the President and other officials at 10 A.M. Monday, South Grounds of the White House.

It is expected that the Vice President will make a report on his trip.

Q You mean a report then at the ceremony?

MR. JOHNSON: There will be a welcoming by the President.

Q Are you saying a public report of the trip?

MR. JOHNSON: There will be an address to those present.

Q Our plans are still such that we will have to get somebody else to cover that, if we are going to South America?

MR. JOHNSON: That is subject to discussion.

Q Mr. Johnson, are you prepared to go from Montevideo to Punta del Este? Chopper over there, or what?

MORE



MR. JOHNSON: From Montevideo to Punta del Este, yes.

Q Do you have any more on the President's schedule?

MR. JOHNSON: I do not. We will have a substantive briefing following this one, after you have an opportunity to file.

Q Who is going with the President?

MR. JOHNSON: I don't know.

Q How long will he be in Montevideo?

MR. JOHNSON: There will be a brief arrival ceremony, before the President goes to Punta del Este.

If we do depart at 8 o'clock, we will have press baggage any time Sunday, until 6 P.M. There will be a bus leaving the Southwest gate at 6:30 A.M. Monday, with a check-in at Dulles at 7:30 A.M., and wheels up at 8 A.M.

Q Baggage where?

MR. JOHNSON: Either Mr. Fauver's office in the EOB or in the West Lobby.

Sound gear will have to be weighed in. There is a limitation of 400 pounds per unit, or per outfit, on that. Any of you who have problems along that line should remedy them.

There is a power problem in Montevideo which would require you to have converters at Montevideo.

In the event that we do adhere to that departure and arrival, we would bus the press to Punta del Este for the overnight there and return the following morning at approximately 8 o'clock to get back to the airport in time for the arrival there of President Johnson.

Q We are back to Dulles now for departure?

MR. JOHNSON: We are.

Q Does the press plane have a refueling stop on the way down?

MR. JOHNSON: No.

Q Do you know anything about special baggage tags the OAS is providing?

MR. JOHNSON: We will have that arranged for you.

Q When will we get them to put on our bags?

MR. JOHNSON: The baggage, as I understand it, is no problem. It is your personal identification. The OAS and the security require that your passport be carried with you at all times.

MORE



You will have two identification tags, one issued by the White House and one issued by the OAS.

It will facilitate your travel greatly to travel in a group with us, because we will have support personnel with us to make sure that you get into and out of the airport and into and out of Punta del Este.

Q I am still confused about the baggage tags.

MR. JOHNSON: I will have to defer that. I am not aware of any special arrangements.

Q How far is the apartment we are being bedded down in and the conference site?

MR. JOHNSON: I believe about a mile and a half.

Q Will there be a regular shuttle?

MR. JOHNSON: Yes.

Q Where is the press room?

MR. JOHNSON: There is a press room in the San Rafael Hotel which is the main conference site and there is a White House press room for White House filing directly back to the States in the Peninsula Hotel which is our residence.

Q Where is the President staying?

MR. JOHNSON: I don't have that.

Q Where will the White House briefings be?

MR. JOHNSON: In the Peninsula Hotel.

Q What about return, Tom?

MR. JOHNSON: I don't have that, Hugh.

Q As far as you know, the President will remain there all week?

MR. JOHNSON: I don't have return plans.

Q The cable address for home offices is care of White House Press, Peninsula Hotel, rather than this other place?

MR. JOHNSON: Yes.

Q What is our arrival time in Montevideo?

MR. JOHNSON: If we depart at 8 A.M., we will be there at 8 P.M.

Q Why should there be any question about our departure? We can't cover that story, if we are going out there. I don't think we need to fuss about that, do we?

MORE



MR. JOHNSON: Then it is set, if that suits you. We will depart at 8 o'clock.

Q Tom, do you know how these other Latin American President's will go from Montevideo to Punta del Este?

MR. JOHNSON: I do not, Smitty.

Q Do you have anything else not relating to Punta del Este?

MR. JOHNSON: I do not.

Q Could we end this?

MR. JOHNSON: Yes.

Q I have a question on something other than that. There is a press release saying that 75 Negro lawyers saw the Attorney General this afternoon and were going to see the President at 4 o'clock to urge that he appoint a Negro as Judge of the Fourth Circuit Court.

Have they seen him, or are they going to?

MR. JOHNSON: I don't know anything about it.

Q They are protesting that there is no Negro Judge on a Federal bench in the South. Does the White House consider that criticism valid?

MR. JOHNSON: I don't have anything on that at all.

Q Tom, on this committee headed by Secretary Rusk, do you know when they are going to start conferring?

MR. JOHNSON: I do not.

Q There is no time limit?

MR. JOHNSON: There is not.

THE PRESS: Thank you.

END

AT 4:30 P.M. EST



UNDER SECRETARY KATZENBACH: Let me go through the report with you and I think that will answer most of your questions.

It starts off simply by the Committee's definition of what we did. That is contained in the two paragraphs at the top. And how we went about it.

Then in summary there are two basic recommendations on page one that are repeated elsewhere in the report as you go along.

The first of those is that 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.

There is a discussion of that policy which follows, in a brief summary form, with some of the history that lead to certain of these activities and their importance in the Cold War, using NSA as an example.

Then it goes on on page two to discuss two developments over this fairly long period of time:

One is that there has been a great increase in the availability of private funds from foundation and otherwise for overseas activities; secondly, that overseas activities have, by American private organizations, increased vastly to the point, as near as we can estimate, that there are around 1,000 such groups involved in programs overseas.

On page three there is the definitive statement of policy, and it states there that in implementing this there should be a period of disengagement. The footnote states that this can be largely and entirely completed by the end of the year.

The reason for the period of disengagement is so as not to destroy groups that are doing valuable work, as the report says, which may have gotten a small part of their funds from these sources.

It also recommends, on page four, in the first paragraph, that the process of disengagement be supervised by an interdepartmental committee. Then there is another important footnote to that which I think speaks for itself.

I will take the liberty of reading it so I can emphasize what I think is important.

"If the statement of policy is to be effective, it must be rigorously enforced. In the judgement 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.

MORE



"We therefore recommend that, in the event of such unusual contingencies, the interdepartmental review committee be permitted to make exceptions in 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."

The second part of the report expresses the view that many of these activities are deserving of overt public funding through governmental means, but that it would be important to develop a mechanism whereby any governmental money that is made available for this purpose was filtered through a private system, overtly and above board. It suggests the possibility that the British Council points to the fact that in a number of other countries they have funded programs similar to this overtly with a public-private institution of that kind.

While our committee did some work on this, we also expressed the view that in deciding what the best means of doing this was an in-house committee. The type represented only by the three of us was an inappropriate device. The President might wish to consider the possibility of a larger committee with both public and private people on it to consider the feasibility of this and to make recommendations on it.

That is what his statement indicates he is doing.

I might say that I will not, in answer to any of your questions, get into the process of what was and what was not funded by the CIA.

Q Mr. Katzenbach, in making the statement, however, "so as not to destroy groups doing valuable work", you suggest the disengagement continue until the end of this year. But do you mean to imply that the NSA has been destroyed?

UNDER SECRETARY KATZENBACH: No, I don't mean to imply that the NSA has been destroyed. I think it may have been damaged somewhat in its activities.

You have groups that have been getting some money. It is a very small fraction of the totality of groups. They have staffs, they have people, they are doing useful work. They are doing work where they can find other funds. They ought to at least be given the opportunity to go and find those funds.

In addition to that, if the Rusk Committee should make recommendations for forms of public funding and if the Congress should act affirmatively on that, that would be another potential source for these groups.

MORE



All of that adds up, in our judgment, to saying that there has to be a period of, one would hope, quiet disengagement.

Q Without naming any groups, how many groups now are still receiving CIA funds? Can you give us a number?

UNDER SECRETARY KATZENBACH: No. It is very, very, very small. If I could have spelled miniscule, I think I would have used it rather than small. It is a very small percentage of the 1,000 or more private groups.

Q Can you give us a range? Is it one, 10, 100, 1,000?

UNDER SECRETARY KATZENBACH: It is obviously not 1,000.

Q On the bottom of page four, you say, "which involves any educational, philanthropic or cultural organizations". What is left?

UNDER SECRETARY KATZENBACH: Whatever is included in the broader statement of policy.

If you look at the Policy, Pete, where it is stated on page three, it states there, "any of the nation's educational or private voluntary organizations."

Any private voluntary organization that is not cultural, that is not philanthropic, that is not educational would be left in.

Q Would labor unions be an example?

UNDER SECRETARY KATZENBACH: I would think labor unions were voluntary organizations.

Q Mr. Secretary, can you tell us why this important statement of safeguards has been put in a footnote, and whether that footnote is part of the formal report to the President, and part of the Statement of Policy which he says he is directing all agencies of the Government to implement fully?

UNDER SECRETARY KATZENBACH: Yes, I can answer that.

Why it was put in the footnote I regard as a question of style. It is no less important than anything else said in the report. It is put in there for the reasons that it says.

Wise though the three of us considered ourselves to be, we didn't feel we could look inevitably into the future and predict every conceivable situation that could arise.

We did say that we didn't think any current programs justify any exception to this. But we just felt a lack of complete ability to see far into the future.

If you look at this from the points made in this of credibility and consider our problem -- the President has



accepted this policy; he says it is going to be implemented -- are you binding the government for all time on this? Are you binding all future Presidents? Or do you make a public announcement that all of you people have abandoned that possibility or making exceptions to it?

It seems to me we had to deal with possible contingencies.

We restricted it in many ways that we felt safe, along with the absolute prohibition against educational, cultural or philanthropic, that they could be overtly funded if there was a need to do so.

With respect to other organizations it includes a vast potential of other organizations.

We simply felt we couldn't think of anything but at this moment we didn't want to bind people for the future.

Q Is the policy being repudiated because of revelation?

UNDER SECRETARY KATZENBACH: We didn't go into the past other than in the short letter that was released previously. We didn't feel it was our function to make an assessment of past activities.

We did feel it was important to note that the CIA in this respect had always acted with complete authority, it was not off doing this on its own, and, indeed, groups which had reviewed this as recently as 1960 had said that these activities were valuable and should continue to go on.

Q Could we put that another way, Mr. Katzenbach?

Do you think personally that this policy would have been changed as it has been if it hadn't been disclosed by various publications? In other words, if this thing hadn't broken, do you think the Government would have changed its stand?

UNDER SECRETARY KATZENBACH: I think it is important to note two things in that regard: One, this report says that the CIA, itself, was in the process of disengaging from many of these activities and had been before the recent disclosures. I think that is important to note.

Secondly, the reasons for doing this in the way we have stressed them here, again, in the report, do have something to do with disclosure. That is that it is extremely important -- let me read it:

"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."

MORE



Q What will happen to the CIA front groups now? Will they be disbanded under this policy?

UNDER SECRETARY KATZENBACH: If they are philanthropic, and if such groups exist, I would think they would be within the ban.

Q Does your committee feel that some of the reasons for this funding in the first place remain?

UNDER SECRETARY KATZENBACH: Certainly in many instances this is true, yes.

Q Is this the basic propaganda purpose for the United States?

UNDER SECRETARY KATZENBACH: We think it is extremely important. If you use the National Student Association again, there are students active and organized all around the world. We think it important that American student groups be able to participate in international activities of that kind and to express their own views, to talk about the merits and demerits of a free society in a free way.

We think that is important.

We think this should continue to go on. We don't think that it should be covertly financed.

Q Will this sort of loosen up more private funds? Is there a new awareness?

UNDER SECRETARY KATZENBACH: I am all for loosening up private funds.

Q Was there any evidence that they are going to loosen up more than they used to?

UNDER SECRETARY KATZENBACH: I think there is a good deal of evidence that the private funds from various sources -- foundations and individual contributions, all of this kind of thing -- for international activities have been growing over a period of years. The situation is different in the late 1960s than it was in the early 1950s.

I would also hope that many of these valuable activities that have been going on would be able to find all or part of their financing privately.

Again, there is the other alternative of the possibility, if the recommendations are made, if Congress approves, of their receiving some or all of their financing through a public-private governmental mechanism.

Q Mr. Secretary, some questions on timing with respect to the special committee headed by Secretary Rusk.

Have you or Mr. Christian any idea how soon the other members of this committee will be designated, what

MORE



period of time has the President asked them to report within, and how soon has he asked them to report to him?

UNDER SECRETARY KATZENBACH: I think George indicated that the other members would be designated very shortly.

I would say from what I know of the President he would be delighted to have their report as quickly as they feel they can make a responsible report.

Q Have you any idea how large a committee this will be, how many representatives from the public and how many from the government, and so forth?

UNDER SECRETARY KATZENBACH: I don't know.

THE PRESS: Thank you, sir.

END

(AT 12:00 Noon-EST)



FOR IMMEDIATE RELEASE

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.

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\*\* 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



File CIA

DRAFT  
4-4-67~~SECRET~~

## MEMORANDUM FOR THE PRESIDENT

Subject: Scope of Special Review of Funding of Private  
Voluntary Organizations Abroad

On March 29, you asked me to serve as Chairman of a special committee to consider a recommendation in the Katzenbach-Gardner-Helms report, that the Government should promptly develop and establish a public-private mechanism to provide public funds openly for overseas activities of youth, educational, cultural, and labor organizations which are adjudged deserving, in the national interest, of public support. This memorandum outlines for your approval the way in which I plan to proceed with this assignment.

Approach

1. I propose to have the committee review the kinds of activities formerly funded by CIA which might accept overt Government funding to determine whether continued support is in the U.S. interest.

- We will concentrate on the   organiEO 13526 3.3(b)(1)>25Yrs (excluding Radio Free Europe and Radio Liberty-- see below) which the Katzenbach committee identified as possible recipients of overt Government

~~SECRET~~SANITIZED  
E.O. 13526, Sec. 3.5

NLJ 14-164

By UCB NARA, Date 05-18-2015



~~SECRET~~

2

support. [REDACTED]

EO 13526 3.3(b)(1)>25Yrs  
[REDACTED]

- We will also attempt to judge the extent to which similar voluntary organizations not formerly funded by CIA may seek and qualify for public support, if overt funding is available.

EO 13526 3.3(b)(1)>25Yrs  
[REDACTED]

- The committee should not review CIA covert activities, beyond those identified by the Katzenbach committee as prospects for overt U.S. funding.
- Radio Free Europe and Radio Liberty should not be included in the study of the special committee, since the radios are primarily cold war propaganda instruments, not cultural and educational. The 303 committee with the support of the Budget Director should proceed immediately with a study of the alternatives for the future of these organizations.

~~SECRET~~



~~SECRET~~

3

2. If there is a demonstrated need for public funding, we will examine form or means of public support. Should we expand existing appropriations (like HEW's Center for International Education) or should we create new organizations, including the quasi-public foundation or council proposed in the Katzenbach report?

3. In connection with a quasi-public council, we will explore any advantage to transferring to such a body the funding of existing agency educational and cultural activities.

- "Education and World Affairs", a non-profit corporation, representing seven major foundations, has suggested transfer to such a body, a large part of the \$3-400 million of educational programs carried out by regular Government agencies.
- Realistically, we propose to limit the committee's consideration of such a transfer package to activities now costing about \$50 million annually, including Fulbright academic exchanges, support of East-West Center, the American University at Beirut, and cultural and athletic presentations.

~~SECRET~~



~~SECRET~~

4

4. We will also address an appropriate joint funding arrangement between Federal and private sources. Our experience demonstrates a reluctance on the part of private contributors to give sustained operating support to entities funded by the Federal Government (e.g., the Smithsonian) and may justify the use of a joint funding formula.

\* \* \* \*

I expect to hold the first meeting of the committee on my return from Punta Del Este. My objective is to complete the work of the special committee in about 60 days. However, the staffing within the Executive Branch of a proposal as far reaching as a new quasi-public body would take more time.

If you have no objection, I will proceed as outlined above.

Secretary of State

Approve \_\_\_\_\_

See me \_\_\_\_\_

~~SECRET~~



In your files —



The President discussed the membership  
of this committee w/ Secy Katzenbach

3-28-67

4:45p

mf

(1)



MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

*File CIA*

March 28, 1967  
Tuesday - 1:00 p. m.

FOR THE PRESIDENT

After talking with Doug and Joe Califano, I propose that we add two members to the Study Committee on the post-CIA matter.

One member should be drawn from established legal or business leaders. The other should be young enough, and liberal enough, to give young people the idea that someone on the committee is sensitive to their concerns.

We recommend any one of the following for the business-legal member:

Tom Gates	_____
Tom Watson	_____
Paul Porter	_____
Tom Dewey	_____
Juan Trippe	_____
David Rockefeller	_____
Bob Anderson	_____
Don Cook	_____
Stuart Saunders	_____

We recommend one of the following to appeal to youth:

Berl Bernhard	_____
Dick Neustadt	_____
Ted Etherington (former President of the American Stock Exchange)	_____
William Saltonstall (former head master of Phillips-Exeter Academy and then Peace Corps representative in Africa)	_____

TRANSFERRED TO HANDWRITING FILE



The two selected would be in addition to:

CONGRESSIONAL

- 1 Senator Hayden
- ✓ Senator Fulbright
- 3 Senator Young
- 4 Senator Russell (whom Nick believes will serve if you ask him to personally)
- 5 Rep. Mahon
- 6 Rep. Rivers
- 7 Rep. Bow
- 8 Rep. Morgan

EXECUTIVE

- 9 Sec'y Rusk
- ~~Sec'y Gardner~~
- 10 Attorney Gen. Clark
- 11 Director Schultze

PRIVATE

- 12 Herman Wells *Ind.*
- ~~Bill Marvel~~
- ~~Frank Rose~~ *James McCrellan*
- ~~Jim Linen~~
- ~~Jim Perkins~~
- 13 Tom Gates *ref.*
- 14 Paul Porter *Wright*

*Harry*

Harry C. McPherson, Jr.

TRANSFERRED TO HANDWRITING FILE



Bob Anderson

Paul Porter

~~Bruce~~

Don Coch

Stuart Saunders

Bernhard

Tom Guter

Neustadt

Tom Watson

Ted Etherington

Tom Dewey

American Stock  
Exchange

Juan Tripp

David Richgeller



Monday, March 27, 1967  
7:45 p.m.

TO: THE PRESIDENT  
FROM: Douglass Cater

Attached is a letter from Under Secretary Katzenbach which reports today's review meeting with Gardner and Helms and includes a revised page 4 which resulted from that meeting. Katzenbach says that Helms "assures me that he can go along with the report 'without complaint'".

The revision on page 4 simply makes it clear that termination of covert support to certain private organizations such as Radio Free Europe may not be entirely completed by December 31, 1967.

If you are satisfied with Katzenbach's letter, we can issue the report on Tuesday afternoon. Ramsey Clark has reviewed the report and finds no problems. Katzenbach suggests that it would be useful for him to conduct a background briefing at Christian's press conference.

The following Members of Congress have agreed to serve on the new committee:

Carl Hayden  
William Fulbright  
George Mahon  
Mendel Rivers  
Frank Bow  
Thomas Morgan  
Milton Young

Katzenbach believes Russell will serve if you call him personally.

Rusk says he is willing to serve as Chairman, but believes that it would be better to have Herman Wells as Chairman. In addition to Rusk, Gardner and Schultze will represent the Executive Branch. You may



wish to indicate, not for publication, that McPherson and I can serve as White House liaison for the committee.

For nongovernment membership we suggest the following:

Herman Wells, former Chancellor, University of Indiana  
 William Marvel, President, Education and World Affairs  
 Dr. Frank Rose, President, University of Alabama  
 James A. Linen, President, TIME, Inc.  
 James Perkins, President, Cornell University

If you approve the Katzenbach report, the attached draft statement to the press, and the proposed membership for the committee, Christian can make arrangements for a briefing.

Approve \_\_\_\_\_

Rusk serve as Chairman \_\_\_\_\_

Disapprove \_\_\_\_\_

Herman Wells serve as Chairman \_\_\_\_\_

See me \_\_\_\_\_



Attached letter is:

EYES ONLY letter for the President, dated March 27, 1967  
from Under Secretary of State Nicholas deB. Katzenbach.



DRAFT STATEMENT BY THE PRESIDENT

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

I concur in its findings and have directed all agencies of the government to carry out the statement of policy.

I also concur in the recommendation that ways be devised to provide open public support for worthy overseas activities of private voluntary organizations. To work out specific plans for this, I have requested Secretary Rusk (or Dr. Herman Wells) to serve as chairman of a special committee including representatives from the Executive Branch, the Congress, and the private community. This committee should examine the broad range of international exchange activities supported by the U.S. Government, particularly in the educational field, and propose an appropriate mechanism so that they can be properly insulated from any suspicion of covert purposes.

The following will serve on this committee:

February 15

Mr McPherson:

Jean Lewis said the President sent the original of this letter to Nick Katzenbach for reply, so no action is required by you.


Ruth



THE WHITE HOUSE  
WASHINGTON

Feb. 14, 1967

To: Harry McPherson

From: Henry H. Wilson, Jr. 

Will you let Jean Lewis know  
what response should be made  
to the attached. I have to be  
out of town most of the day  
tomorrow.

February 14, 1967  
7:20 p.m.

*File CIA*

MEMORANDUM FOR

THE PRESIDENT

FROM: Henry H. Wilson, Jr.

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.



**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

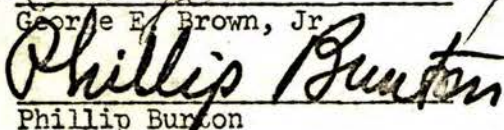
The Central Intelligence Agency, then, has compromised and corrupted the largest student organization in the largest democracy in the world. It has willfully involved inexperienced young men and women in that action, and thus has surely alienated further the best elements of American youth.

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

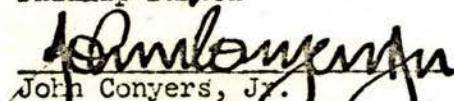
Respectfully yours,



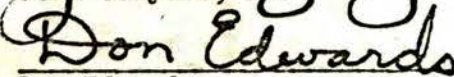
George E. Brown, Jr.



Phillip Burton



John Conyers, Jr.



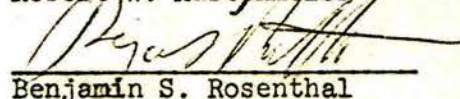
Don Edwards



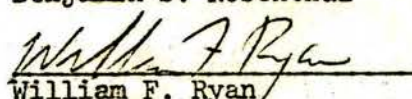
John G. Dow



Robert W. Kastenmeier



Benjamin S. Rosenthal



William F. Ryan



John,

Ruth says the guards intercepted Harry  
with this message, and he went directly  
to Cater's office where they are working  
*on it.*

Ruth :

2/22/67

HCM left this in  
our office — you  
may want it!

Kathy



→ Harry McPherson  
Doug Cater  
George Christian

Personal from the President.

"Write me a statement and get it to me before a quarter of eleven this morning."

LBJ/mjdr  
Feb 22, 1967  
9:37 a.m.

CIA

The President received a preliminary report from Under Secretary Katzenbach on the work of the Committee which is inquiring into the relationship of the C.I.A. and private organizations. While the President has reached no judgment about future policy in the area, he agrees with Katzenbach's statement that many far-sighted and courageous Americans were assisted in a time of challenge and danger to the United States and the free world. He believes that while there may be better ways of supporting their efforts, he feels only admiration for those who have served their country.



For Release to the Press

DRAFT STATEMENT TO THE PRESIDENT, FROM MR. KATZENBACH

The committee you directed to inquire into the relationships of government agencies and private organizations operating abroad is well into its work. We anticipate reporting in detail early next month.

Whatever recommendations we make for the future, however, there is one basic fact about activities of the past which your committee feels compelled to underscore.

The world political climate may have changed since then-- or be changing. There may now be other methods for supporting important United States objectives. But when the Central Intelligence Agency lent support to the work of private organizations abroad, it did so as an act of national policy, with the approval of inter-departmental review committees operating in three Administrations.

The support provided by CIA was employed by far-sighted and courageous private citizens and private groups in a time of challenge and danger to the United States and the free world.

2/21/67



AUGUST 14, 1966

This is a duplicate of the article sent around at 4:00 except for the last paragraph which changes its emphasis.

Victor Riesel

## CIA-Labor Tieup Is Openly Charged

WASHINGTON, Aug. 13.

THERE will be more daggers than cloaks flying around a closed room in Chicago's Hotel Ambassador East come Aug. 22. If the "intelligence community" of labor's high command is as well-informed as it usually is, the word is that the Reuther brothers plan to give the Central Intelligence Agency another going over. Their position is that the CIA is active in the labor affairs of the world—and probably inside American unions, too.

The brothers, Walter and Victor, disapprove. And at least Victor has openly charged that labor's president George Meany and his International Affairs director, Jay Lovestone, work closely with the CIA.

It will all come to a loud and angry showdown during the AFL-CIO Executive Council (high command) session.

No matter which side wins, the CIA, which undoubtedly has a unit of labor specialists doing what comes naturally in a world rapidly going labor, will lose. Certainly some of its classified activities will be made public.

For some weeks now, Victor Reuther's people have had a small task force here digging up what they can to bolster his charges that Meany and Lovestone virtually are CIA agents. They have a skilled and prolific writer weaving the material into one document which could be published easily. Insiders believe that this will be published as a pamphlet just before the Council meeting.

ANGER inside the Meany camp over the original and recent charges by Victor Reuther has been compounded by reports that the younger Reuther, 54-year-old Victor, went to Sen. Fulbright with reports of alleged Meany-Lovestone intelligence activity.

Meany's people believe that Victor Reuther's statements to the Senate Foreign Relations Committee chairman prompted Mr. Fulbright to suggest publicly that the CIA intervenes in U. S. union elections.

The Senator freely discussed the matter with me:

"This is one of the questions which had been in my mind," said the gentleman from Arkansas. "I have had suggestions that they (the CIA) had taken a very strong part in labor union organization in the Dominican Republic. I believe they have worked hand in glove with Meany's crowd in the AFL-CIO. But I truly don't know whether there has been any interference in American unions. I tried to get that answer from the former (CIA) Director Raborn. But he would not reply."

This matter of alleged CIA operations inside labor had followed by a month the flare-up over Victor Reuther's open attack, not only on Meany and Lovestone, but upon the American Institute for Free Labor Development. Victor Reuther had asserted that sections of AIFLD had been used by CIA agents, especially in Panama.

AIFLD is jointly sponsored by labor, management and Government. Meany is president; J. Peter Grace, of the famed steamship line, is chairman of the board. But the active executive is a battling Irishman, Joe Beirne, head of the Communications Workers of America. He is AIFLD secretary-treasury.

It is the opinion of many observers who have been out in the field, including this columnist, that AIFLD has done mighty constructive work. It educates some 20,000 workers and labor officials throughout Latin America. It builds worker-owned housing in the slum areas of big cities such as Mexico City.

It has put up social and welfare and clinic centers in such impoverished areas as Carpina, in Brazil's rural northeast, which I visited last year. It provides disaster aid. It builds playgrounds.

What has angered Meany, Beirne and Lovestone most has been the effect on the AFL-CIO's international work. It would be hampered in its bolstering of free unions abroad.

Even if there were a CIA-AFL-CIO link somewhere, why should such aid to one's country be considered by anyone to be anathema?



THE VICE PRESIDENT  
WASHINGTON

August 26, 1966

MEMORANDUM

To: Harry McPherson

From: The Vice President

You may recall you left these copies of news stories with me when we discussed the AFL-CIO Executive Committee meeting. I am returning them just in case you may want them.

# V. Reuther Links CIA, AFL-CIO

WASHINGTON POST  
May 23, 1966

By Harry Bernstein  
Los Angeles Times

LONG BEACH, Calif., May 22—There is evidence that the AFL-CIO international affairs department is "involved" with the Central Intelligence Agency in foreign affairs, according to a United Auto Workers Union official.

Victor Reuther, head of the UAW's international affairs department and assistant to his brother, UAW President Walter Reuther, said in a far-ranging interview:

"The tragedy of the AFL-CIO activities in the field of foreign affairs is that they are a vest-pocket operation run by Jay Lovestone."

Lovestone is director of the AFL-CIO's international affairs department. The UAW, a member of the AFL-CIO, ended its annual convention here Saturday.

The extent of the AFL-CIO involvement in the internal affairs of unions of other countries or in the political affairs of those countries is either unknown or, at best, only partially reported, Reuther said.

He said a substantial part of AFL-CIO international affairs department activities are carried on in the name of the AFL-CIO but are not reported to the union's executive council.

Reuther said most of the activities, of course, are not known, but "what seems to be one most recent example of CIA activities took place about two months ago in the International Food and Drink Workers Federation, headquarters in Geneva, Switzerland, and supported by the AFL-CIO."

Some eight individuals in Panama alone were posing as official representatives of the federation, he said, without the knowledge of the federation's General Secretary A. Paulson.

These eight people had the credentials of a legitimate worker organization, enabling them to function as they saw fit, he said. The only way Paulson was able to correct the situation was by sending a letter to all affiliates announcing he had to abolish the Panama office because of this situation, Reuther said.

Al Zack, spokesman for the AFL-CIO, denied that the American Institute for Free Labor Development has any connection with CIA or that Lovestone had anything to do with setting up the organization.

Zack said the AIFLD "school" is about to graduate its 13th class of Latin American labor leaders and its purpose is to build a strong Democratic labor movement in Latin America.

Reuther said that as long as "President George Meany has such personal confidence in Lovestone, I see no changes in the federation's foreign policies."

In one of the sharpest criticisms yet made of Lovestone by a top union leader, Reuther said:

"Mr. Lovestone seems to have brought into the labor movement the working habits and undercover techniques which he learned when he was in the highest echelons of the Communist Party. I guess it's awfully hard to break those habits."

Lovestone was a onetime member of the party, but broke with it to become one of the nation's most dedicated anti-Communists.

The sharp differences over foreign policy, and over the basic concept of the role organized labor should play in international affairs, have not resulted in a break between men like Meany and Reuther.

The Meany-Lovestone attitude includes opposition to East-West trade, opposition to cultural exchanges with the Soviet bloc nations, opposition to admission of Communist China to the United Nations or to U.S. recognition of Red China.



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Reuther said most of the activities, of course, are not known, but "what seems to be one most recent example of CIA activities took place about two months ago in the International Food and Drink Workers Federation, headquarters in Geneva, Switzerland, and supported by the AFL-CIO."

Some eight individuals in Panama alone were posing as official representatives of the federation, he said, without the knowledge of the federation's General Secretary A. Paulson.

These eight people had the credentials of a legitimate worker organization, enabling them to function as they saw fit, he said. The only way Paulson was able to correct the situation was by sending a letter to all affiliates announcing he had to abolish the Panama office because of this situation, Reuther said.

Al Zack, spokesman for the AFL-CIO, denied that the American Institute for Free Labor Development has any connection with CIA or that Lovestone had anything to do with setting up the organization.

Zack said the AIFLD "school" is about to graduate its 13th class of Latin American labor leaders and its purpose is to build a strong Democratic labor movement in Latin America.

Reuther said that as long as "President George Meany has such personal confidence in Lovestone, I see no changes in the federation's foreign policies."

In one of the sharpest criticisms yet made of Lovestone by a top union leader, Reuther said:

"Mr. Lovestone seems to have brought into the labor movement the working habits and undercover techniques which he learned when he was in the highest echelons of the Communist Party. I guess it's awfully hard to break those habits."

Lovestone was a onetime member of the party, but broke with it to become one of the nation's most dedicated anti-Communists.

The sharp differences over foreign policy, and over the basic concept of the role organized labor should play in international affairs, have not resulted in a break between men like Meany and Reuther.

The Meany-Lovestone attitude includes opposition to East-West trade, opposition to cultural exchanges with the Soviet bloc nations, opposition to admission of Communist China to the United Nations or to U.S. recognition of Red China.

File CIA

AUGUST 14, 1966

This is a duplicate of the article sent around at 4:00 except for the last paragraph which changes its emphasis.

Victor Riesel

## CIA-Labor Tieup Is Openly Charged

WASHINGTON, Aug. 13.

THERE will be more daggers than cloaks flying around a closed room in Chicago's Hotel Ambassador East come Aug. 22. If the "intelligence community" of labor's high command is as well-informed as it usually is, the word is that the Reuther brothers plan to give the Central Intelligence Agency another going over. Their position is that the CIA is active in the labor affairs of the world—and probably inside American unions, too.

The brothers, Walter and Victor, disapprove. And at least Victor has openly charged that labor's president George Meany and his International Affairs director, Jay Lovestone, work closely with the CIA.

It will all come to a loud and angry showdown during the AFL-CIO Executive Council (high command) session. No matter which side wins, the CIA, which undoubtedly has a unit of labor specialists doing what comes naturally in a world rapidly going labor, will lose. Certainly some of its classified activities will be made public.

For some weeks now, Victor Reuther's people have had a small task force here digging up what they can to bolster his charges that Meany and Lovestone virtually are CIA agents. They have a skilled and prolific writer weaving the material into one document which could be published easily. Insiders believe that this will be published as a pamphlet just before the Council meeting.

ANGER inside the Meany camp over the original and recent charges by Victor Reuther has been compounded by reports that the younger Reuther, 54-year-old Victor, went to Sen. Fulbright with reports of alleged Meany-Lovestone intelligence activity.

Meany's people believe that Victor Reuther's statements to the Senate Foreign Relations Committee chairman prompted Mr. Fulbright to suggest publicly that the CIA intervenes in U. S. union elections.

The Senator freely discussed the matter with me:

"This is one of the questions which had been in my mind," said the gentleman from Arkansas. "I have had suggestions that they (the CIA) had taken a very strong part in labor union organization in the Dominican Republic. I believe they have worked hand in glove with Meany's crowd in the AFL-CIO. But I truly don't know whether there has been any interference in American unions. I tried to get that answer from the former (CIA) Director Raborn. But he would not reply."

This matter of alleged CIA operations inside labor had followed by a month the flare-up over Victor Reuther's open attack, not only on Meany and Lovestone, but upon the American Institute for Free Labor Development. Victor Reuther had asserted that sections of AIFLD had been used by CIA agents, especially in Panama.

AIFLD is jointly sponsored by labor, management and Government. Meany is president; J. Peter Grace, of the famed steamship line, is chairman of the board. But the active executive is a battling Irishman, Joe Beirne, head of the Communications Workers of America. He is AIFLD secretary-treasury.

It is the opinion of many observers who have been out in the field, including this columnist, that AIFLD has done mighty constructive work. It educates some 20,000 workers and labor officials throughout Latin America. It builds worker-owned housing in the slum areas of big cities such as Mexico City.

It has put up social and welfare and clinic centers in such impoverished areas as Carpiná, in Brazil's rural northeast, which I visited last year. It provides disaster aid. It builds playgrounds.

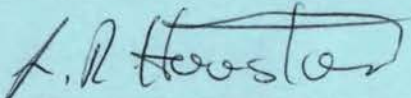
What has angered Meany, Beirne and Lovestone most has been the effect on the AFL-CIO's international work. It would be hampered in its bolstering of free unions abroad.

Even if there were a CIA-AFL-CIO link somewhere, why should such aid to one's country be considered by anyone to be anathema?



MEMORANDUM FOR: Mr. Harry C. McPherson, Jr.  
The White House

The attached letter was shown to  
Senator Russell today and he approved the  
delivery of the original to Senator Fulbright.

  
LAWRENCE R. HOUSTON  
General Counsel

15 June 1966  
                      
(DATE)

THE DIRECTOR OF CENTRAL INTELLIGENCE  
WASHINGTON *11*, D.C. 20505

*File*

15 June 1966

The Honorable J. W. Fulbright  
Chairman, Committee on Foreign Relations  
United States Senate  
Washington, D. C.

Dear Senator Fulbright:

I am in receipt of your letter of June 13, 1966 requesting my views with regard to the relationship of the Central Intelligence Agency to the United States Senate.

You will recall that at my last appearance before the Committee on Foreign Relations in February, I was prepared to brief your Committee on substantive foreign intelligence concerning any foreign country or area in which the Committee was interested. I had intended to brief in depth as to intelligence on the political, economic and military status of 44 countries. Such a briefing is consistent with our practice in past years with your Committee as well as other committees having substantive interest in foreign intelligence. The questions to which I stated I was unable to respond were questions directed to the activities of the Agency as to "sources and methods," rather than to substantive intelligence information. In doing so I was again being consistent with the practice of past years. The Subcommittee of the Senate Armed Services Committee according to my understanding is responsible for Senate oversight of CIA and was thus the Senate body to be so informed.

I have previously stated, once before your Committee, that the Senate supervision of the Agency seems to be one which the Senate itself would want to resolve.

I trust that this statement is responsive to your inquiry and I would, of course, be glad to confer with you on this subject at any time.

Sincerely,

SIGNED

W. F. Raborn

✓cc: Mr. McPherson, The White House



J. W. FULBRIGHT, ARK., CHAIRMAN

JOHN SPARKMAN, ALA.  
MIKE MANSFIELD, MONT.  
WAYNE MORSE, OREG.  
RUSSELL B. LONG, LA.  
ALBERT GORE, TENN.  
FRANK J. LAUSCHE, OHIO  
FRANK CHURCH, IDAHO  
STUART SYMINGTON, MO.  
THOMAS J. DODD, CONN.  
JOSEPH B. CLARK, PA.  
CLAIBORNE PELL, R.I.  
EUGENE J. MCCARTHY, MINN.

BOURKE S. HICKENLOOPER, IOWA  
GEORGE D. AIKEN, VT.  
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JOHN J. WILLIAMS, DEL.  
KARL E. MUNDT, S. DAK.  
CLIFFORD P. CASE, N.J.

## United States Senate

COMMITTEE ON FOREIGN RELATIONS

June 13, 1966

CARL MARCY, CHIEF OF STAFF  
ARTHUR M. KUHL, CHIEF CLERK

The Honorable William F. Raborn  
Director  
Central Intelligence Agency  
Washington 25, D. C.

Dear Admiral Raborn:

In view of discussions which have taken place during the past several weeks, it has been suggested that I raise with you again the question as to the reaction of the Central Intelligence Agency to the creation by the Foreign Relations Committee of a Subcommittee charged with responsibility for the operations of your Agency in the field of foreign policy. You will recall in this connection that when you appeared before the Committee on Foreign Relations in February, you responded to certain questions by stating that you were unable to answer them but that you would answer those questions if they were put to you by the Subcommittees of either the Senate Armed Services or Appropriations Committees.

What I wish to know now is whether a Subcommittee of the Foreign Relations Committee, created for the purpose of keeping itself informed of the activities of the CIA in fields related to the foreign policy of the United States, would be able to receive without restriction information on the same basis as that now supplied to the Subcommittees referred to above.

It would be helpful if I could have this information by the end of this week as I contemplate reporting the resolution, a copy of which is enclosed, early next week. That resolution, as you know, was ordered favorably reported on May 17 by a vote of 14 to 5.

Sincerely yours,

  
J. W. Fulbright  
Chairman

Enclosure



## Senator Fulbright

That there is hereby created a [REDACTED] committee to be known as the Committee on Intelligence Operations [REDACTED] to consist of nine Senators, of whom three shall be appointed by the Chairman of the Committee on Appropriations from among the members of that committee, three shall be appointed by the Chairman of the Committee on Armed Services from among the members of that committee, and three shall be appointed by the Chairman of the Committee on Foreign Relations from among the members of that committee. No more than two of the members appointed from each such standing committee shall be from the same political party. The chairman of the [REDACTED] committee shall be elected by the members.

Sec. 2. It shall be the duty of the Committee on Intelligence Operations to keep itself fully and currently informed of the activities of the Central Intelligence Agency, the Defense Intelligence Agency, the Bureau of Intelligence and Research of the Department of State, and other agencies of the Government insofar as the activities of such agencies relate to foreign intelligence or counter-intelligence. The committee's duties shall include, but not be limited to, review of the budgets and appropriations for intelligence and counter-intelligence activities and legislative oversight of the



coordination of such activities among the various agencies concerned and with the foreign policy of the United States.

Sec. 3. The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Senate, to hold such hearings, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable.

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

Sec. 5. The committee is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government.

Sec. 6. The committee shall take special care to safeguard information affecting the national security.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

June 13, 1966  
Monday - 7:50 p.m.

FOR THE PRESIDENT

I spoke to Senator Mansfield today about the CIA question.

I told him that I had spoken to Senators Dirksen and Russell about it, and that they believed the President should stay out of the whole question and permit the Senate to resolve it. I told Senator Mansfield that I had not discussed it with you, but that it was my opinion that a Senate resolution of the matter was infinitely preferable to getting you into it, to the extent of your ordering Admiral Raborn to deliver information to the Foreign Relations Committee.

Senator Mansfield said he was only trying to work out a compromise that would avoid a major and bloody fight on the Senate floor. He seemed to understand the difficulties with which his solution -- a Foreign Relations Subcommittee charged with this responsibility -- presented you. However, he is still concerned to avoid a floor fight and he said he was going to suggest to Fulbright that he set up such a two-man committee -- composed of Fulbright and Hickenlooper -- as a substitute for the resolution. He said he did not think Fulbright and McCarthy would accept this compromise. I said I thought Dirksen and Russell would be incensed by Fulbright's doing by indirection what he did not have the votes to do directly -- get in on the CIA oversight act. I did my best to dissuade him from going forward with this proposition, but I believe he intends to offer it to them nevertheless.

McCarthy called Mansfield during our conversation and Mansfield said "I am making one more effort to compromise it right now."

If we are really determined to prevent this, it seems to me that Dirksen should be prevailed upon to insist that the resolution be debated and killed on the Senate floor.

*to inform him*  
Harry C. McPherson, Jr.

*did 6/14*

*Original to Mrs. Tenth*



MEMORANDUM

72  
THE WHITE HOUSE

WASHINGTON

June 9, 1966

Thursday - 6:05 p.m.

File CIA

FOR THE PRESIDENT

2

K.

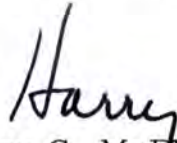
Today I spoke to Senator Dirksen and Senator Russell about the CIA jurisdictional question. I described to them several alternatives to a floor fight on the Foreign Relations Committee resolution. Most of the alternatives involved the exercise of Presidential power in one way or the other -- chiefly in that they would ultimately require the President to instruct the CIA Director to make information available to the Foreign Relations Committee.

Both Senator Dirksen and Senator Russell expressed their strong belief that the President should be in no way involved in this matter. The question of which Senators or Senate Committees should receive CIA intelligence, and which Senators or Committees should not, is solely a matter for the Senate's own resolution. Therefore they recommended that in no respect should the White House involve itself in the issue by instructing Admiral Raborn to appear or not to appear before a given committee.

Senator Dirksen believes that debate on the Foreign Relations Committee resolution should be conducted with cleared galleries. He is preparing to make the motion (which is non-debatable) to clear the galleries of press and public. Senator Dirksen says that Senator Russell does not want cleared galleries, but wants instead to debate, to "spread the gore", publicly. Russell apparently thinks he can win big and wants to foreclose the question in a public way.

Senator Russell says he will offer a point of order under Rule 25 and the Reorganization Act, contending that the resolution should be referred to Armed Services. Resolutions affecting committee funds go to the Rules Committee; resolutions affecting the jurisdiction of a Senate Committee (in this case Armed Services and Appropriations) should go to that committee. Russell believes his point of order will be sustained which should shorten the debate somewhat, or at least make it hinge more clearly on the jurisdictional question.

As even the creation of a two-man Foreign Relations Special Committee to receive CIA information would involve the question of whether the President should instruct the Director to make such information available to the special committee, in my opinion it is far preferable to permit the Senate to debate the issue and make its own determination. My understanding from Senator Russell is that should the Senate defeat the Foreign Relations Committee resolution, Senator Fulbright will not attempt to create such a special subcommittee in Foreign Relations.

A handwritten signature in cursive script, appearing to read "Harry", written in dark ink.

Harry C. McPherson, Jr.



## MEMORANDUM

## THE WHITE HOUSE

WASHINGTON

June 14, 1966  
Tuesday  
6:25 PM

CONFIDENTIAL

For the President:

Senator Mansfield called and read the attached Fulbright-Raborn letter, sent to Raborn yesterday. He said "I hope Raborn's response will end this matter." In substance Fulbright asks Raborn if a special Foreign Relations Subcommittee created "for the purpose of keeping itself informed of CIA activities in fields related to foreign policy would be able to receive, without restrictions, information on the same basis as that now supplied to the subcommittees (Armed Services and Appropriations) referred to above."

I spoke to Senator Russell about it. He said, "It is a tough problem, and I just don't know what to suggest."

I called Raborn and heard his proposed reply. He tells Fulbright that while he is prepared to reveal to Foreign Relations any substantive information in CIA's possession, he is compelled by law to reveal CIA's "sources and methods" only to those authorized to receive such information. In his opinion the question of who is "authorized" should be resolved by the Senate itself. At present, the authorized persons are those on the Armed Services-Appropriations subcommittee.

The problem that Raborn does not meet in this reply is, the Senate itself never formally decided that the Russell-Hayden subcommittee should be the only authorized group to receive CIA sources-and-methods

SANITIZED

E.O. 13526, Sec. 3.5

NLJ 14-164

By lud NARA, Date 06-18-2015

information. Russell simply exercised his authority as Chairman to appoint the subcommittee. By logical extension Fulbright can do the same.

The only answer to logic is experience; and the experience of the Senate is that Russell's group should handle this information, and no one else. If questions such as this were regarded only with blind adherence to the Rules and to each Chairman's power to create subcommittees, the D.C. or Interior Committees could create C.I.A. subcommittees and demand information from Raborn. Admittedly Foreign Relations' interest in C.I.A. is clearer than that of D.C. or Interior, but the analogy makes the point: the Senate, and not this or that Chairman, should decide whether a practice of several years' standing and critical security importance should be changed.

The prognosis is that Fulbright will use the Raborn letter to show C.I.A.'s recalcitrance, and will point out the logical inconsistency of denying information to a duly appointed subcommittee of Foreign Relations, while revealing it to the Russell group. But that still leaves the Senate to decide whether to go with Fulbright, and the indications are it will not.

Additional impressions:

Mansfield is concerned to avoid a fight, and perhaps is even more concerned to prevent the crushing defeat of a proposal he launched several years ago. He said, "It will be defeated even worse this year."

Russell is concerned about Fulbright learning much about the Agency's "black money," and that of State and Defense. But originally

~~CONFIDENTIAL~~



Russell did not object to Fulbright's joining the privileged group; it was Hayden who resisted that, and Russell decided to stick by Hayden and make a fight against it.

Fulbright got onto this track because of the Michigan State - C.I.A. story, and because he thinks C.I.A. is using Fulbright scholars abroad for intelligence purposes. It is conceivable that it is. [REDACTED]

3.3(b)(1)

[REDACTED]  
Whether they use our people who go abroad under the exchange program or not, I can't say --although it would be difficult to recruit them, as they are all selected from academic ranks by the Board of Foreign Scholarships.



Harry C. McPherson

~~CONFIDENTIAL~~

CALLED TO MR. McPHERSON BY SENATOR MANSFIELD  
TUESDAY, JUNE 14, 1966 --

QUOTE

June 13, 1966

Admiral Raborn  
Director, CIA

Dear Admiral Raborn:

In view of discussions which have taken place during the past several weeks, it has been suggested that I raise with you again the question as to the reaction of the Central Intelligence Agency to the creation by the Foreign Relations Committee of a subcommittee charged with responsibility for the operations of your agency in the field of foreign policy. You will recall in this connection that when you appeared before the committee on Foreign Relations in February, you responded to certain questions by stating that you were unable to answer them but that you would answer those questions if they were put to you by the subcommittees of either Senate Armed Services or Appropriations Committees.

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It would be helpful if I could have ~~have~~ this information by the end of this week as I contemplate reporting the resolution, a copy of which is enclosed, early next week. That resolution, as you know, was ordered favorably reported on May 17 by a vote of 14 to 5.

Sincerely yours,

J. W. Fulbright  
Chairman

cc: Senator Mansfield  
Senator Hickenlooper  
Senator McCarthy

UNQUOTE