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25 September 1962

MEMORANDUM FOR THE RECORD

**SUBJECT: African-American Institute (AAI)
Board Meeting, 24 September 1962**

1. I attended the Board meeting of the African-American Institute (AAI) at Nielsen's suggestion which took place in the board room of American Metals Climax.
2. Prior to the meeting I checked out our proposed letter of agreement with Mr. Hochschild who said it looked okay to him but he wanted to read it carefully before he signed it. I assume he wants to check it out with his lawyers.
3. Those in attendance at the Board Meeting were: Harold K. Hochschild, Edward R. Dudley, William L. Hansberry, John W. Davis, L. Gray Cowan, Dana S. Creel, Kella Rueshhausen, E. Ladd Thurston, E. Frederic Morrow, Waldemar Nielsen, and the undersigned. (b)(3)
(b)(6)
 acted as recording secretary.
4. The meeting began by the Chairman asking Morrow for the report of operations since the last Board meeting.
5. The Chairman then turned the meeting over to Nielsen to brief the group on the background and situation with respect to refinancing of the Institute. Nielsen began by reporting on the interdepartmental working group, under Assistant Secretary Battle, to consider the problem of refinancing. He was interrupted by Judge Dudley who raised questions as to whether the prior Board meeting had authorized the Chairman and the President to visit Washington and raise the question of refinancing - and specifically the question of disengagement from CIA. Nielsen replied by citing the various factors which led up to the present situation, including the talks with Heald and McCloy, with the State Department, and with Bundy of the White House. Dudley commented to the effect that as far as he knew this had been done without authorization of the Board and that what the Board was now presented with was a fait accompli. Judge Dudley asked me if these steps had not been taken by members of the Board, would the Agency have been willing to continue

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with the AAI. I answered in the affirmative but pointed out that with the rather wide-spread indiscretions and with the forces which had been set in motion, we had no alternative but to disengage. I stated the terms of our proposed agreements: that we would give the AAI our 1963 budget

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(b)(3)

[redacted] by 1 November 1962, after which we would have no further responsibility for the activity.

(b)(1)
(b)(3)

6. Thurston and Dudley both made the point that they felt that the Board had not authorized the action which had been taken by the Chairman and the President which they felt was unfortunate. Hochschild said he would take responsibility for the action which had been taken and which seemed to him to be in keeping with the feeling of a number of Board members who felt that the AAI should become "purified".

7. Creel said that he felt that the AAI should find support from sources other than CIA because the fact of CIA support was rather well known in various circles within the United States, but he regretted that this had happened rather quickly as it had before the full Board could consider all the implications.

8. Both Mansberry and Davis also stated that they would have appreciated more information about this before events had moved as far as they seemed to have.

9.

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10. Mrs. Ruebhausen then asked if it would be possible for the AAI under the new concept of financing to take action which differed somewhat from overt U.S. policies without endangering its contracts with the government. Nielsen talked at some length about the present arrangement under which he is prohibited from doing anything with Mozambique students because [redacted]

[redacted] policies laid down by the Department of State. He said that he felt that if he did have private foundation money he would be less inhibited and would have more flexibility. The answer to Mrs. Ruebhausen was, therefore, yes.

(b)(1)
(b)(3)

11. [redacted]

(b)(1)
(b)(3)

12. [redacted]

(b)(1)
(b)(3)

13. At my request, Mr. Hochschild then read our proposed letter of agreement with the AAI, setting forth the general points mentioned above which was considered satisfactory. Mr. Hochschild said that he wanted to wait 48 hours before signing it and would send it back to us through Mr. Ladd Thurston, the AAI counsel and secretary. Nielsen said that he felt the proposed agreement was fair and reasonable and that with some belt-tightening the Institute could live with it.

14. Nielsen also said he felt that he could obtain roughly \$50,000 a year for the Africa Report in subscriptions and that with funds from the AAI

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it could be continued. He was less certain about
the continuation of Africa House.

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15.

[Redacted]

(SIGNED) EMMONS B. BROWN

EMMONS B. BROWN
AC/CA

DDP/AC/CA/EBBrown:bb (25 Sept 62)

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