

**ENCOURAGING PRIVATE PARTICIPATION
IN INTERNATIONAL ACTIVITIES**

LEGISLATIVE COUNSEL

HEARINGS FILE COPY

BEFORE THE
SUBCOMMITTEE ON INTERNATIONAL
ORGANIZATIONS AND MOVEMENTS
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

NINETIETH CONGRESS

FIRST SESSION

ON

H.R. 7484

TO PROMOTE PRIVATE UNITED STATES PARTICIPATION
IN INTERNATIONAL ORGANIZATIONS AND MOVEMENTS,
TO PROVIDE FOR THE ESTABLISHMENT OF AN INSTITUTE
OF INTERNATIONAL AFFAIRS, AND FOR OTHER PURPOSES,
AND IDENTICAL AND SIMILAR BILLS

APRIL 18 AND 20, 1967

PART I

Testimony of Members of Congress

Printed for the use of the Committee on Foreign Affairs



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ENCOURAGING PRIVATE PARTICIPATION IN INTERNATIONAL ACTIVITIES

TUESDAY, APRIL 18, 1967

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON INTERNATIONAL
ORGANIZATIONS AND MOVEMENTS,
Washington, D.C.

The Subcommittee on International Organizations and Movements met, pursuant to notice, at 2:30 p.m., in room 2200, Rayburn House Office Building, Hon. Dante B. Fascell (chairman of the subcommittee) presiding.

Mr. FASCELL. The subcommittee will please come to order.

We are meeting this afternoon to open a series of hearings on H.R. 7484 and related bills. This legislation is designed to support private U.S. participation in certain international activities through the establishment of an Institute of International Affairs.

Without objection, I shall place in the record at this point the full text of H.R. 7484.

(The text of H.R. 7484 follows:)

[H.R. 7484, 90th Cong., first sess.]

A BILL To promote private United States participation in international organizations and movements, to provide for the establishment of an Institute of International Affairs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Institute of International Affairs Act".

SEC. 2. There is created as an agency of the United States of America a body corporate to be known as the "Institute of International Affairs" (hereafter in this Act referred to as the "Institute").

SEC. 3. (a) The purposes of the Institute are—

(1) to strengthen friendship and understanding among the peoples of the free world;

(2) to encourage the development of free and democratic institutions;

(3) to promote private United States participation in international organizations and movements which support the purposes set forth in paragraphs (1) and (2) of this section; and

(4) to encourage continuing studies of communism, fascism, and other political ideologies which may impair peaceful international relations.

(b) The Institute shall carry out the purposes set forth in subsection (a) of this section through and with private organizations, individuals, governmental agencies, and international organizations by planning, initiating, assisting, financing, administering, and executing programs and projects designed to promote the achievement of such purposes.

SEC. 4. The Institute, as a corporation—

(1) shall have perpetual succession unless sooner dissolved by an Act of Congress;

(2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) may make and perform contracts with any individual, corporation, or other body of persons however designated, whether within or without the United States of America, and with any government or governmental agency, domestic or foreign;

(4) shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid;

(5) may, as necessary for the transaction of the business of the Institute, employ, and fix the compensation of, officers, employees, agents, and attorneys and, the Institute may, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, employ, and fix the compensation of, officers, employees, agents, and attorneys of the Institute employed for service outside the United States, except that the salary of any person thus employed shall not exceed the maximum salary established by the General Schedule under section 5332 of title 5 of the United States Code;

(6) may acquire by purchase, devise, bequest, or gift, or otherwise, lease, hold, and improve such real and personal property as it finds to be necessary to its purposes, whether within or without the United States, and in any manner dispose of all such real and personal property held by it and use as general funds all receipts arising from the disposition of such property;

(7) shall be entitled to the use of the United States mails in the same manner and on the same conditions as the executive departments of the Government;

(8) may, with the consent of any board, corporation, commission, independent establishment, or executive department of the Government, including any field service thereof, avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this Act;

(9) may accept money, funds, property, and services of every kind by gift, devise, or bequest, or grant, or otherwise, and make advances and grants to any individual, corporation, or other body of persons, whether within or without the United States of America, or to any government or governmental agency, domestic or foreign, when deemed advisable by the Institute in furtherance of its purposes;

(10) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction; and

(11) shall have such other powers as may be necessary and incident to carrying out its powers and duties under this Act.

Sec. 5. Upon termination of the corporate life of the Institute all of its assets shall be liquidated and, unless otherwise provided by Congress, shall be transferred to the United States Treasury as the property of the United States.

Sec. 6 (a) The management of the Institute shall be vested in a board of directors (hereafter in this Act referred to as the "Board") composed of nine members appointed by the President, by and with the advice and consent of the Senate, one of whom he shall designate to serve as Chairman of the Board. Not less than five members of the Board shall be appointed from private life.

(b) Each member of the Board shall be appointed for a term of six years, except that of the first nine members appointed under this Act three shall be appointed for a term of two years and three shall be appointed for a term of four years. Any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term; but upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified.

(c) Members of the Board appointed from private life shall each receive \$100 per diem when engaged in the actual performance of duties vested in the Board, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties. Members of the Board who are officers or employees of the United States shall serve without compensation in addition to that received for their services as such officers or employees, but they shall be reimbursed for travel, subsistence, and other necessary expenses in the same manner as in the case of members appointed from private life.

(d) The Board shall direct the exercise of all the powers of the Institute.

(e) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the Institute may be conducted and in which the powers granted to it by law may be exercised and enjoyed. A majority of the Board shall be required as a quorum.

(f) In furtherance and not in limitation of the powers conferred upon it, the Board may appoint such committees for the carrying out of the work of the Institute as the Board finds to be for the best interests of the Institute, each committee to consist of two or more of the directors, which committees, together with officers and agents duly authorized by the Board and to the extent provided by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the Institute.

SEC. 7. The Institute shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, and employees and such revenue, earnings, or other income, or property shall be used for the carrying out of the corporate purposes herein set forth. No director, officer, or employee of the corporation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting his personal interests or the interests of any corporation, partnership, or organization in which he is directly or indirectly interested.

SEC. 8. When approved by the Institute, in furtherance of its purposes, the officers and employees of the Institute may accept and hold offices or positions to which no compensation is attached with governments or governmental agencies of foreign countries.

SEC. 9. The Secretary of State shall have authority to detail employees of the Department of State to the Institute under such circumstances and upon such conditions as he may determine. Any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of the Government by virtue of such detail.

SEC. 10. The principal office of the Institute shall be located in the District of Columbia, but there may be established agencies, branch offices, or other offices in any place or places within the United States or elsewhere in any of which locations the Institute may carry on all or any of its operations and business under bylaws or rules and regulations.

SEC. 11. The Institute, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, or any territory or possession thereof, or by any State, county, municipality, or local taxing authority.

SEC. 12. The right to alter, amend, or repeal this Act is hereby expressly reserved. If any part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act, but shall be confined in its operations to the part hereof directly involved in the controversy in which such judgment shall have been rendered.

SEC. 13. In lieu of the provisions of the Government Corporation Control Act, the Institute shall be subject to the applicable provisions of the Budget and Accounting Act, 1921.

Mr. FASCELL. I should like to list the companion bills which were introduced by a number of our distinguished colleagues in Congress. They are as follows:

- H.R. 7485, by Mr. Frelinghuysen;
- H.R. 7486, by Mr. Findley;
- H.R. 7487, by Mr. Roybal;
- H.R. 7488, by Mr. Zablocki;
- H.R. 7489, by Mr. Morse;
- H.R. 7490, by Mr. Tunney;
- H.R. 7643, by Mr. Reuss;
- H.R. 7745, by Mr. Fraser;
- H.R. 8343, by Mr. Nix; and
- H.R. 8954, by Mrs. Kelly.

In addition, the subcommittee has before it H.R. 6990, a bill introduced by our esteemed colleague from Connecticut, Congressman John

S. Monagan, who takes a somewhat different approach to the solution of the problem brought to the fore by the revelations of CIA support for the National Student Association and other private organizations.

In opening these hearings, I should like to make the following three points:

First, the political and ideological competition which confronts us abroad has not come to an end with the advent of "peaceful coexistence" and what some people consider to be the terminal phase of the cold war. This competition is as active as ever. It comes largely, but certainly not exclusively, from our ideological antagonists on the world scene. And it demands an effective response on our part.

Second, our private overseas activities simply are not geared for the task of contending with opposition recruited, trained, financed and directed by totalitarian governments. Our values and our standards are entirely different. We simply do not operate that way—and we wouldn't trade our way of life for anything. At the same time, we must recognize that we need to devise some way of meeting competition which, while operating in the private sector, is neither private nor in any sense committed to the principles of voluntary association.

Third, the means which our government has used in the past to meet this need were often inappropriate. For the lack of any better instrument, Government assistance to certain private international activities which did not command sufficient private funds was provided covertly through the CIA. In adopting that approach simply because it was the easiest or the most feasible at the time, we did a disservice to our Nation and placed in jeopardy the standing of private individuals and organizations, many of which may not have been aware of their hidden Federal support. The price which we are paying today for that resort to expediency is too high to justify our failure to give this problem more serious attention at the start.

We hope to provide a new start today. We have before us a variety of legislative proposals which suggest alternatives to reliance on the CIA. As a sponsor of one of those proposals, H.R. 7484, I want to say that I am not irrevocably committed to its every provision. As a matter of fact, I would hope that through these hearings we could arrive at a compromise which would command general support.

We are also keenly aware of the report recently submitted by President Johnson's three-man committee assigned to study this subject. I believe it would be useful for the record to contain the report of that committee, composed of the Hon. Nicholas deB. Katzenbach, Under Secretary of State; Hon. John W. Gardner, Secretary of Health, Education, and Welfare; and Hon. Richard Helms, Director, Central Intelligence Agency. Without objection, the text of the report will be included in the record.

(The report referred to is as follows:)

REPORT OF PRESIDENT'S COMMITTEE RELATIVE TO COVERT CIA AID, MARCH 29, 1967, AND PRESIDENT JOHNSON'S STATEMENT THEREON

PRESIDENT JOHNSON'S STATEMENT

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 C.I.A. 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.

REPORT ON C.I.A.

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.

¶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 C.I.A. 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 or 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 N.S.A. 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 N.S.A. as an example. While no useful purpose would be served by detailing any other C.I.A. 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 inter-departmental 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 C.I.A.

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 N.S.A. 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 ninefold 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 organization 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. (A)

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 C.I.A. we have reviewed each relevant program of assistance carried out by the agency in case-by-case detail. As a result of this scrutiny, the committee is satisfied that application of the statement of policy will not unduly handicap the agency in the exercise of its national security responsibilities. Indeed it should be noted that, starting well before the appearance of recent publicity, C.I.A. 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 C.I.A. activities and which would review and assist in the process of disengagement. (B)

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

(A)—On the basis of our case-by-case review, we expect that the process of termination can be largely—perhaps entirely—completed by December 21, 1967.

(B)—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 education, philanthropic, or cultural organization.

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 from 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.

Such a mechanism could take various forms. One promising proposal, advanced by Mr. Eugene Black, calls for a public 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 per cent 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 per cent 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 to 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.

Mr. FASCELL. We will now begin with testimony from Congressman Monagan. He has given a tremendous amount of thought to the problem to which we are addressing ourselves today. As I mentioned earlier, he has made some very interesting proposals which are embodied in his bill, H.R. 6990. He has made a great contribution to this public dialogue by coming here to share his suggestions with us.

Congressman Monagan.

STATEMENT OF HON. JOHN S. MONAGAN, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CONNECTICUT

Mr. MONAGAN. Thank you, Mr. Chairman and members of the committee. I do appreciate the opportunity to appear before you in support of my bill, H.R. 6990, and I would like to ask permission that my statement be included in the record at this point and then I won't have to read it in full.

Mr. FASCELL. Without objection, it will be included in full at this point in the record.

(The prepared statement of Mr. Monagan is as follows:)

Mr. Chairman, I appreciate the opportunity to appear before your Committee in support of my bill, H. R. 6990.

As you have correctly stated, my bill was the first bill filed in the Congress on this vital subject. It is also the first bill to have been given the dignity of critical notice in the editorial columns of Pravda, the Russian newspaper.

In an article on March 21, 1967, Y. Zhukov, the columnist, stated that "John Monagan, an adroit member of the House of Representatives, has a ready submitted a bill compiled in the spirit of the recommendations of the Katzenbach commission." Mr. Zhukov goes on to say that "no matter what screen Mr. Helms and his friends use for concealing these contacts, the U.S. and international public will be able to see in its true light the unseemly role of the American intelligence."

Obviously Mr. Zhukov has in mind adulterating the coup de grace to this bill, but the very fact that it has been discussed in Pravda and is today being considered by your committee is the significant point about this whole matter. I take his knock as a boost.

I am not one who criticizes the CIA for its involvement in the activities which have come to plague it. The agency was assigned a specific task to do at a time when the executive felt that no other agency existed which could do the job. The job itself was vitally important and it involved the confrontation of communist student, labor and educational groups by similar groups of our own society. Because of lack of sponsorship on our side the Communist groups had been permitted to parade the international stage alone and without challenge and as a result in many instances the merits of our system were not fully presented.

The agency took over the job of supporting organizations who could do this work and quietly and effectively enable them to play a vital role in international life to the credit and benefit of the United States.

The role of the CIA has now come to light and it is inadvisable that this role be continued. Several times in the past it was suggested that its role be discontinued, but high government officials have testified that no other agency could be found to do the job adequately.

It is now clear that some alternative solution must be sought. My bill would provide such a solution. It sets up a corporation, two-thirds of whose members are removed from the Administration. After the initial designation, successors are selected by the members of the corporation. It is hoped that financing through contributions specifically made tax deductible will be adequate to support the operations of this corporation. In the event that such contributions are not sufficient, there is authorization for appropriations on the part of the Congress to cover any deficiency. Thus, while it is true that there might be some government involvement and a degree of government control through this appropriation, at least it would be open for all to see. In many ways, my bill incorporates the basic recommendations later made by the Katzenbach Committee.

The objective of this corporation would be to provide an instrumentality uncontrolled by government which could provide vitally-needed support for cultural and educational groups spreading the doctrine of democracy and proclaiming and arguing its merits. As a result, this vital task of contention in peaceful political activity could be carried on without the clandestine activities of the CIA which have recently been brought to light.

The stated purpose of this non-profit Council is to "promote, encourage and expand international understanding of and appreciation and respect for American social, educational and intellectual achievements."

The management and policy making functions of the Council are vested in the Board of Trustees including the Secretaries of State, Treasury, Defense, the Attorney General and the Director of the CIA, who serve as ex-officio members.

The remaining 15 members are appointed by the ex-officio members—four from the U.S. Congress and 11 from private life, representing various fields of achievement, including the arts, science, medicine and law. The independent character of the organization is protected since two-thirds of its members are appointed and successors to the original appointive members are selected by a majority of the Board of Trustees.

The purpose of the Council is threefold. First and most importantly, it is to render financial assistance to student, labor, journalistic, scientific and other similar organizations in order to promote international understanding of American culture and society. Second, it is to give advice and direction to such organizations and third, to sponsor and promote programs and activities in aid of accomplishing the objectives for which the Council was created.

The essence of my bill rests in its independence from governmental control and its open character. If a viable substitute for the CIA is what we seek in this area, then any legislation which emerges from this sub-committee must insure the independence and integrity of the organization which will continue its work.

I congratulate the Committee on providing a forum for the discussion of this vital subject. I believe that some legislation of this sort should pass. I hope that the Committee will find this bill acceptable and recommend its passage.

Mr. MONAGAN. It might be appropriate to insert the text of H.R. 6990 in the record.

Mr. FASCELL. Without objection, it is so ordered.
(The text of H.R. 6990 follows:)

[H.R. 6990, 90th Cong., first sess.]

A BILL To promote, encourage, and expand international understanding of and appreciation and respect for American social, cultural, educational and intellectual achievements and thereby aid in the support of American foreign policy, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby created a body corporate to be known as the American International Cultural and Educational Council, hereinafter referred to as "the Council".

SEC. 2. (a) The management of the Council shall be vested in a Board of Trustees consisting of twenty members including the Secretary of State, Secretary of the Treasury, Secretary of Defense, Attorney General, and Director of the Central Intelligence Agency who shall serve as ex-officio members of the Board.

The remaining fifteen members shall be appointed by the ex-officio members as follows:

(1) Two members each shall be selected from the Senate and House of Representatives by the Vice President and Speaker of the House, respectively—representation of the two major parties to be equally divided.

(2) Eleven members shall be chosen from at least one of each of the following fields: education; literature; science; Federal, State, or local government service; the arts; the law; medicine; industry; and trade unions.

(b) The Board shall select a Chairman.

(c) The term of office of each appointive member of the Board shall be four years except that each appointive member chosen from either the Senate or House of Representatives shall be eligible to hold office only so long as he retains his seat in the Senate or House of Representatives.

(d) Vacancies in the appointive offices shall be filled within ninety days from occurrence by a majority vote of the Board of Trustees.

In the event of a vacancy in the office of Secretary of State, Secretary of the Treasury, Secretary of Defense, Attorney General, or Director of the Central Intelligence Agency and pending the appointment of a successor or during their absence or disability, the Acting Secretary or Acting Director shall serve as a member of the Board.

(e) Each ex officio member of the Board shall serve without pay or other compensation.

Each appointive member of the Board except members chosen from the Senate or House of Representatives shall receive for his service as a member compensation of not more than \$50 per diem when actually engaged in the performance of his duties.

All members of the Board may be allowed actual, necessary traveling and subsistence expenses incurred by them in the performance of their duties.

Sec. 3. The Council shall have its principal office in the District of Columbia. The Council may establish offices in such other place or places as it may deem necessary or appropriate to carry out its objectives.

Sec. 4. The purposes of the Council shall be --

(a) To render financial assistance to student, labor, journalistic, scientific, educational, and other similar organizations, associations, groups, or societies in order to promote international understanding of and appreciation and respect for American culture and society.

(b) To render advice, counsel, and direction to such organizations, associations, groups, or societies interested in promoting a better understanding and knowledge of American institutions and culture.

(c) To sponsor, encourage, and promote programs, conventions, meetings, seminars, and other similar activities in aid of accomplishing the objectives for which the Council was created.

Sec. 5. The Council shall have, and may exercise, the following general powers in carrying on the activities specified in section 4 of this Act:

(a) To adopt, alter, and use a corporate seal.

(b) To have succession in its corporate name until dissolved by an Act of Congress.

(c) To accept gifts of services or property, whether real, personal, or mixed, tangible or intangible, in aid of any of the purposes herein authorized.

(d) To enter into and perform such contracts as may be necessary to aid any of the purposes herein authorized.

(e) To acquire in any lawful manner, any property, whether real, personal or mixed, tangible or intangible, or any interest therein; to hold, maintain, use and operate the same; and to sell, lease, or otherwise dispose of the same at such time, in such manner and to the extent deemed necessary to carry out the purposes of the Council.

(f) To sue and be sued in its corporate name in any court of competent jurisdiction.

(g) To execute all necessary or appropriate instruments in the exercise of any of its functions.

(h) To appoint such officers, agents, attorneys, employees, or advisers as may be necessary to carry out the purposes of the Council.

In the appointment of such officers, agents, attorneys, employees, or advisers under this subsection and in the promotion thereof, no political test or qualification shall be permitted or given consideration, but all such appointments shall be given on the basis of merit and efficiency.

(i) To take such action as may be necessary or appropriate to carry out the objects and purposes of the corporation.

Sec. 6. There is authorized to be appropriated such sums as may be necessary for the Council to carry out its purposes.

Sec. 7. (a) No part of the income or assets of the Council shall inure to any trustee, officer, or employee or be distributable to any such person except upon dissolution and final liquidation as provided in section 8 of this Act.

(b) The Council shall not make loans to any trustee, officer, or employee.

Sec. 8. (a) The Council shall be a nonprofit corporation and shall have no capital stock.

(b) The Council, including its property and income, shall be exempt from taxation now or hereafter imposed by the United States, or any territory, dependency, or possession thereof.

(c) The Council and its officers and trustees as such, shall not contribute to or otherwise support or assist any political party or candidate for public office.

(d) The right to alter, amend, or repeal this charter is expressly reserved.

(e) The said Council shall, on or before the 1st day of January in each year, make and transmit to Congress a report of its proceedings for the preceding fiscal year.

(f) The Council shall be liable for the acts of its officers and agents when acting within the scope of their authority.

(g) Contributions, donations, or gifts made to the Council shall be deductible from the donor's gross income for Federal income tax purposes.

(h) Upon final dissolution or liquidation of the corporation and after the discharge or satisfaction of all outstanding obligations and liabilities, the re-

maining assets of the corporation shall be transferred by the Board of Trustees to some recognized educational foundation.

Mr. MONAGAN. It is true as you state, Mr. Chairman, that mine was the first bill filed in Congress on this subject. Other consideration of this subject was going on at this same time. There is one rather distinctive first in connection with this bill, however. It is the first and the only bill to have received the dignity of critical notice in the editorial columns of Pravda. A recent issue of Pravda on March 2, 1967, contained a column by Y. Zhukov, who is a well-known political commentator and, among other things, having referred to the background of the Katzenbach report and the revelations of the activities of the CIA, he said, while the question is being discussed:

John Monagan, an adroit member of the House of Representatives, has already submitted a bill compiled in the spirit of the recommendations of the Katzenbach Commission.

I suspect that "adroit" is not meant to be entirely complimentary. What he does is seek to give this bill and the legislation generally the coup de grace on the grounds that what we are doing is to create a smokescreen to conceal the activities of the CIA. He concludes by saying:

No matter what screen Mr. Helms and his friends use for concealing these contracts, the U.S. and international public will be able to see in its true light the unseemly role of the American intelligence.

Of course, I take that knock as a boost, Mr. Chairman, but I think the significant point is that we are discussing this matter, that it has been out in the open, that there hasn't been any attempt to conceal the activities by smokescreen or otherwise and, in fact, in many ways I think the CIA can take credit for having carried out an assignment effectively and efficiently, but, obviously, the time has come when we do have to consider other methods of proceeding.

As you say, the bill that I have filed in many ways is similar to the bill that you and other Members have filed. In some ways it differs. For example, a corporation is created, but it is not a government corporation; it is independent of the government and, in your bill, I believe, you specifically refer to it as a government corporation which would be comparable to Reconstruction Finance Corporation or some other similar legal unit.

There is a board of trustees consisting of 20 members including five ex officio: Secretary of State, Secretary of the Treasury, Secretary of Defense, Attorney General, and Director of the CIA.

I might say that I am not so sure about the inclusion of the Director of the CIA for several reasons and I am rather inclined to think that perhaps he should not be included as an ex officio member. Then there would be two members each from the Senate and the House, representing both parties, the two major parties, and the 11 members from the fields of education, literature, science, Federal, State, and local government, the arts and law, medicine, industry, and the trade unions, the point being that only five of these members are ex officio and part of any given administration—two, you might say, could be considered to be in the government because they would be in the House and the Senate, and the other two of the minority party; and the other 11 members would be outside the government and, after the

initial composition of the committee, the corporation would select the successors so that they would be outside the control of the Executive, while yours, I believe, is under Executive appointment.

The purpose of the Council will be to render financial assistance to student, labor, journalistic, scientific, educational, and other similar organizations, associations, groups, or societies in order to promote international understanding of and appreciation and respect for American culture and society; to render advice, counsel, and direction to such organizations, associations, groups, or societies interested in promoting a better understanding and knowledge of American institutions and culture; and to sponsor, encourage and promote programs, conventions, meetings, seminars, and other similar activities in aid of accomplishing the objectives for which the Council was created.

So that the purposes would be similar to those that were sought to be accomplished by the CIA sponsorship. One important power is that the Council will have the authority to accept gifts, and it would be hoped that its activities could be financed by individual contributions and by that I don't mean to exclude corporate contributions and also those contributions are specifically made tax deductible so that there would be some incentive to contribute.

It is possible that the private sources would not be adequate. In that event, it is provided that there is an authorization working for an appropriation by the Congress to carry out the purposes.

Now, it could be said that you might have Government control if you had Government appropriations, Government financing; that is true to some extent, but it would be diffuse because it would be controlled by the Congress and also it would be open, more open, than the procedure that was followed in the past. This is the summary of this legislation.

I do believe that we have a strong and excellent system, one of which we can be proud. I feel that the situation that gave rise to this clandestine support was a desire to present some of the most capable people in our society competing on their own grounds with the Communists in debate about the objectives of the two societies and about the means used to reach these objectives. Certainly this activity should be continued so that there won't be a default on our part and because there will be less lack of understanding of our institutions than there has been in times in the past.

I think all of us in our contacts with other people have found that this lack of understanding can be as important in creating conflict as any other cause. Under this legislation, what was clandestine would be open, it would be hoped that it would be financed privately and the members of the committee would be representative, would be independent of any particular administration.

I think with legislation of this type that we can carry on this very important and worthwhile program.

Mr. FASCELL. Thank you, Congressman Monagan. Certainly the suggestions which you have outlined will merit the most serious consideration on the part of the subcommittee and the Congress.

As I understand your testimony, you consider the language in the "purpose" clauses of your bill, particularly on page 4, starting on line 3, to be ample to authorize, for example, the payment of travel by an

individual to an international organizational meeting. In other words, the assistance by the corporation would not be limited strictly to groups and organizations, but your proposed Council would have sufficient authority to pay for the travel of an individual to an international meeting or a group of individuals.

Mr. MONAGAN. That is so.

Mr. FASCELL. Because your language says:

To sponsor, encourage, and promote programs, conventions, meetings, seminars, and other similar activities in aid of accomplishing the objectives for which the Council was created.

These are set forth in subparagraphs (a) and (b) of section 4. That is one of your purposes.

Mr. MONAGAN. Of course.

Mr. FASCELL. Of course, the tax deductible feature may prove a very desirable thing. I would be interested to know how far you think we could go with it.

Mr. MONAGAN. It depends upon the scope of your activities. I believe it has been used in the past in connection with many communications activities. Radio Free Europe, for example, derives considerable income from private contributions and advertising campaigns stimulated by this tax deduction.

Mr. FASCELL. The other thought I have is that we will have to consider carefully the full implications of authorizing appropriations to a private corporation which, even though chartered by the Congress, would not be an independent governmental corporation but actually a private corporation. I am not certain about the feasibility of this proposal.

We will have to examine the precedents and the kinds of doors this legislation would open before we act on it. In the past, it seems to me, appropriations to private organizations have been provided by Congress on a single-shot, voluntary contribution kind of basis. This is a matter that we would have to go into very thoroughly.

Mr. MONAGAN. You have the desire for independence and the desire for financial controls. These things conflict.

Mr. FASCELL. Yes.

Mr. GROSS, do you have any questions?

Mr. GROSS. There appears to be a substantial difference in the bill introduced by the chairman of the subcommittee.

Mr. MONAGAN. Yes, I did go into some of those differences.

Mr. GROSS. On page 3, section 4, it would provide for rendering financial assistance to student, labor, journalistic, scientific, educational, and other similar organizations. Would that be usurping the functions of the CIA?

Mr. MONAGAN. That is the point.

Mr. GROSS. Would there be duplication under this?

Mr. MONAGAN. The order has been given for the CIA to terminate its objectives in this field. Presumably they are going to comply with that order. Therefore, there is a need to have some substitute instrumentality and this is my attempt to set up something of that type.

Mr. GROSS. Then this leads me to the question of what, in the absence of hoped-for contributions on the part of private organizations, this is going to cost the Federal Government?

Mr. MONAGAN. It would depend upon how broad the activities were.

Mr. GROSS. Based upon the wording in your bill.

Mr. MONAGAN. There is no limitation, if that is what you mean.

Mr. GROSS. I understand, but do you have an estimate of what it would cost doing all the things you propose to do in your bill?

Mr. MONAGAN. I am not privy enough to the activities of the CIA to know exactly what the extent would be. I would say it could be in the tens of millions of dollars.

Mr. GROSS. That this bill would cost?

Mr. MONAGAN. Yes.

Mr. GROSS. Right.

Mr. FASCELL. The fact is that there would not need to be any increased net cost if these activities have been financed by our Government before?

Mr. MONAGAN. Yes.

Mr. FASCELL. CIA support of these activities has been terminated by a Presidential order.

Mr. MONAGAN. It would be spending the same funds in a different way.

Mr. GROSS. Would you yield to me for just one question?

Mr. FASCELL. Certainly.

Mr. GROSS. Leave out consideration of the CIA and let me ask the straight question of what this bill would cost? Do you have an estimate of what it would cost with and without taking over the expenditures that CIA has been making?

Mr. MONAGAN. I think it would depend on how broad you wanted to make the program.

Mr. GROSS. Based upon the language in your bill?

Mr. MONAGAN. There is no limitation in the authorization.

Mr. GROSS. But still tens of millions of dollars?

Mr. MONAGAN. It is possible if all the activities that were supported by the CIA were placed under this organization, it is possible that it would run into that.

Mr. GROSS. Have you made a comparison between your bill and the bill submitted by the chairman?

Mr. MONAGAN. As far as cost is concerned?

Mr. GROSS. Yes.

Mr. MONAGAN. No, I haven't.

Mr. FASCELL. Mr. Fraser.

Mr. FRASER. Thank you, Mr. Chairman. I think the lead that you have taken in submitting the bill is commendable, and I share the chairman's view that all of these bills should be looked at to see what elements are most useful.

I was curious as to the mechanics of selection of the Board members. Apparently, the Cabinet officials who are named to the Board select the ex officio members who come from these various sectors of private activity in the United States.

Mr. MONAGAN. Yes.

Mr. FRASER. Then you say "vacancies shall be filled by a majority vote of the Board of Trustees."

Mr. MONAGAN. Right.

Mr. FRASER. What happens at the end of a 4-year term for a representative of somebody in the field of education? Is that a vacancy or does the appointing authority go back to the---

Mr. MONAGAN. It is the intention that it would be a vacancy that would be filled by the Board of Trustees and not by the ex officio members.

I think it could be clarified. I thought of that point myself when I was reading it over today, but the intention would be that the representative group separate from the administration and ex officio group would perpetuate membership.

Mr. FRASER. Once the Cabinet members had named the 15 members of the first group, they then would fill the vacancies.

Mr. MONAGAN. Yes.

Mr. FRASER. So that it would be self-perpetuating. I am curious as to your view on that. There is much to be said for a self-perpetuating board in that it does tend to insulate the board members from Government or at least moves them one step from Government control.

Supposing the Board, over a period of years, turns out not to be doing a very good job either through apathy or poor judgment and it should be concluded that the thing wasn't working very well. What recourse is there on the part of the Government or anyone else to remedy the situation?

Mr. MONAGAN. Well, there is a provision that states that Congress should dissolve it.

Mr. MORSE. Would the gentleman yield? Wouldn't it be possible to have the Congress dissolve the corporation?

Mr. MONAGAN. Well, the Congress has created it and, after hearings, there could be a taxpayers' application of some kind to bring the question either before the Congress or before the courts if there is illegality involved. I should think the courts would have jurisdiction over it in the case of illegality. Otherwise, there is the general provision.

Mr. FRASER. I assume in that sense there would be ultimate control because, if nothing else, you could always cut off public funds?

Mr. MONAGAN. Yes; if the funds were public, you would have the control there.

Mr. FRASER. Short of that more drastic remedy, the problem is a philosophical one; I am trying to strike a balance between centering the responsibility for the performance of this body and still trying to give it some independence.

Mr. MONAGAN. You don't have stockholders involved here which would be the situation in a normal corporation for profit.

Mr. FRASER. In section 4, where you identify the various kinds of private activities that would be supported, you leave out the phrase "political." One of the impressions I had is that the United States neglects the support of an active political dialogue probably more than other nations. Would it be your feeling that this would be a permissible area to move into?

Mr. MONAGAN. I did not exclude it. It is not included. I would certainly feel that it could well be one of the subjects and areas to be included. I think your point is a very valid one.

Mr. FRASER. Thank you.

Mr. FASCELL. Mr. Findley.

Mr. FINDLEY. Mr. Monagan, is it your understanding that because this is a public corporation, that the Freedom of Information Act that was enacted last year would give the press access to all facts and records of the corporation?

Mr. MONAGAN. I wouldn't be able to give a final opinion on that.
Mr. FINDLEY. You would think it would not be open to public scrutiny?

Mr. MONAGAN. It is a pretty technical question.

Mr. FINDLEY. I would hope that it would be open.

Mr. MONAGAN. Once again you have conflicting considerations: there would be no intent on my part to have it closed. On the other hand, you want to distinguish it from the ordinary Government corporation so that there will be some independent, at least, that was my objective in drawing the bill.

That is the reason I hesitated. There would be no policy reason for keeping it a secret. The objective is to keep it out in the open.

Mr. FINDLEY. That is one reason why I support the idea. Is it your understanding that even though your bill provides that funds shall be appropriated to meet the objectives of the act, even so it would be possible, would it not, for all expenses of the corporation to be met through private donations, including the per diem of the directors?

Mr. MONAGAN. It would be possible. It is certainly to be hoped that it would be financed from private contributions.

Mr. FINDLEY. Thank you.

Mr. GROSS. Will the gentleman yield?

Mr. FINDLEY. Yes.

Mr. GROSS. The gentleman from Ohio may be too modest to ask, but would you be receptive to including Atlantic Union in it?

Mr. FINDLEY. That might be its saving grace.

Mr. MONAGAN. The gentleman from Illinois, Mr. Findley, Mr. Gross, meet Mr. Findley, I would even be glad to offer another bill to include it.

Mr. FINDLEY. We might even get some votes for that.

Mr. FASCELL. Mr. Rosenthal.

Mr. ROSENTHAL. I want to say that I want to commend you for taking the lead in what seems to be a difficult and involved subject.

Mr. MONAGAN. Thank you.

Mr. ROSENTHAL. I think you have shown a clear-cut understanding and sense of responsibility to the issue. Assuming for the moment that there is such a need, a need for private American groups to participate in overseas activities and also assuming that there is not adequate money, at least at the moment available, in the private sector so that the Federal Government has to become involved in transferring its funds to this quasi-public corporation, it seems to me that one of the relevant lessons of the CIA-NSA episode is that public financial support for private political activities can and has jeopardized the independence of those activities in the groups that participated in those activities.

I believe that it is possible that the danger would exist whether or not the Federal aid is open or clandestine and it seems to me then, assuming that I am correct, that the issue is not necessarily how to use private groups, but how to protect them from abuse. The abuse derives from the Federal Government imposing its will on private groups and thus interfering with the internal organizational structure and

policymaking of those groups, and so it leads me to the question of why is it that you have under section 2 of the bill, why is it that you make the Secretaries of State, Treasury, and Defense, the Attorney General, and Director of the CIA, the sponsors of all the rest of the corporation?

You have already said you are willing to exempt the CIA and maybe have second thoughts about that. That is good, but with even the other three or four remaining, they have the right to appoint remaining members, certainly they are going to appoint people who agree with their views.

Mr. MONAGAN. In many cases, even though there was governmental support or clandestine support, these student groups or whatever they might have been, were permitted a remarkably complete freedom and I would say in some cases, some of their programs or positions differed rather sharply from those of the people who actually were sponsoring them, so I think in practice, in many instances what you say was not the case.

Nevertheless, I concede that there is a valid question there. The reason I didn't have the alternative which probably would have the President appoint them—and that is the situation in the Fascell bill—is that it seemed to me that this was once more diversifying the influence, and even though they are members of the administration, still it is a varied group and also a group that has been concerned with these very problems in the past.

There is a continuity there. Also—

Mr. ROSENTHALL. You are not wedded to the proposition that these people have the power of appointment.

Mr. MONAGAN. Not necessarily. You have to start somewhere. Here is a group that has been concerned with this problem in the past and it is a group rather than an individual, and also after the first board has been created, then the subsequent groups would be chosen by the board itself and not by the ex officio members.

Mr. ROSENTHALL. The next question that occurs to me is your assumption that the policy of these groups was not influenced by their benefactors, and I don't know that Congress has any proof of that effect.

Mr. MORSE. Would the gentleman yield? I wonder if the gentleman from New York has any evidence to the contrary? I haven't seen any.

Mr. ROSENTHALL. I have evidence that the CIA supported a group where activity and interests were contrary to American foreign policy.

Mr. MONAGAN. I was thinking of the Norman Thomas group and the details are rather vague in my mind, but Thomas was not aware, as I recall, of any connection whatsoever with the CIA and the connection had no effect on the operation of the group. Then there were some, even the NSA had some programs and positions which I can't specify now, but which seemed to me would have been different from Allan Dulles or Helms or Red Rayborn or any of those directors.

Mr. ROSENTHALL. If you were running a covert operation, you would have them out in front with positions which seemed opposite to American foreign policy, which is precisely the thing that would give them credibility.

Mr. MONAGAN. I don't think they were different on foreign policy. They were more concerned with economic and political matters. They were frequently more liberal than I would think the other people that I have mentioned would have espoused.

Mr. ROSENTHAL. I understand that. If I were the benefactor, if I were the CIA, the way I would maintain integrity of the recipient group, I would have them take positions which seemed at odds with the policy of the United States, more to a liberal direction. Then I would rather subtly carry out the objectives for the reason I was giving this money.

I don't know that I am right. I don't think there is any evidence of any kind to show that these groups were free from interference. We haven't had any open testimony that they weren't. I suspect, humans being what they are, if I were the donor, I would expect to exert some influence along the line somewhere against my donee.

Assuming otherwise does violence to human nature.

Mr. MONAGAN. I couldn't assume it because I don't believe it. I don't think they were as Machiavellian as you would make them out to be.

Mr. ROSENTHAL. I am just making them out to be sensible. If they are giving money, there has to be a quid pro quo. I am supposing one theory and you another.

Wouldn't it be better in the long run, that the Fascal approach is a good one in that there would be an open appointment by the President without the involvement of these other people and we might limit his appointing power to various groups such as labor, education, cultural affairs, political groups such as Mr. Fraser suggests, and others.

Mr. MONAGAN. I prefer this approach here for the reasons that I have stated. I think these people would be responsible and I don't see any tremendous difference between the influence that they would exercise or the approach that they would take and that the President would take.

I would just prefer to diffuse it a little bit more.

Mr. ROSENTHAL. My view would be narrower if the Secretary of Defense had a certain number of appointees, the Attorney General had, and the CIA man had. If the President did it under strong prescription in the bill as to what groups he might appoint from-----

Mr. MONAGAN. I do say they shall be chosen from at least one of the described fields and it isn't an exclusion of all others, but it is a guide-sign of the type that you would like to have.

Mr. ROSENTHAL. Stepping away from this, do you see any inconsistency between this activity and the USIA? You said in section 4, one of the things we wanted to do was to sell, to promote international understanding and appreciation of and respect for American culture and society.

I assume the USIA does that.

Mr. MONAGAN. I think that there is a similarity of function, a similarity, but it should not be an identity because then you would have duplication and it is not the intention to have identity.

I don't know whether that answered your question. I would expect that USIA would continue with its functions and that this proposed

unit would be distinct from the traditional information-communication area, except in extraordinary cases.

Mr. ROSENTHAL. Do you agree with the proposition that to maintain the integrity of students in their dealings with their counterparts throughout the world and their credibility, there has to be no question but that they are free agents and not burdened with the idea that they are carrying out American foreign policy in some way?

Mr. MONAGAN. Generally speaking I do agree. Of course, we do know that the Communist groups, whether they are parliamentarians or whether they are going to the Olympic games or whether they are student groups, are certainly being financed by their government and that doesn't prevent them from having an effect and a pretty strong effect so that I would say, I would prefer to have no connection whatsoever, but rather than have no confrontation, I feel that the Government should pay traveling expenses or something like that so that you can have this discussion and confrontation, even though I recognize that it could be a source of criticism such as Mr. Zhukov has come up with in the pages of Pravda.

Mr. ROSENTHAL. If we can achieve the purposes of your legislation and the Fascell bill, shouldn't we try as diligently as we can to write into the bill safeguards to prevent abuses that threaten the integrity of the various recipient groups?

Mr. MONAGAN. Certainly, I would like to see a representative group as free as possible from any administration interference, whoever the administration might be, or hitting a particular line of contact in any given circumstances.

Mr. ROSENTHAL. Thank you, Mr. Chairman.

Mr. FASCELL. Mr. Monagan, thank you very much for giving us the benefit of your advice and suggestions.

Mr. MONAGAN. I have two editorials on this bill that I would like to ask be included in the record.

Mr. FASCELL. Without objection they will be included.

Mr. MONAGAN. Thank you.

(The editorials referred to are as follows:)

[Editorial from the Ansonia Evening Sentinel, Mar. 22, 1967.]

MAKING IT OPEN

Congressman John S. Monagan of Connecticut's Fifth District has introduced a bill which would make it possible to do openly, and above board, what the CIA undertook covertly, but with an unpleasant reaction when the cat was out of the bag.

Monagan's bill would charter an independent corporation which could advise student, labor, journalistic, scientific, and educational organizations in support of U.S. foreign policy.

It could accept funds from foundations or private individuals, and if such financing were insufficient, Congress would be authorized to make appropriations.

The advantage here would be that while there could be government support, it would be open and its extent known.

It may be said that groups thus subsidized would not be as free in their behavior as those who represented their country at international gatherings without knowing the government was behind the foundation facade.

But on the other hand, the Communist delegates to such gatherings, many of which had been organized by the Reds to influence world opinion, had all knowingly been carefully screened, selected and financed for the particular purpose by the Soviet government.

[Editorial from the Danbury News-Times, Mar. 22, 1967.]

REP. MONAGAN'S GOOD PROPOSAL

Congressman John S. Monagan of Connecticut's Fifth District last month introduced a bill which would set up a federally chartered corporation to take over the aid to student and other organizations which the Central Intelligence Agency had been carrying on until exposure of its role in mid-February.

Under terms of his bill, this corporation or council would seek private funds for its work. If such financing were not sufficient, Congress would appropriate funds to it.

The council would work through student, labor, journalistic, scientific, education and similar organizations in support of American foreign policy.

The Monagan approach, or something similar to it, is expected to win support from the three-member committee which President Johnson set up to study the CIA's subsidization program.

The committee, comprising Undersecretary of State Nicholas Katzenbach, CIA Director Richard Helms and Health-Education-Welfare Secretary John W. Gardner, will probably propose the establishment of an independent corporation to finance openly the overseas activities of voluntary groups.

The purpose of the CIA subsidization program was a laudable one. But the fact that the primary function of this agency is spying or the collection of intelligence tainted the organizations which received the funds.

Congressman Monagan hit upon the right approach. If, as expected, the President's committee endorses it, Congress should lose no time in setting up the independent corporation.

Mr. FINDLEY. May I ask a question?

Mr. FASCELL. Mr. Findley.

Mr. FINDLEY. Following up on the dialogue with Mr. Rosenthal, would it not seem to you that the very nature of this corporation and the way it is put together and funded would lead to a variety of viewpoints being represented within any, say, student group, which was sent overseas by the corporation?

Mr. MONAGAN. That is the objective because you have labor and you have—I have set out the arts and the different categories that were listed—education, literature, science, Federal, State or local government service, the arts, law, medicine, industry, and trade unions.

The idea is, of course, as you suggest, to have a variety of points of view on this governing board which would, in turn, make themselves felt in the support of the groups that were selected.

Mr. FINDLEY. Can you conceive of this corporation authorizing a delegation of students to a worldwide conference, the students being of one single unified viewpoint.

Mr. MONAGAN. Well, it would be pretty difficult to conceive.

Mr. FINDLEY. Thank you. It seems that way to me.

Mr. ROSENTHAL. Mr. Monagan, would you support an amendment to the bill or a provision in the final bill that we hopefully report out, that would provide for an explicit guarantee that the recipient groups be free from any interference in administrative policy by the Council who gives them the money?

In other words, that the Council has no say over the internal workings or the policy.

Mr. MONAGAN. I would think it might be a good thing.

Mr. ROSENTHAL. I was thinking of another provision that might be useful that the recipient groups be given a voice within the Council itself, as to the nature and extent and amount of the moneys they are going to get, the moneys that are going to be disbursed by the Council—

Mr. MONAGAN. You mean moneys other than those going to them? It would be pretty hard. I should think it would be rather unwieldy to do. The composition of the groups could change from year to year.

I frankly don't quite see how it could be done in a very neat way. I am sure that the Council would be available for applications and they would also be interested in the experience and expenditures of these groups, too, but I don't quite see how you could legally make them a part of the organization.

Mr. ROSENTHAL. Let me see what the problem is, and I haven't thought out how it can be accomplished. We are told that the AFL-CIO, its international system, received money from the CIA.

If the new Council is used, they would continue to receive money. Just for the sake of discussion, assume there is a split in the labor movement and the UAW split away from the CIO.

This council would have enormous power to fund whichever group they wanted to. They would have power that would affect the internal policy within the United States. If suddenly the council wanted to withdraw their funding from the AFL-CIO and give it to the UAW, this would have a profound effect in the United States in recruiting in the UAW.

Mr. MONAGAN. I don't see that at all. I assume that this whole operation, if it involved half a dozen people, it would involve a lot—maybe a dozen, let us say.

Mr. ROSENTHAL. A dozen recipients.

Mr. MONAGAN. No, in the AFL-CIO organization. There is no connection between what they might be doing and local union affairs. Actually they might be carrying on a very good activity, stimulating free trade unions in other parts of the hemisphere where they haven't been so free, but there is no connection between that and what might happen in a UAW local in Waterbury, Conn.

If the funds were taken away, a few salaries and travel expenses, that wouldn't have any effect on the activities of the central body at all.

Mr. ROSENTHAL. You are assuming that there was a wholesome administration, that there was no flowback of either funds or personnel, that the fellow who was working overseas didn't come home and participate in a union organizing drive, or something of that nature.

Mr. MONAGAN. From what I know of the activities, this would be a full-time job for only 2 or 3 people and they would be back and forth, to and from different parts of the world.

Mr. ROSENTHAL. They received a couple of million dollars from what we hear.

Mr. MONAGAN. I don't know what the amounts were, but I don't believe large amounts were spent on the administration itself.

Mr. ROSENTHAL. It would be more than 2 or 3 people involved. I think we agree in principle. I want to make this report so tight that there can be no deviation from the principles that the committee agrees on.

Mr. MONAGAN. I think that there should be no control over the internal policies or activities of any organizations or groups that were used here.

Mr. ROSENTHAL. Thank you, Mr. Chairman.

Mr. FASCELL. Mr. Monagan, it takes two to tangle—

Mr. MONAGAN. Tango, I believe it is.

Mr. FASCELL. I believe that in the situation which you and Mr. Rosenthal were discussing the organization in question would have control over its members by inclusion or exclusion. That is No. 1.

No. 2, they would also have control over their own policies and could simply say: "We are not going to participate-- and any member who does is out. We won't take the money."

In other words, it seems to me that they have the final voice no matter what we may say in this legislation. If there will be an effort to control any organization, it won't happen because of this legislation; it will happen because someone believes that such an effort is necessary and because someone else is willing to go along.

When you make these matters public, then it will be up to the organization to determine whether or not they want to participate. That is the whole purpose of our exercise today. But we must also remember that, in some way, this program, if it is going to get off the ground, has to be either directly or indirectly related to our national policy and goals. Otherwise we would have no basis upon which to propose the appropriation of Federal funds.

We are not trying to deceive anyone. That is why we have introduced bills that say: "Put it on the table. We think that dialogue and confrontation in the international arena are important--even in some respects unavoidable. We recognize the facts of life and we want to do what needs to be done in an open and democratic way."

Thank you very much, Mr. Monagan, for your testimony.

Mr. MONAGAN. I want to congratulate you and the committee for holding these hearings. I know they will be very helpful and provide an excellent forum for a discussion of this question.

Mr. FASCELL. As you leave the table, we welcome you to come up here as a member of the full committee and interrogate our next witnesses.

Mr. MONAGAN. Thank you.

Mr. FASCELL. Mr. Fraser, we will be happy to hear from you next. Mr. Fraser is one of the distinguished members of our subcommittee and a member of the full committee. He recognizes the great need for political dialogue across national and international boundaries.

I believe it would be useful to include in the record the text of H.R. 7745, by Mr. Fraser, inasmuch as that bill differs in some respects from H.R. 7484 and its companion bills. Without objection, we will make it a part of the record at this point.

(The text of H.R. 7745 follows:)

[H.R. 7745, 90th Cong., first sess.]

A BILL To promote private United States participation in international organizations and movements, to provide for the establishment of an Institute of International Affairs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Institute of International Affairs Act".

SEC. 2. There is created as an agency of the United States of America a body corporate to be known as the "Institute of International Affairs" (hereafter in this Act referred to as the "Institute").

SEC. 3. (a) The purposes of the Institute are--

- (1) to strengthen friendship and understanding among the peoples of the world;
- (2) to encourage the development of free and democratic institutions;

(3) to promote private United States participation in international organizations and movements when such participation supports the purposes set forth in paragraph (1) or (2) of this section; and

(4) to encourage continuing studies of (a) private international communications, and (b) the effect of such communications on the strengthening of democratic institutions.

(b) The Institute shall carry out the purposes set forth in subsection (a) of this section through and with private organizations, individuals, governmental agencies, and international organizations by planning, initiating, assisting, financing, administering, and executing programs and projects designed to promote the achievement of such purposes.

Sec. 4. The Institute, as a corporation—

(1) shall have perpetual succession unless sooner dissolved by an Act of Congress;

(2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) may make and perform contracts with any individual, corporation, or other body of persons however designated, whether within or without the United States of America, and with any government or governmental agency, domestic or foreign;

(4) shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid;

(5) may, as necessary for the transaction of the business of the Institute, employ, and fix the compensation of, officers, employees, agents, and attorneys and, the Institute may, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, employ, and fix the compensation of, officers, employees, agents, and attorneys of the Institute employed for service outside the United States, except that the salary of any person thus employed shall not exceed the maximum salary established by the General Schedule under section 5332 of title 5 of the United States Code;

(6) may acquire by purchase, devise, bequest, or gift, or otherwise, lease, hold, and improve such real and personal property as it finds to be necessary to its purposes, whether within or without the United States, and in any manner dispose of all such real and personal property held by it and use as general funds all receipts arising from the disposition of such property;

(7) shall be entitled to the use of the United States mails in the same manner and on the same conditions as the executive departments of the Government;

(8) may, with the consent of any board, corporation, commission, independent establishment, or executive department of the Government, including any field service thereof, avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this Act;

(9) may accept money, funds, property, and services of every kind by gift, devise, or bequest, or grant, or otherwise, and make advances and grants to any individual, corporation, or other body of persons, whether within or without the United States of America, or to any government or governmental agency, domestic or foreign, when deemed advisable by the Institute in furtherance of its purposes;

(10) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction; and

(11) shall have such other powers as may be necessary and incident to carrying out its powers and duties under this Act.

Sec. 5. Upon termination of the corporate life of the Institute all of its assets shall be liquidated and, unless otherwise provided by Congress, shall be transferred to the United States Treasury as the property of the United States.

Sec. 6. (a) The management of the Institute shall be vested in a board of directors (hereafter in this Act referred to as the "Board") composed of nine members appointed by the President, by and with the advice and consent of the Senate. No more than one member shall, at any one time, be an employee of the Federal Government.

(b) Four of the Board members shall be appointed by the President from lists of nominees submitted by the two major political parties, with two selected from each party list.

(c) The remaining five Board members will be broadly representative of institutions, organizations, and activities having a demonstrated interest in international affairs.

The Board shall appoint its chairman.

(d) Each member of the Board shall be appointed for a term of six years, except that of the first nine members appointed under this Act three shall be appointed for a term of two years and three shall be appointed for a term of four years. Any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term; but upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified.

(e) Members of the Board appointed from private life shall each receive \$100 per diem when engaged in the actual performance of duties vested in the Board, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties. Members of the Board who are officers or employees of the United States shall serve without compensation in addition to that received for their services as such officers or employees, but they shall be reimbursed for travel, subsistence, and other necessary expenses in the same manner as in the case of members appointed from private life.

(f) The Board shall direct the exercise of all the powers of the Institute.

(g) The Board may prescribe, amend, and repeal by-laws, rules, and regulations governing the manner in which the business of the Institute may be conducted and in which the powers granted to it by law may be exercised and enjoyed. A majority of the Board shall be required as a quorum.

(h) In furtherance and not in limitation of the powers conferred upon it, the Board may appoint such committees for the carrying out of the work of the Institute as the Board finds to be for the best interests of the Institute, each committee to consist of two or more of the directors, which committees, together with officers and agents duly authorized by the Board and to the extent provided by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the Institute.

Sec. 7. The Institute shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, and employees and such revenue, earnings, or other income, or property shall be used for the carrying out of the corporate purposes herein set forth. No director, officer, or employee of the corporation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting his personal interests or the interests of any corporation, partnership, or organization in which he is directly or indirectly interested.

Sec. 8. When approved by the Institute, in furtherance of its purposes, the officers and employees of the Institute may accept and hold offices or positions to which no compensation is attached with governments or governmental agencies of foreign countries.

Sec. 9. The Secretary of State shall have authority to detail employees of the Department of State to the Institute under such circumstances and upon such conditions as he may determine. Any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of the Government by virtue of such detail.

Sec. 10. The principal office of the Institute shall be located in the District of Columbia, but there may be established agencies, branch offices, or other offices in any place or places within the United States or elsewhere in any of which locations the Institute may carry on all or any of its operations and business under bylaws or rules and regulations.

Sec. 11. The Institute, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, or any territory or possession thereof, or by any State, county, municipality, or local taxing authority.

Sec. 12. The right to alter, amend, or repeal this Act is hereby expressly reserved. If any part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair,

or invalidate the remainder of this Act, but shall be confined in its operations to the part hereof directly involved in the controversy in which such judgment shall have been rendered.

Sec. 13. In lieu of the provisions of the Government Corporation Control Act, the Institute shall be subject to the applicable provisions of the Budget and Accounting Act, 1921.

**STATEMENT OF HON. DONALD M. FRASER, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF MINNESOTA**

Mr. FRASER. Thank you, Mr. Chairman, for the opportunity to testify on the legislation to provide open assistance to private American organizations in their overseas activities.

I think it is very important that we start the congressional discussion of this subject now, and I commend you for its initiation.

Since early February, with the disclosure of sponsorship by the Central Intelligence Agency of certain student activities overseas, this issue has been on the minds of many concerned Americans.

The bills we consider today propose, under various forms, an Institute of International Affairs. Its board members are appointed by the President but are predominantly from outside the Federal Government. This Institute would plan, initiate, assist, finance, and administer plans and projects to be carried out through and with groups, individuals, and government and international organizations.

The bill that I have submitted is not identical in all respects to those that you and the others have submitted. I don't propose to touch on the differences in my testimony today. I want to touch on two ideas that are related to the larger problem that we face.

These two ideas I would like to see considered for incorporation into the proper institutional forms are, first, extending the Institute's authority to include some of the official cultural and educational programs now run by our Government overseas; and second, encouraging those in our country who are active in political life to contribute their knowledge and experience in an international political dialog.

On the first point, we should examine the official educational, cultural, and information programs which our Government operates overseas to see which ones might be better managed by a publicly sponsored but privately managed council.

Certain programs which deal principally with the interpretation and exposition of American foreign policy should remain within our official foreign affairs establishment. Others, such as the exchange-of-persons programs, the American libraries overseas, and other long-term cultural programs, might be better insulated from foreign policy considerations.

Bringing a medical student to the United States for advanced study should not be tied to the short-term relations between his country and ours. Yet, at present, the same American officials who must defend the short-term goals of our foreign policy also decide who will study there. This hurts our exchange programs.

Lost from these programs are potentially good applicants who want no involvement in these foreign policy disputes. It also forces a dual function on our Foreign Service personnel who must pursue both short- and long-term policy goals which, while ultimately compatible,

may produce immediate conflicts of interest. Freeing our embassies from these conflicting goals could aid both their political work and the cultural programs.

Another example is the sponsorship of American libraries overseas. I might say in my recent trip to Africa I had an opportunity to look at some of these libraries. I think they are an extension of our American culture and I think they are good. The USIA is to be commended for the establishment of these libraries.

These institutions serve long-term educational goals. Yet when operated within or as elements of our embassies they become tied to the embassies' political goals. The "loyal opposition" often find it repugnant to use the official American library in their country because that library and other cultural programs are run by our embassy which in turn must deal only with the government in power, even when it is repressive and rightfully opposed by its citizens.

Putting some of our official cultural programs under a publicly supported, but privately operated, council will provide a clear separation of cultural and political goals.

It also builds on a healthy realization, which is growing, that there are goals which the Federal Government can pursue best through private organizations. The Federal Government, both at home and overseas, is so large and so powerful that it needs the counterbalance of private activities and organizations.

We can encourage this beneficial balance by giving certain foreign policy goals and responsibilities to a well-insulated public-private mechanism. Here the initiative, imagination and creativity of the voluntary American group can be used. It must be insulated in its management, funding, and personnel from the official foreign policy machinery. This mechanism, whose exact form the subcommittee is considering in these hearings, can complement and improve our Government's role overseas.

We should study the efforts of other countries to solve this problem of aiding private groups which pursue public goals. We should also hear the views of many Americans who have thought about these questions. One such man is Charles Frankel, Assistant Secretary of State for Cultural Affairs. His book, "The Neglected Aspect of Foreign Affairs," was written while he was still professor of philosophy at Columbia University.

His recommendation of a semiautonomous foundation to carry out our international cultural and educational programs should be reviewed and reconsidered in our study of the causes and effects of CIA sponsorship of similar programs.

The second important consideration is that the dialog between people of different nations should be established at the political level. Political concepts need to be explored among political activists around the world. Government-to-government relations do not fill this need. There are presently no adequate Federal programs promoting international political contacts which complement the educational and cultural contacts. Past hearings by this subcommittee have pointed this out.

International communication among political activists and organizations can be stimulated by enlightened Federal policy. There are many Americans whose experience in international affairs would enable them to make original and creative contributions to such programs.

Such experience is the basis for a program to permit Americans to pursue international contacts in an open manner. This program, for example, could be the beneficiary of contracts from open Government and private sources. It could sponsor international meetings, seminars, and other activities. It would enable politically active citizens from a wide variety of countries and organizations to attend such events, both here and abroad.

We must insure the independence of such a program to encourage diversity as it promotes dialogue. Free from direct Government control, it could encourage serious political communication which would acquaint the world with the vitality of political life in our democracy. Such communication would also serve to deepen our own understanding of political dynamics and ideology in other nations.

I am now preparing legislative language incorporating both the private administration of some of our cultural programs overseas and the international political dialog. I hope our committee will consider these proposals under its very valuable study which begins today.

Thank you, Mr. Chairman.

(The following suggested amendments to H.R. 7484 were subsequently submitted by Representative Fraser:)

AMENDMENT No. 1

Page 2, line 8, strike out "and".

Page 2, strike out lines 9 through 11, and insert in lieu thereof the following:

(4) to encourage a healthy separation of international political goals (including their dissemination), and long-term international cultural goals which, by their nature, transcend more immediate foreign relations issues while contributing to the growth of international understanding and democratic institutions, as described in paragraphs (1) and (2) of this section;

(5) to promote the private pursuit of public goals through the administration of certain educational, cultural, and information programs of the Federal Government; and

(6) to encourage those active in political life to contribute their knowledge and experience in an international political dialogue.

AMENDMENT No. 2

Page 3, immediately after line 6, insert the following:

(5) shall assume the administration and operation of certain international cultural, information, and educational programs now administered by the Department of State and the United States Information Agency when such programs meet the criteria set forth in paragraph (4) of section 3, including but not limited to those Federal programs concerning the exchange of persons, cultural presentations, and the United States information and cultural centers abroad and such other programs which may be transferred to the Institute by agreement with the executive agency or department now administering such programs when the transfer meets the criteria set forth in section 3;

And renumber the following paragraphs accordingly.

AMENDMENT No. 3

Page 7, strike out line 22 and all that follows down through page 8, line 4, and insert in lieu thereof the following:

Sec. 9. Upon request of the Board, the Secretary of State and the Director of the United States Information Agency shall have authority, during the one-year period beginning on the date of enactment of this Act, to detail to the Institute such employees of the Department of State and of the United States Information Agency, respectively, as may be necessary to effect the orderly transfer of programs under paragraph (5) of section 4 of this Act. Any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of the Government by virtue of such detail.

AMENDMENT No. 4

Page 9, after line 4, add the following:

Sec. 14. Not later than January 1 of each year the Board shall submit to the President and to the Congress a report of its activities under this Act during the preceding fiscal year. Each such report shall include

- (1) a list of all recipients of assistance under this Act, together with the amount and kind of assistance received;
- (2) information concerning the operation of the exchange of persons, programs, overseas information centers and libraries, cultural presentations, and other activities in sufficient detail to enable the President and the Congress to judge the effectiveness of the role of the Institute in pursuing public goals in international affairs;
- (3) an explanation of efforts by the Institute to assure diversity among participants in the various programs of the Institute and the effectiveness of means employed by the Institute to assure that its programs are insulated and protected from short-term foreign policy considerations and operations of intelligence agencies; and
- (4) such recommendations as the Board may deem appropriate with respect to future operations of the Institute.

AMENDMENT No. 5

Amend the title so as to read: "A Bill to promote private United States participation and representation in international organizations, programs, and movements, to provide for the establishment of an Institute of International Affairs, and for other purposes."

Mr. FASCELL. Mr. Fraser, I find your comments on the subject, as usual, very articulate and exciting. It is typical of the kind of work that you have been doing in our committee since you became a member.

I would have to agree, without having discussed this matter with you previously, that both of your proposals merit the most serious consideration. We would be very happy to see your proposed legislative language when we begin to mark up the bill. Maybe you could submit it even earlier so that some of the people who are interested in this subject will have an opportunity to comment on it.

The idea of separating the cultural and the educational exchanges from the day-to-day policy administration appears to make sense. Part of those activities is tied up in the U.S. Information Agency, part in the State Department, part in AID, and part in some other departments. It seems to me if we pursued the course you suggested we could finally succeed in bringing some coordination and sensible planning into this situation.

The other point that you made was that we take advantage of the opportunity for political conversation which the proposed institution

would give us—an opportunity to demonstrate our political thinking and to put to rest the myth that Americans are politically naive. I don't think that we are at all politically naive. And, we have plenty of talent that can discuss articulately any phase of our political system and our political philosophies.

Mr. FRASER. In that connection, I recall a comment by the Executive Director of a political institute in Latin America who said that the United States is great on material things but very short on ideas. This represents his comprehension of the face of America as he sees it abroad.

He sees the United States coming forth with material things, not ideas. If we can move forth with ideas in the international dialog, we could demonstrate that we have more vitality than may be apparent.

Mr. FASCELL. I know, as all of us on the committee do, that you have been very active in trying to promote political dialogue with the people of other countries. This is one more step in the general direction which I personally would strongly support.

Mr. Findley?

Mr. FINDLEY. Mr. Fraser, on the composition of the Board, I note that you suggest the President make the appointments and four of the nine members shall be selected from nominees by the two major political parties.

From this I assume that these four political representatives may or may not be Members of Congress. Am I correct in that interpretation?

Mr. FRASER. Yes; there is no proscription which would bar Members of Congress from serving. There is a ban on an employee of the Federal Government, but I don't think a Member of Congress would be considered an employee.

Mr. FINDLEY. I assume from this that the list of nominees would be submitted by the chairman of each of the two major political parties to the President?

Mr. FRASER. Yes; I think probably the decisionmaking machinery in each of the political parties would have to be decided upon by the parties themselves.

Mr. FINDLEY. Do you see any objection to providing that the four members of the board that you now have designated as being submitted by the two political parties would, instead, consist of Members of Congress?

Would that seriously alter the composition of the board? Would that adversely alter it?

Mr. FRASER. Not necessarily, but it would move away from an idea that is important. Unlike most of the countries in the world, our political parties are really confederations of 50 State powers. The base of power is found in each State. National parties are loose alliances of the 50 under a common ideology, but certainly nothing like the centralized political parties that we find in other countries.

At the national level, our national committees, both Republican and Democratic, tend to be inward looking which in a way is their primary function; they have to service the State parties; anybody holding national office is in many respects dependent upon the State for his base of power.

One of the results of this is that our political parties look very little to the outside world.

I doubt, for example, that on the payroll of either the Democratic or Republican National Committees you will find a single person who is, as even a substantial part of his responsibility, concerned about international political movements, or who is in communication with people of similar philosophies or even with different philosophies around the world, attending international meetings, encouraging dialogue and so on.

I was hoping that, through the involvement of the parties in this function, we might draw on some of the people who are active in politics and who do have an interest in the outside world.

We might draw on their resources and talent. Now, Members of Congress would fill this bill in terms of the people you would get, but they might not link it back to the political parties quite as closely. I would like to get the political parties looking outwardly to a considerably greater degree than they do today.

Mr. FINDLEY. There is something to be said for having the Congress represented on this board.

Mr. FRASER. Yes; I think traditionally it is felt that this provides the broader oversight function and I certainly have no objection to achieving that in some fashion. The only thing I would like to urge is that consideration also be given to involving the political parties.

Mr. FINDLEY. To the question raised a little bit earlier about the permanence of the corporation and how it could be phased out if it didn't measure up to expectations, do you see any way to bring this about short of dissolution of the corporation by an act of Congress?

Mr. FRASER. I don't provide for a succession of self-perpetuation. All of the directors are from time to time appointed by the President. This makes the President accountable. If he appoints poor members or inadequate members, he becomes responsible the same way as any of his other appointments may subject him to criticism for which he would be held accountable.

In that respect, I don't see that there would be much difference between this activity and the other kinds of activities for which the President bears primary responsibility.

Mr. FINDLEY. What opportunity for congressional review of this corporation would occur?

Mr. FRASER. Any money appropriated would involve the appropriation process and justification and review.

Mr. FINDLEY. This would authorize appropriation in perpetuity so that the Appropriations Committee would be the only one likely to take a detailed look at this and its deliberations historically have been behind closed doors?

Mr. FRASER. I will have to confess to you that I haven't focused on that point as tightly as I should have. There is an express reservation in here for Congress to continue to have authority to deal with the corporation and its structure. It may well be that there should be reserved some authorizing function. The analogy of the USIA might be worth looking at both ways.

We don't deal with the USIA authorization. That is an open-ended authorization which is continuing. It is really only the Appropriations Subcommittee which looks at it. Whether that is worked out desirably or not, I couldn't say.

Mr. FINDLEY. Perhaps the desire for appropriation could be limited to a 6-year term at which time a new authorization would be in order.

Mr. FRASER. So it would be longer than 1 year but still bring it back to Congress?

Mr. FINDLEY. Yes.

Mr. FRASER. That would be worth consideration.

Mr. FINDLEY. Thank you.

Mr. FASCELL. Mr. Rosenthal.

Mr. ROSENTHAL. I remember last year during my trip to Africa I looked at a number of USIA sponsored libraries in some of the countries that you visited. Every one of them had very large pictures of two Americans; this was uniform almost throughout. They were President Kennedy and Dr. King. All of the librarians that we spoke to said that most of the students that came in there, the visitors, all sought either picture books or pictures and textbooks involving the biographical experiences of both of these men.

Did you find that to be true?

Mr. FRASER. My recollection of the pictures that were on display is that certainly President Kennedy's picture was quite evident. Beyond that, my recollections aren't that precise.

Mr. ROSENTHAL. You wouldn't know if they have taken down Dr. King's picture?

Mr. FRASER. Well there were other pictures there; I think President Johnson's picture was there. But at this moment, I would be a little reluctant to try to plumb my memory.

Mr. ROSENTHAL. Some of the differences between your bill and Mr. Monagan's bill—in your bill you have the President appointing nine members with the advice and consent of the Senate. His bill doesn't provide for the advice of the Senate and Congress.

I suppose you prefer your view?

Mr. FRASER. I think it is important that the responsibility be centered, if there is to be an appointing authority. Then my preference is to center it in one person who is politically accountable to the public. That is why I propose this.

Mr. ROSENTHAL. Something else that seems significant as to the differences between the two bills, is in the purposes clause.

Your purposes are stated in section 3(a). Mr. Monagan's is stated in section 4 of his bill. He talks in section (a) of promoting international understanding of and appreciation and respect for American culture in point (a) and in (b) to promote a better understanding of American institutions and culture.

You, in your purpose section, don't have anything related to that at all.

Mr. FRASER. Except that the first clause in the purpose in my bill provides that the purpose should be to strengthen friendship and understanding among the peoples of the world, and I would think that would encompass the purpose which he sets out.

It seems to me that in trying to strengthen friendship and understanding, it does require that the American culture, American ideas, American traditions, be a part of the process of developing better relationships and thereby strengthening friendships.

Mr. ROSENTHAL. Just one other question, Mr. Chairman. I assume you have come to the conclusion that participation of these private groups abroad is a necessary function of our foreign policy or our involvement in the world. Is this possible that this could be accomplished by private groups without government funds?

Mr. FRASER. I think it is very difficult for this to be done adequately. It is true that when other governments in the world, particularly the Soviet Union or some of the bloc countries or Red China, put people in the intellectual or artistic or cultural fields overseas, that they are government subsidized and in their more direct political work around the world where they are clearly agents of the political ideology of this country, that they are effective.

They reach people on the idea level and I think for those of us who would like to promote open societies, it is a mistake to sit back and say that we can compete effectively without lifting a hand or providing the means with which this competition can take place.

I should add it is my feeling that it would be a mistake to frame this too much in terms of the cold war. One of the things that you see as you travel around the world is the range of institutions and the range of the ways in which societies are organized and I think it is getting less and less possible to categorize clearly the world into two camps.

There are a large number of camps developing and yet because we are such a large nation and because we command such an enormous amount of economic and military power, I think it is terribly important that we end our deficit in the idea field.

In response to your question, the thing I fear most is that the revelation of the CIA role is now behind us. There is a risk that this matter may lose the attention and interest of people. I think this would be a great tragedy.

I think there is a rather substantial urgency involved that something happen even though the sense of urgency may disappear from many people in the public and even people in the government.

This is not an area that we are inclined to pursue. We have to keep reminding ourselves how important it is and not let this matter die out or lapse.

Mr. FASCELL. Thank you very much, Mr. Fraser.

At this point, we shall take the testimony of another distinguished and articulate colleague, a co-sponsor of H.R. 7484, Congressman F. Bradford Morse, of Massachusetts.

Mr. Morse.

**STATEMENT OF HON. F. BRADFORD MORSE, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MASSACHUSETTS**

Mr. MORSE. Mr. Chairman, as a cosponsor of the Institute of International Affairs Act, I am pleased to express my support for its early enactment. Such an institution will make it possible for the United States to pursue its proper objectives in the world community free of the taint of secrecy.

We have all been disturbed by the recent allegations of secret Central Intelligence Agency support for student attendance at international conferences, and for the activities of numerous other private

organizations working abroad. But it would be most unfortunate if the many worthwhile activities now underway were to be curtailed or discontinued solely due to disclosure of their sources of support.

It is for this reason that an Institute of International Affairs would be most constructive. To be sure, it is too simplistic merely to transfer the funding of current activities from a governmental agency to a public-private institute. I would hope that a change in funding could provide an opportunity for a reevaluation of existing activities. Those which are effective should be continued; those which are not should be eliminated.

I think we have only begun to learn the extent to which private groups have been publicly financed. Hopefully these hearings will add to our knowledge, and we must have the full cooperation of the executive agencies involved. For we cannot make an intelligent decision about the level of public support that will be necessary in the future, nor can we ask private individuals and groups to join with us unless we have a very clear idea of the content and scope of our international activities.

I hope that this subcommittee will help the Nation determine just what type of international activities are in the national interest, and the extent to which they should be supported by the proposed Institute or by other agencies of Government such as the Department of State or the Agency for International Development.

This is not to say that we don't need an intelligence agency. Any nation with the power and position of the United States must have sources for the collection of intelligence. It is to say that we must decide where to draw the line between intelligence gathering and policy-making. This area has never really been subjected to searching congressional inquiry despite Guatemala, the U-2 incidents and the Bay of Pigs. It is perhaps ironic that the national debate that has been sparked by the most recent allegations results from actions less damaging to our national interest than to our image of ourselves.

It is arguable that we have been extremely naive about our intelligence effort. Naive in our belief that a complex funding and accounting system could shield the truth indefinitely; naive in our conviction that the U.S. Government could not openly give our system a voice in international councils where others were known to be receiving governmental support.

Perhaps, too, the Congress has been partially at fault in not providing the means to conduct effective foreign relations free of the cloak of secrecy. We have driven some of our best programs underground.

The bill before you provides an opportunity to correct both our naivete and our negligence.

It would be the first responsibility of the Institute of International Affairs to evaluate the activities currently supported by the U.S. Government, second to determine which of the desirable programs should be supported by an existing agency and which by the Institute, and third to look for areas of useful activity not now receiving the attention of public or private groups.

Only when this careful analysis has been completed, can we ask, in good conscience, for the financial support of private citizens, foundations, and organizations. Whatever the areas of responsibility finally reserved to the Institute by this evaluation process, it is particularly

important that we increase the role of the private sector. It is already clear that private decisionmaking in the international field is growing rapidly. To a large extent, international business, travel, charitable and educational programs all help to give content to American foreign policy. The prominence given by the proposed act in section 3(a)(2) to the encouragement of the development of free and democratic institutions provides ample scope for the participation of private groups in strengthening "friendship and understanding among the peoples of the free world."

As this subcommittee pointed out in 1965 with the publication of "Overseas Programs of Private Nonprofit American Organizations," there are some 501 organizations which reported conducting 4,279 programs on six continents. Clearly their efforts have foreign policy implications. While this trend is to be encouraged, we also need better means of coordination. Amendments to the Foreign Assistance Act of 1966 are beginning to show results. The creation of an Institute of International Affairs would provide an additional clearinghouse of information and mutual support.

As important and constructive a step as the creation of an Institute would be, I do not think it is the total answer to our essential intelligence dilemma. What is the necessary role of intelligence gathering agencies in a free and open society, and who is to supervise those agencies?

While it is not within the jurisdiction of this subcommittee to act on the problem of congressional oversight of our intelligence community, I would like to direct the members to this issue briefly.

In my judgment, many of the problems we are grappling with today might not have developed had our intelligence policy had the benefit of sensitive political counsel from the legislative branch. A small number of Members and Senators are briefed, but they are not consulted. We have the forms, but not the substance of control.

Again this year, I have introduced legislation to create a Joint Committee on Foreign Information and Intelligence. Under H.J. Res. 338, the committee would be composed of nine Members of the House and nine Senators to be selected from the Appropriations, Armed Services and Foreign Affairs Committees of each body. It would not be the function of the Joint Committee to conduct a one-shot investigation, but rather to provide a continuing source of counsel and advice to the intelligence community.

I hope that the subcommittee will consider the wisdom of this, endorsing the concept of a joint committee such as that proposed by H.J. Res. 338.

In conclusion, Mr. Chairman, I would like to commend you and the other members of the subcommittee and its staff for the prompt and effective manner in which you are approaching a problem immediate in its impact on our foreign policy yet far-reaching in its implications for the ability of the United States to serve its national interests abroad.

Mr. FASCELL. Thank you very much, Mr. Morse.

Mr. MORSE. Mr. Chairman, I ask unanimous consent to include in

the record of these hearings a supplementary statement discussing the points I have made in greater detail.

Mr. FASCELL. Without objection, it is so ordered.
(The statement referred to follows:)

SOME ASPECTS OF FEDERAL FUNDING OF CERTAIN PRIVATE ACTIVITIES OVERSEAS

1. DEFINITION OF NEED

Recommendation

The need is for a non-governmental institution which would channel federal funds to U.S. non-profit organizations making a contribution to the attainment of U.S. foreign objectives.

Analysis

Both the Legislative and Executive Branches have held repeatedly that American non-profit organizations, from charitable voluntary agencies to student associations, have a unique and necessary contribution to make to the total U.S. effort overseas. However, private funds have been available only on a very limited scale. Whenever a major program was conducted, as in distribution of surplus food, federal funds were indispensable. Moreover, nearly all of the programs that faced up squarely to the political dimension of foreign assistance, thus becoming particularly relevant to U.S. foreign policy objectives, habitually have been held ineligible for private support. In fact, even federal agencies have been hesitant in providing open support in such cases. As a result, much of what has been done has been made possible only by covert subsidies provided through the CIA. Continuation of this practice is no longer feasible after the revelations made in the press in February. In addition, the view is widely held that open support is possible now due to increased sophistication in matters of foreign affairs in and out of Government, and therefore funds should be given through a publicly accountable institution.

2. CHARTER

Recommendation

Congress should charter an autonomous institution, which might be called Overseas Fund (OF), to supplement the overseas activities of existing federal agencies. The charter should not in any way infringe upon the policy hegemony of the Department of State in the conduct foreign affairs, and on the mandate of the Agency of International Development to provide foreign assistance. Instead, OF should be given the task of assisting the development and maintenance of non-profit organizations which would contract with the operating agencies of the government for purposes of overseas programs. In addition, OF should support a broad spectrum of experimental projects intended to devise new methods of foreign assistance in the development of human resources.

Analysis

Recognizing the need for a new institution, it is often said that it must be constituted as a semi-private organization with the implication that it should be guided only by its own policies in expending federal funds. Such a course would inevitably shipwreck the institution on the rocks of vital U.S. foreign policy interests. It would be unreasonable to believe that taxpayers' money could for long be put to uses in foreign countries which on occasion might work at cross-purposes with the efforts of the President and his Executive Departments. At the same time, any effort to guard against such situations by careful coordination would result in encumbering the new institution with all the bureaucratic burdens that federal agencies have to carry. An onerous coordination requirement would effectively strip the institution of most of the attributes that make it desirable.

Hence the parameters of its charter must be so carefully fitted into the existing gap in capabilities as to allow OF to move with great freedom within these limits. This can be done by mandating OF to act only as a supporter of non-profit corporations and of their creativeness, not of their overseas programs that are part of the conduct of foreign affairs.

3. BOARD OF TRUSTEES

Recommendation

The first Board of Trustees of OF shall be appointed by the President with the approval of the Senate. Thereafter, members of the Board shall be similarly selected on a staggered basis, nominated by the Board.

The Board of Trustees should be composed of a majority of private individuals who have made an outstanding contribution to the conduct of international programs. A minority of the members of the Board should be drawn from the various agencies of the U.S. government involved in the implementation of U.S. foreign policy.

Members of the Board would be reimbursed for out-of-pocket costs in attending the meetings, and would be paid fees for the time spent on OF business. They would hold full responsibility for the operations and policies of OF. In this context within the guidelines of the Bill establishing the institution, the Board would make all of its rules and regulations.

Analysts

The President and the Senate, who have constitutional responsibility for the conduct of foreign policy, would be able to steer the institution by their selection of Trustees. The Trustees, once appointed, would be independent of any outside influence, except that they would be responsible to Congress for OF's federally financed budget. Continuity of approach will be aided through the role of the Board in nomination of new members.

Individuals drawn from the private life can bring to bear on the issues involved a variety of experience, a breadth of contact very different than that possessed by official representatives of the U.S. Government. A Board composed of a majority of persons from private organizations and a minority from government agencies provides for both a close relationship to official government policy and for the breadth of experience of private organizations. By holding the Board members fully responsible for the institution and by paying their costs and a fee, appointed individuals will not be handicapped financially by serving on the Board nor will individuals be as tempted to accept the position simply for its prestige—for with the prestige will go full operational responsibility and accountability. Secondly, the public and the government can be better assured of the role which the private sector will be taking in the formulation of the institution's policy if they know that the Board members are fully responsible for the fund and are not serving just as figure-heads.

4. POLICYMAKING AND BUDGETING

Recommendation

A statement of broad policy outlines should be made and approved yearly and a budget drawn up on the basis of this policy. The policy statement would encompass 1) the areas being given primary emphasis by U.S. foreign policy (such as rural productivity) and for which program grants to contractors would be available from Executive Agencies; 2) those areas of interest to the U.S. Government in which it feels it cannot or should not operate officially (e.g. youth festivals); 3) those areas in which OF would wish to see more experimentation done (e.g. urban slum organization) which might lead to the incorporation of a new approach in U.S. Government sponsored programs. This general statement of policy would be drawn up by the administrative staff of OF after consultations with all sections of the Executive branch of the government involved in areas of foreign policy, in particular the Department of State, AID, USIA and HEW. It would be submitted to the Board of Trustees for approval after which a budget would be drawn up. After approval by the Board both the policy statement and the budget request would be submitted to Congress.

The role of the Board in the implementation of the program would be: (1) approval and yearly review of all organizations to receive administrative support; (2) approval of all single grants over \$100,000.

Foundations and individuals would be encouraged to give money to a special fund of OF (it would be tax exempt). This fund would be administered by the Board of Trustees under the same general policy directives as funds from the government (thereby assuring accordance with U.S. foreign policy objectives). The funds in the private fund could be applied to any area or part of the program of the Institute but could be applied to only one program or area if so desired by the Board. A percentage of the private funds, equal to the percentage which

the private funds are of the government funds, could be applied to OF administrative costs, if the Board wished.

Analysis

The development of policy guidelines on the basis of consultations with officials responsible for the implementation of U.S. foreign policy provides for the development of programs which fit within and enhance the stated U.S. foreign policy objectives. In particular, those areas can be emphasized by OF in which the official branches of the government feel there should be more experimentation or in which they feel they cannot operate effectively. Ultimate concordance with U.S. foreign policy objectives is guaranteed by Congressional approval of the guidelines and budget. At the same time, the many non-profit organizations applying to OF for grants can be counted upon to introduce an element of innovation, imagination, and private initiative.

The addition of private funds would not only increase the total amount of funds available, but it would also give added flexibility to the Board of Trustees in the funding of the various types of programs undertaken by the institution (for example, all of the private funds could be put into experimental projects during a certain period when there was a large need for such experimentation, or a particularly large number of worthy experimental projects submitted to the institution). Secondly, this fund would open the way for foundations to involve themselves in types of programs in which they have indicated great interest but which they are often reluctant to sponsor on their own for fear of jeopardizing their own programs. Certainly it is possible that some of the experimental projects funded by OF which prove to be successful would find later, long term funding from foundations.

5. PROGRAMING

Recommendation

Grant criteria should be established to limit OF's program to the support of organizations whose overseas action programs make a contribution to improvements in human organization. Further, emphasis should be put on organizations of demonstrated relevancy based on success in meshing their ideas with leadership elements abroad.

In addition to the basic operational budget needed by the Fund's small permanent staff, funds should be made available for the following program areas:

A. Development funds to assist in the creation of international departments in relevant private domestic organizations not presently engaged in such activities.

B. Seed funds to support the establishment of new private organizations which give promise of filling important gaps in the compass of private U.S. activity abroad.

C. Grant funds providing basic overhead support to proven, existing organizations with international programs.

D. Grant funds to permit any of the above groups to conduct experimental projects abroad whereby methodologies for expanded activity can be developed and tested.

No grants would be made for purposes of research or relief. Grants under A and B (new organizations) would be usually planned for three years. Grants under C (overhead support for existing organizations) would be mandatorily discontinued if the organization concerned failed to attract any program grants for two years.

Analysis

Apart from the very largest self-endowed private foundations, even the voluntary associations with large and active U.S. memberships are not usually in the position to develop expertise and staff to conduct programs abroad, despite their often manifest interest and significant capacity to contribute. Equally serious, is the sluggishness with which the private sector's experience and personnel talents have been brought to bear on devising new approaches to the discharge of our overseas responsibilities. This has only in part been due to the unavailability of adequate funds; also lacking has been an appropriate public forum, rationally drawn up standards, and a decision making apparatus to consider the questions involved in a coherent and sustained manner.

Among the minimally acceptable operating grantee standards, in the case of domestic membership organizations with existing or newly created foreign

affairs departments, should be the requirement that these departments maintain separate budgets and direction so as to preclude the co-mingling of funds received from the Fund with domestic resources used for U.S. programs. At the same time, continued affiliation between a voluntary association and its international subsidiary would usually depend on the latter's acceptance of policy guidelines set by the domestic organization.

6. PROVISION OF PROGRAM FUNDS

Recommendation

As opposed to funds for overhead and experimentation which are to be provided to participating non-profit organizations by OF, funds for the operation of their programs should come from existing Government agencies charged with implementing U.S. foreign policy. Included would be the Agency for International Development, the U.S. Information Agency, The Cultural and Educational Affairs Office of the Department of State, and perhaps the Department of Health Education and Welfare under terms of the International Education Act.

Analysis

Since AID, CU, etc., have been charged with implementing U.S. foreign policy and not to experimenting to find new approaches, methods and systems of achieving foreign policy goals, it is not surprising that they have not been filling this need. OF should be constituted to provide the funds to private organizations interested in creating new methods, and experimenting with new approaches. The granting of program funds is the proper role of AID, CU, etc. who have the machinery for determining whether a proposed program will contribute to and complement foreign policy goals.

Restricting the granting of program funds to AID, CU, etc. and the granting of overhead and experimental funds to OF provides a built-in method for avoiding the subsidization of organizations which are no longer capable of contributing to the achievement of foreign policy goals, for whatever reason: loss of dynamism, incompetent management, unrealistic approaches, attention only to low or non-priority activities, etc. The inclusion of this feature in the bill will provide an important safeguard to those responsible for the management of OF as well as the taxpayers whose money will sustain it, because an objective criteria for cutting off overhead and experimental funds to non-productive organizations will be explicit. If an organization can't sell proposals to AID, CU, etc. it is clearly no longer useful to the achievement of foreign policy objectives. Consequently, it is no longer useful for OF to subsidize overhead and experimental costs.

Conversely, OF's overhead subsidies to existing or new non-profit organizations contracting with the Executive Departments and Agencies amounts to subsidization of the policies which will be reflected in OF's budget as approved by Congress after consultations with Executive Departments and Agencies. Being a small and highly flexible instrument, OF could thus be expected to promote, through its overhead subsidies, the implementation overseas of new and imaginative policies. In this way it could become a valuable addition to the mechanisms available to policy makers in the Executive and Legislative branches for the purpose of implementing their policies.

To make this funding system work effectively, Congress might consider passing legislation or resolutions to direct and encourage AID, CU, etc. to seriously consider and respond to applications for grants and contracts from OF-approved organizations. It is also reasonable to consider increasing the grant funds available to these government agencies to make up for the funds that will no longer be available through private foundations which evidently, previously obtained funds from the CIA. Title IX of the amended foreign assistance act might serve as a model of the kind of directive or encouragement recommended above. In fact, if OF doesn't become operational by December 31, 1967, the Congress might consider providing AID, CU, etc. with a temporary directive to consider such grants until OF can undertake its own responsibilities as outlined in the suggestions of this paper.

Mr. FASCELL. This brings to a close today's hearing. Before we adjourn, I should like to request unanimous consent for the inclusion in the record of various newspaper articles and editorials which have a direct bearing on our deliberations.

(The articles referred to follow:)

PRIVATE PARTICIPATION IN INTERNATIONAL AFFAIRS 29
[Editorial from the Evening Star, Washington, D.C., Thursday, Feb. 16, 1967.]

CAP AND CLOAK

The newly-revealed financial liaison between the Central Intelligence Agency and the National Student Association—giving everybody the full benefit of the doubt—is not a pretty story. And the additional information, unearthed by The Star, that the CIA largesse was extended to other student groups here and abroad, adds another unsavory chapter.

Word of the clandestine relationship broke in the form of a newspaper advertisement for Ramparts Magazine, heralding a forthcoming article that will, according to the ad, "document how the CIA has infiltrated and subverted the world of the American student . . ." and how the agency has "used students to spy."

This, according to both the United States Government and NSA officials, is going a bit far. They admit that money has been passed from the CIA to the student organization for the past 15 years, using the cover of donations from charitable foundations. But the money, they insist, was not used to establish spy training courses or to pay salaries of junior secret agents.

It went, instead, toward "assisting student groups abroad and promoting international understanding" through student exchange programs. The NSA story is that there were no funds available to send American students abroad to present this nation's point of view at international conferences until the CIA came across under the counter. Only the top echelon of the NSA knew of the arrangement; the students spoke strictly for themselves, and did no spying nor collecting of sensitive information.

The explanation is logical and probably closer to the truth than the sensational charges implied in the magazine advertisement. But even so, the arrangement was wrong and the NSA officials knew it was wrong. They had, in fact, started to break off the illicit relationship long before the spotlight was turned on.

There is nothing immoral about the government undertaking to finance, in part or in whole, student exchange programs and trips for American students to international meetings. The State Department and the United States Information Agency could—and in our opinion should—underwrite such programs openly.

The impropriety arises when the financing is covert, as it was in this case. There is always the danger that the affair will be revealed in the most sensational and hostile showcase available, and that the result will be a rash of official investigations. Just the way it happened this time.

[From the Christian Science Monitor, Feb. 18, 1967.]

TATTLE-TALE GRAY

(By Erwin D. Canham)

The chief trouble with the Central Intelligence Agency operation, it seems to me, is that it was called upon to do too much. Not just "black" but "gray." Along the way, caught in its own ambivalence, it made many mistakes.

Let us start with espionage—intelligence work, the "black." Most of us will agree that in the world as it is today there has to be intelligence work. In a conflict between open societies, like the United States, and police states, like the Soviet Union or Communist China, the advantages seem to be all on the police state side.

Communist spies have only to buy the technical magazines issued for public sale, or read the reports of professional societies, or follow the indiscretely released information of rival defense services, to glean material which would be difficult indeed to obtain in their own lands. In addition, they can pursue the trade of spying with nothing like the surveillance automatically applied in a police state.

QUESTIONABLE FINANCING

I have the impression that the United States's strictly intelligence work—the spying—may have been pretty effective over the last three or four decades. Such things as the cracking of communications codes was already far advanced in the early decades of the century. It paid off tremendously in World War II. When the whole story is told, and one cannot guess when that may be, I think

the results of American espionage will be fairly creditable. It is too bad that such things have to be. But it is too bad that armaments still exist and tragic that wars are fought. As we grow beyond them, we may hope to grow beyond espionage.

The CIA's trouble has not really been over espionage, but over its activities in quite different fields. The bribing of political leaders in other countries, the support of apparently innocent activities (I was told today, for instance, of the financing of a farm cooperative in a friendly European country) were no doubt part of the world struggle against communism. But they were the sort of thing which drive deep moral wedges into the side of decent society. Some of them should not have been done at all. Others should have been done openly, by frankly interested organizations.

JOB FOR FOUNDATIONS

That was the trouble with CIA support of the National Student Association. This admirable organization needed financial help, as a counterpoise to flagrant Communist subsidization of other student groups around the world.

The NSA could have been legitimately supported in at least two other ways. It might frankly have accepted aid from the federal government, say the Office of Education or the State Department, for its international program. Or, if the government aid were really felt to be a handicap, the NSA might have sought the help of great foundations. Perhaps they did. But if necessary, the people who took the situation seriously enough to devise CIA aid might have gone to the executive and boards of the foundations and impressed upon them the need for clean, unconcealed financial support. It would have been forthcoming if the case had been properly presented and was good enough.

SPECIAL CONTRACTS

Many other things the CIA paid for, I believe, were worth doing, were honorable, and should have been governmentally financed. This applies to many of the jobs done overseas on contract by United States universities. It is one thing for a specialized department in MIT to do a contract job on the banks of the Charles River for the CIA. It is another thing for a university to set up a program in some foreign country, professedly as an academic project, when really it is a mixture of espionage and counter-communism.

The sooner the CIA is cut back to its admitted function of intelligence gathering and evaluation, the better.

President Kennedy felt he had learned a lesson at the Bay of Pigs, which was that military operations should be handled through military rather than intelligence expertise, with the final decisions taken by intelligent laymen. President Johnson doubtless has learned a lesson in the NSA scandal, which is that the good name of education and of students (and a great deal else) must be preserved through honesty and openness.

[From the New York Times, Feb. 20, 1967]

SUBVERSION BY C.I.A.

The disastrous effects of the systematic penetration of American educational, cultural and labor organizations by the Central Intelligence Agency daily become more apparent. The strength of these organizations, both in the structure of American society and in their relations with their opposite numbers in other nations, always has been their freedom from government domination.

Now, through the deviousness of C.I.A. operations, thousands of scholars, students, unionists and professional leaders discover long after the fact that they have performed unwitting and undesired duty as secret agents.

The integrity of pro-American positions, honestly taken by groups and individuals in the world wide battle of ideas, has been undermined. The independence of America's private foundations has been brought into question. In short, faith in American institutions has been besmirched in a way that would have eluded the reach of any foreign enemy.

It is no excuse to say that the C.I.A.'s decision to use a limitless range of philanthropic fronts to funnel its funds into youth groups, universities and other

private institutions was designed to meet a very real problem of the cold war: the need for assuring that the Communists would not have an unchallenged field in the youth congresses and cultural conferences they were arranging—and subsidizing—on a global basin ten and fifteen years ago. That problem should have been met openly—by direct public subsidy.

It should have been clear long ago to the C.I.A.'s overseers in the White House that the end effect of clandestine subsidies to groups representative of the detachment and diversity of a free society must inevitably taint the genuineness of their detachment. This would be true even without the charges that have now developed of the assignment of C.I.A. operatives to influence the policy statements and choice of officers of the National Student Association—a practice that may have extended to other organizations as well.

* * * * *

The health of a democratic society depends on the certainty that its free institutions—its press, its educational and scientific bodies, its publishing houses and television networks, its unions and business organizations—are truly free. That does not mean government is barred from underwriting international exchanges or research study; it means that, where such support is appropriate, it must be given openly through its own public agencies.

The worst part of the current mess is that the very nature of the C.I.A., with its mandate for espionage and subversion all over the world, rules out any thoroughgoing public inquiry into its activities. That means some residue of suspicion is sure to remain—both in this country and abroad—no matter how conscientiously the Cabinet Committee appointed last week by President Johnson seeks to formulate policies that will prevent the C.I.A. or any other Federal bureau from imperiling the “integrity and independence” of educational institutions.

When a government finds it necessary to set up an agency to fight subversion with subversion everywhere, the tragic danger it opens up is that among the people it subverts are its own. The defense against such weakening of America's institutional fabric must rest with the President and Congress. Even with the recent broadening of Senator Russell's watchdog committee, Congress is not doing its part of that job.

[Editorial from Life (magazine), Mar. 3, 1967]

LESSONS OF THE CIA MESS

Practically no one, from the Administration on down, comes out of the current Central Intelligence Agency flap looking good. Though it is too early to assess the damage, it is plainly considerable. The CIA has again been confirmed in its role as fall guy and fair game for rebels and antiestablishmentarians of every stripe.

Actually, the agency has done pretty well at what it is supposed to do: produce intelligence. Its blunders—the Bay of Pigs, for example—have been heavily publicized, while its triumphs in what Secretary Rusk calls the “back-alleys war” have necessarily gone unsung. Without the CIA's dogged and ingenious work the U.S. would know less and be in a far shakier position in the world today.

Its function as aid and comfort to assorted honest but indigent causes, on the other hand, is questionable in the extreme.

Considering the CIA's reputation, it is surprising that many of the organizations it has covertly supported tend to be liberal (even a project under Norman Thomas got funds). Some of the activities are so spectacularly worthwhile in themselves that almost the only way to discredit them would be by associating them with intelligence operations. It is reasonable to ask how this was permitted to happen.

Fifteen years ago the political climate in Washington was such that the easiest way to feed government funds into certain projects (such as sending student delegations abroad) was by subterfuge. Congress was in no mood to give the money openly. The CIA being in the subterfuge business, the Administration appointed it bagman. Subsequently, the CIA took advantage of its position in some cases to recruit agents and otherwise use the dependent groups.

Not everyone was so abused. But now that the whole thing is blown, everyone involved has been compromised.

The CIA may be faulted for doing a job that it shouldn't have been doing in the first place, and for doing it much too long. However, the root blame is not

with the agency but with the hypocritical American unwillingness to see certain types of individuals or activities lose their "amateur" status even when they cannot afford it. All for the sake of preserving a myth of independence, the officers of a large number of groups, to say nothing of four Presidents and a host of public officials, have found it necessary to countenance an extraordinary degree of devousness. The Central Intelligence Agency should stick to intelligence and let other government agencies, on an open basis, bankroll the good works.

[Editorial from *Look* (magazine), Apr. 18, 1967]

A FORMER AMBASSADOR SAYS A FEW KIND WORDS FOR THE CIA

It's open season on the Central Intelligence Agency. Just about everybody, from the California New Left to the Arizona Old Right, has been taking potshots at one agency of our Government that can't talk back. The revelation that it has helped finance through foundations some cultural and student groups seems to have aroused even more indignation than the Bay of Pigs fiasco six years ago. Editorial-page cartoonists are again caricaturing the foxy-faced little men in trench coats with CIA on their hats, and any mention of the Agency is good for a snicker on the cocktail-party circuit. CIA is once more a dirty initial.

And as usual, the CIA has had to keep quiet. It's the silent service that is never able to brag about its frequent successes nor confess its occasional failures. Even its friends on the outside have to be careful about what they say for fear of violating security. And yet, having seen quite a bit of CIA operations during my five years as a U.S. Ambassador, from 1961 to 1966, I feel like saying that I'm sorry about the recent furor and sorrier still about its possible consequences. For the exposé in *Ramparts* magazine has succeeded in doing what Communist propagandists have tried for years, in vain, to accomplish: the slandering of American students and scholars abroad and the discrediting of much of the good work done by our private foundations.

Carl Rowan, who was, like me, a Kennedy-appointed ambassador, recently asked in his newspaper column: ". . . [are] the benefits to 'freedom' accruing from these exposés of the CIA . . . great enough to balance out the damage done to our security"?

I don't believe that anybody should answer "yes" to this question without first taking the following insufficiently appreciated facts into consideration:

1. The CIA is primarily concerned with the collection and evaluation of intelligence from a variety of sources. Its 15,000 employees are neither spooks, jackasses nor supermen, as they are so often and so variously depicted in fiction; they are for the most part calm, studious, deskbound professionals who never do the kind of things James Bond does. Nor is the Agency by any stretch of the imagination "an invisible government." Abroad, CIA people assigned to our overseas missions are under the jurisdiction of our ambassadors. In Washington, CIA activities are cleared, approved and supervised by the interdepartmental National Security Council, which meets in the White House.

2. The CIA is also in the business of watching and countering the actions of the Soviet KGB and other Communist intelligence services. Unhappily, the cold war is by no means over. I have seen at firsthand and close range in Africa how much effort and money is spent by our adversaries to bribe, deceive, subvert and undermine the potential leaders of these new young nations. And I have been gratified, as an American, that we have been able to alert our friends and help protect African independence and nonalignment—thanks in part to the CIA. The information we have been able to furnish free governments about the identity and activities of KGB agents among others has been invaluable. For the latter's activities are both far-flung and intensive.

Between 60 and 70 percent of all Soviet-bloc diplomatic personnel in Asia and Africa are intelligence agents in disguise. And among Communist newsmen, the proportion is even higher. Compared to the opposition, we are quite thin on the ground; but then, our mission in these countries is not to subvert but to help prevent subversion.

3. Indirect CIA financing of student and cultural activity has been negligible compared to what the other side has been doing. The Russians alone are estimated to be spending \$10 million a year in recruiting and proselytizing youth groups. Total CIA subsidies to counter this campaign since the early 1950's have been

less than a third of this sum. The beneficiaries of funding have not—as implied in the recent exposés—been bought, badgered or corrupted by the CIA. In fact, most of them didn't even know where the money was coming from. Unlike their fellow students from the East, they were not expected to take orders, perform espionage functions or even promote official U.S. views on foreign policy.

Then why all the fuss? I think part of the reason is that the CIA has both an undeservedly sinister reputation and the wrong kind of name to be in the business of supporting activities that are peripheral to its intelligence-gathering mission. The British perform this function more discreetly. Student, youth and cultural affairs are handled by the British Council, a privately run but government-supported institution. The French work through their Ministry of Education and the *Alliance Française*. Their CIA counterparts manage to keep far away and out of sight—which is where they belong. This is not to say that Britain or France are “closed” societies. It's just that, being more experienced and sophisticated, they appreciate the importance of self-imposed restraint on publicizing intelligence operations.

We Americans don't—perhaps because we feel guilty about the CIA. I don't think we have any reason to, but then I've had more chance than most of my fellow citizens to see how the Agency works.

So what do we do now? Admitting that the CIA and our top Government officials were naïve in thinking that these indirect subsidies could be indefinitely hushed up, we still should not jettison the activities they made possible—not if we care about enlarging worldwide understanding of America and what we stand for.

I believe that it's up to the Congress, which holds the purse strings, to repair the damage. You can hear plenty of patriotic cold-war oratory on Capitol Hill, but when it comes to appropriating funds needed to wage the cold war, our representatives don't always suit their actions to their words, except where military expenditures are concerned. Let's hope the recent furor will impel our elected representatives to realize that Vietnam is only one front in this war—and by no means the most important—and that being niggardly about foreign economic assistance, about USIA operations and about the kind of activities that should be handled by the State Department's Bureau of Educational and Cultural Affairs is the most shortsighted kind of economy at this time in history.

The job the CIA has been doing covertly needs to be done overtly, perhaps by an agency with a less cloak-and-dagger-sounding title. Otherwise, we will only make it easier for our determined and unscrupulous opponents to convert and subvert a new generation of leadership in this revolutionary world.

And while we ponder how to do it, let's also hope the muckrakers get on a new tack. We've done ourselves enough damage already.

WILLIAM ATTWOOD, EDITOR IN CHIEF

[Editorial from the Saturday Review, Mar. 18, 1967]

EDUCATION IN AMERICA

WHO WILL POLICE THE ACADEMY?

THE FUROR that followed the disclosure that the Central Intelligence Agency had subsidized the National Student Association and other para-educational groups has touched almost every issue except what may be the most important of all—the responsibility of the academic community to honor its own commitments. The academic freedoms and immunities associated with teaching and scholarship were developed because truth cannot be pursued objectively under duress or under the subtle pressures associated with prior commitments to a special point of view. At the same time, the very nature of learning and research depend on the integrity of the practitioners: A scholar or teacher with secret loyalties and support becomes an apologist rather than a seeker of truth.

No one questions the need for academic talent in government, or for overt, publicly acknowledged governmental support in legitimate research and education. But when academic organizations or individuals make secret arrangements with the government, or with other organizations, the integrity of the whole academic enterprise is endangered. As a result, every time an American student or professor is detained or arrested in the Soviet Union or in Eastern Europe we will be reminded of the CIA's relationship with educational organizations, and

every time a research program is questioned overseas we will wonder about the independence of its staff. Most important, the latest CIA affair tends to cloud the reliability and integrity of every piece of scholarship that touches—however remotely—some issue of national interest.

The only effective defense for American education is that it police itself. American teachers and administrators are well represented by national organizations of almost every description— from the American Council on Education and the American Council of Learned Societies through a whole array of professional associations in the major disciplines. Each of them professes to be concerned with matters of academic freedom and professional integrity, and each of them presumably has a stake when such integrity is jeopardized. It is the responsibility of such organizations to make clear what covert association with governmental agencies implies.

The anger and embarrassment of the academic community, which often turns instinctively on agencies like the CIA, might well be turned on itself. It is in some measure, the CIA's business to be covert and clandestine, and as long as we have it, we can expect it to operate in character; but the very heart of the academic enterprise lies in its candor and reputation for good faith. Any transgression by one element ultimately taints others. It is therefore incumbent on the representative organizations of American education to define the responsibilities of academic freedom, and to censure and discipline the transgressors in their own camp. It is time for them to declare unequivocally where they stand. Anyone—be he a scholar studying agriculture in the Soviet Union or a student representing the United States at an international congress—resigns his right to his academic credentials when he serves as a covert governmental agent. Education cannot serve two masters.

—P.S.

[From the New York Times, Feb. 18, 1967]

WIDENING C.I.A. DEBATE

GOVERNMENT'S RIGHT TO INFLUENCE ROLE OF PRIVATE GROUPS HELD KEY QUESTION

(By Max Frankel)

WASHINGTON, Feb. 17.—The disclosures in recent days about the Central Intelligence Agency and its links to foundations and youth groups form only a small part of the debate that has been provoked here.

That the agency underwrote the propaganda, the organizations and the travels of non-Communist leftists and liberals the world over was known to many persons, suspected by many more and written about by some. So, too, was the fact that the financial support was distributed through real and dummy philanthropic foundations and business organizations.

At least some Government officials, including C.I.A. officials, have periodically wondered about the effectiveness of these programs. The support of some groups was transferred long ago to legitimate foundations. Some activities were curtailed, but others were expanded. Most just went on and on for lack of challenge or independent review.

Suddenly, however, the spark has been set to this explosive problem by the implication of the National Student Association, with its more than 300 chapters embracing the student governments of most major colleges and universities. More dramatically than ever before, it has been shown how the private deals of two or three association leaders with the C.I.A. can compromise the views and reputations of hundreds of thousands of citizens.

Similarly, the direct implication of philanthropic foundations has cast suspicion upon thousands of unwitting recipients of their legitimate largesse.

There is thus discussion not only about the value of foreign propaganda and infiltration activities or about the wisdom of secret government support for them. Clearly posed now is the question of whether government has a right to influence, support, organize or sustain any activity that its citizens serve, deal with, use, or join on the assumption that it is private and unofficial, as advertised.

The faculty of the Massachusetts Institute of Technology faced this question a few years ago and demanded a severance of all ties to the intelligence agency. Scholars found that innocent missions abroad had been tainted and jeopardized. Harvard's administration said it faced the issue when it decided to permit individual scholars to serve the agency but to prohibit institutional involvement.

President Johnson, responding to the crisis of confidence in the academic world, has instructed three high officials to review all programs that jeopardize the "integrity and independence" of educational organizations and to recommend alternate procedures for confidential operations abroad.

This order went to a group that is well versed in the problem—Nicholas deB. Katzenbach, the Under Secretary of State and former Attorney General; John W. Gardner, the Secretary of Health, Education and Welfare and former president of the philanthropic Carnegie Corporation, and Richard Helms, the Director of Central Intelligence.

It is not yet clear whether the panel will limit itself to the practical problems posed by the continuing disclosures and the desire of the Government to continue to combat Communist groups and ideas abroad or whether it will take on the issues of public policy and civil rights implicit in the criticism.

But even if the group assumes the broader task, the mandate to study educational organizations will leave untouched the many other questions raised in studies of the intelligence agency in recent years.

For instance, how can the taxpayer and Congress ever be assured that the agency is not channeling public funds to organizations and individuals that work among the American people? The United States Information Agency is explicitly barred from propaganda work at home; yet even this relatively public agency, often with C.I.A. backing, has been caught paying for material circulated domestically.

How can the citizen be protected against campaigns that solicit financial contributions to Radio Free Europe, an intelligence agency operation represented as a private nonprofit enterprise?

When officials have thought about acknowledging the radio's official sponsorship, however, they have faced the paradoxical fact that many independent scholars critical of Washington's policies would be lost to the Government because they would refuse to accept a frankly governmental position.

Much of the agency's secret involvement in youth groups, labor unions, business concerns, universities and foundations is being vigorously defended by officials with memories longer than those of the young people who now protest.

The older folks remember how menaced they felt by a Soviet-directed Communist machine and how anemic the non-Communist leftists and liberals seemed in Europe and elsewhere.

Overt responses at the time were judged ineffective, partly because liberals at home were often being driven from official life in the forties and fifties into refuge at the intelligence agency. The habits then developed persist as new anti-Communist programs are mounted in the weaker nations, though the basic fear of Communism has diminished.

[From the Washington Star, Feb. 16, 1967]

DAVID LAWRENCE—THE CIA-STUDENTS CONTROVERSY

The United States is today at war with Communist enemies. The gathering of intelligence is an important factor in the conflicts that are arising throughout the world. Yet when the Central Intelligence Agency endeavors to collect information by enlisting the co-operation of American student organizations, a hullabaloo is raised and members of Congress start talking about derogatory investigations that could frustrate America's information-gathering in foreign countries.

Both the Russians and the Red Chinese have infiltrated student organizations in the United States which are fomenting discord and starting demonstrations to help turn public opinion against the American government. The U.S. Central Intelligence Agency has by no means engaged in any such activities abroad, but has merely sought the co-operation of American students visiting foreign lands so as to help the government here to keep abreast of what is going on in various countries.

While the United States government ever since 1952 has spent approximately \$300,000 a year to pay expenses of the information-gathering operation by American students, the Soviet Union has been furnishing at least \$10 million to \$20 million a year to student organizations that do not just gather information but actually engage in subversive activities in other countries.

The CIA drew the line—it did not ask any student to participate in subversive activities of any sort abroad, but merely to let the United States government know what was happening in student circles which could affect the United

States. This is important because of the international scope of the student associations which reach into virtually every part of Europe, Asia, Africa and Latin America.

Again and again, the United States has been confronted by "student demonstrations" that have been hostile to American officials, including ambassadors and ministers. To find out how these activities are organized here so that steps can be taken to anticipate and to thwart such moves if possible.

The Federal Bureau of Investigation operates within the United States, while the CIA carries on its work only in foreign countries. The FBI has repeatedly told members of Congress about the activities of students inside this country who are members of the Communist party or who are affiliated with groups financed by the Soviet Government.

If there are to be investigations in Congress of what the CIA has done to gather information, it would be logical to expect a thoroughgoing inquiry also into the leadership and financing of certain student groups within the United States. Some of them have been in contact with members of Congress and have submitted demands that are really in the interest of Communist governments abroad.

The CIA has had nothing to do with the operations of student organizations within the United States itself. Whatever financial help it has given has been to officers of student associations who have been in charge of matters related to trips of American students abroad, particularly to Communist countries.

Many an American businessman and other travelers have been interviewed by the CIA after their return from Communist lands, and there is no impropriety in giving one's own government any information that might be useful to it in the war against communism.

The FBI undoubtedly has plenty of evidence of the activities of the Soviet government inside the United States among student organizations. A comprehensive inquiry into the "student demonstrations" in recent months would expose to public view what the United States is up against in foreign lands as well as inside America.

It is amazing to find that some members of Congress are so unfamiliar with the perplexing problems of gathering intelligence in other countries that they are preparing unwittingly to handicap the United States government in its efforts to learn what is being done to damage American interests throughout the world.

[From the Washington Star, Mar. 25, 1967]

CHARLES BARTLETT—CIA TO LOSE 'GREY ACTIVITIES'

The Central Intelligence Agency is about to be taken out of the business of dispensing public funds to private groups for political warfare against the Communists.

Nicholas Katzenbach, the No. 2 man at State who was deputized by President Johnson to examine the CIA's involvements, has concluded along with almost every major official in the government that a new organization, having less intimate federal ties than the CIA, must be created to handle these subsidies.

The Katzenbach committee, whose report is ready less than six weeks after the CIA's contributions to the National Students Association exploded into a major controversy, will advise the President that the advantages of leaving this grey welfare in the hands of the CIA now seem to be outweighed by the dangers of embarrassment to the nation.

No one argues that an institution with more ambiguous sponsorship will perform these functions as effectively or efficiently as the CIA. What group could be better equipped to carry out such odd tasks as conveying money and encouragement to a democratic trade union in a nation dominated by Communists? What institution can duplicate the CIA's flexibility, access to information and protective cover?

But since this cover is evaporating in a climate of opinion in which it has become fashionable, even for patriots, to strip off the CIA's veils, some alternative has clearly to be found.

New York Times and Washington Post editorial writers, who have led the journalistic attack on the CIA, maintain that an alternative is readily at hand in the British Council, known when it was created in 1934 as the British Committee for Relations With Other Countries. It is a cultural extension of the

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British diplomatic service, spending about \$30 million a year on such non-political tasks as teaching English to Red Chinese students.

The British Council enjoys the quasi-independence that will be crucial to the body that assumes the CIA's grey functions. The Treasury supervises it closely because Parliament supplies most of its funds but a majority of its executive committee is unfettered by official ties.

It is not, however, necessary to look all the way to England for a model of quasi-independence. The Library of Congress, the Smithsonian Institution and the National Academy of Sciences are American agencies that have managed to turn to Congress for appropriations without relinquishing their freedom.

Private sources, including the income from the original bequest by James Smithson, supply less than 5 percent of the Smithsonian's budget. The lion's share, about \$24 million this year, is appropriated by Congress. But repeated attempts to reshape this unique organization into a regular government agency have failed because the board of regents, which names its own members and is therefore free of executive will, has clung tightly to the tradition of independence.

The use of the Smithsonian as an umbrella for CIA tasks would be an unthinkable affront to the intellectual objectives for which it was founded. But the variety of its operations, including its lively office of international activities, indicates its value as an organizational model for the new agency that the Katzenbach committee has in mind.

It is impossible to overstate the difficulties that will confront this substitute for the CIA. Hopefully it will be named to inspire respect among underdeveloped nations—perhaps the Abraham Lincoln Institute. Certainly it will have to avoid the look of a federal operation while it secures and spends \$100 million a year, the approximate cost of the current grey activities.

This means subsidizing propaganda broadcasts, encouraging friendly governments to assist propaganda campaigns, supplying funds to political action groups, labor unions and other potent sources of support for the democratic cause. Most of this will have to be done in the glare of public scrutiny.

The Katzenbach committee has not determined the precise form that this innovation should take. It will not be advocated as an easy answer to the problems raised by the CIA disclosures but as the best answer that seems to be available under the complex circumstances.

[Editorial from the Washington Post, Mar. 30, 1967]

SOUND CIA RECOMMENDATIONS

The basic recommendations of the President's committee on the Central Intelligence Agency's relationships with voluntary organizations overseas are admirable. The committee summary states:

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.

The adherence to the first policy and the prudent administration of the second should quiet the justifiable anxieties and misgivings roused by the disclosure of widespread secret CIA support for many organizations generally believed to be private and independent of government.

That it will take until the end of this year to carry the first recommendation into full effect is a little surprising and disappointing, but a government no doubt should carry out commitments even when it was unwise and imprudent to make them. The loophole left for exceptional cases where national security may be involved is a little disquieting. That much abused terminology has been used to launch all of the subsidies involved and will be unwisely invoked for future exceptions to the rule unless great restraint is exercised. The warranty that there will be no exceptions but those approved by the Secretary of Defense and the Secretary of State would be more reassuring if the report did not take pains to say that all the complained-of operations had the approval of "high-level senior interdepartmental review committees in the last four Administrations."

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The plan for a publicly funded and privately administered body such as the British Council, to support cultural events abroad, will be awaited with interest. The mere fact of publicity removes much of the reproach arising from the old secret subsidies, but it will not remove all doubts about every such governmental subsidy. If many agencies in private life are to retain their usefulness and perform their essential function they must not have public or private connections with government. This is particularly true of the press and communications community upon which the public relies for information about and criticism of government. Moreover, it needs to be remembered that, as Kenneth Galbraith has put it: "It is the religion of liberal and civilized men that intellectual life is not in the service of the state; it is in the service of itself."

The President's Committee has made a plausible defense of some of the operations undertaken in a very critical time and under conditions that no longer obtain. The officials who authorized programs now widely reproached deserve a hearing and are entitled to understanding. But it must be said of them, as it was said of Walpole, who used British secret funds to achieve what he thought were important national purposes: "While he seemed to strengthen the superstructure, he weakened the foundation of our government."

[Editorial from the Evening Star, Washington, D.C., Friday, Mar. 31, 1967]

'REFORMING' THE CIA

There is one hopeful note in the report of a high-level study committee which the President appointed in February after the uproar over the disclosure that CIA money had been covertly used to finance some activities of the National Student Association and other groups. This note is that the committee members do not believe the policies which they recommend will "unduly handicap" the CIA "in the exercise of its national security responsibilities."

The implication is, of course, that there will be some handicap. And the observation would be thoroughly suspect if it were not for the fact that Richard Helms, CIA Director, was one of the committee members. (The others were Nicholas Katzenbach, Under Secretary of State, and John W. Gardner, HEW Secretary.) If Helms subscribes to the assertion that his own agency will not be unduly handicapped, that is an assurance which will have to be taken at face value.

We have never thought there was anything inherently wrong with what the CIA was doing. No innocents were corrupted, no unworthy purpose was promoted. On the contrary, especially at the time the subsidy program was started, it served a national interest of large importance. The committee report concedes that this is so.

Still, when the shrill cries of protest began to be heard across the land, it doubtless became necessary, politically and otherwise, for the President to do something. Four administrations had been fully aware of and had approved what the CIA was doing. But that counted for nothing when the covert activity was exposed. So the President falling back on an ancient recourse, appointed a study committee.

There will be no more covert financing, direct or indirect, of any "educational or private voluntary organizations." The committee recommends, and the President will "seriously consider," a proposal to establish "a public-private mechanism to provide public funds openly" for such activities as heretofore were being financed covertly.

At best, it is going to be extremely difficult to carry on, under such a setup, the overseas cultural activities that the CIA has been subsidizing. The young student or labor leader who effectively opposed the Communists at international meetings was often a sort whose politics would not appeal, let us say, to a conservative member of the House Appropriations Committee. Inevitably, now that public funds are to be provided openly, the stand of our unofficial delegates at such meetings will become a public issue—and their effectiveness as representatives of the free world will be hard to maintain.

But the President's committeemen have done the best they could. The end result of their work probably will be prejudicial in some degree to the national interest. But that, we suppose, is a price that must be paid if the "democratic process," like Caesar's wife, is to be above suspicion—and never mind how the other side chooses to play the game.

[From the Washington Sunday Star, Mar. 19, 1967]

OPEN FINANCING SOUGHT TO REPLACE CIA

Both branches of Congress are to receive bills Monday to provide for open, congressional supervised financing of certain American activities overseas, displacing the clandestine support hitherto provided by the Central Intelligence Agency.

A bipartisan House group plans to ask creation of a publicly controlled corporation to finance various activities, outside the intelligence-gathering field, which have been covertly supported by the CIA in the past.

In the Senate, Sen. Eugene J. McCarthy, D-Minn., plans to offer a bill to establish a fund to be financed by private foundations which would lose their tax exemptions if they refused to assist in the financing.

Both measures would be aimed at assisting openly the overseas undertakings of student groups, educational and trade union organizations such as have been revealed recently as secret recipients of CIA funds.

WOULD ELIMINATE SECRECY

Speaking for the House group, all members of the House Foreign Affairs Committee, Rep. Dante B. Fascell, D-Fla., said in a statement last night that the proposed plan should go a long way toward meeting the legitimate needs of private groups operating overseas while eliminating the CIA secrecy which many feel has jeopardized such activities.

Under the House proposal, the various activities would be entrusted to an institute on international affairs. It would be managed by a nine-member board of directors composed of private citizens and government officials.

The nine board members would be appointed by the President and would be subject to Senate confirmation. The majority would come from the private sector. They would be named for six-year terms, serving without salaries but would receive per diem and travel allowance for days devoted to the institute's affairs.

Other House sponsors include Reps. Peter Frelinghuysen, R-N.J., Donald M. Fraser, D-Minn., F. Bradford Morse, R-Mass., Edward R. Roybal, D-Calif., Clement J. Zablocki, D-Wis., John V. Tunney, D-Calif., and Paul Findley, R-Ill.

GROUPS NEED HELP

In a statement on his bill yesterday, McCarthy said private groups often do not have enough money to send representatives to international meetings or otherwise "assist the peoples of other nations to improve their way of life and to develop democratic institutions."

He said the fund for international public service that he proposes "would provide open and independent financial aid to such groups for these purposes."

Revenue for it, he said, would be raised by requiring private foundations to contribute an amount equal to 15 percent of the grants they make.

Failure to contribute to the fund, he said, would mean loss of tax exemption.

[Editorial from the Daily News, New York, N.Y., Mar. 27, 1967]

MOVE TOWARD NONSECRET FUNDS

During the past week, at least one bi-partisan group—as well as a couple of loners—introduced bills calling for the creation of groups to carry on international activities previously subsidized by the CIA.

The idea seems to be that nonsecret funds should be used to finance the anti-Red activities of voluntary groups made up of students, labor, journalists, lawyers and others willing to get in a few nice words for the U.S.

An eight-man group, comprised of three Republicans and five Democrats and headed by Rep. Dante Fascell (D-Fla.), introduced a bill calling for establishment of an Institute on International Affairs. It proposes that money be raised from private sources—such as foundations and just plain citizens, with maybe an assist from Uncle Sam if the kitty runs short—and that a group of prominent citizens be formed into a committee to see that the dough goes to the right groups.

WOULD SQUEEZE PRIVATE GROUPS

More intriguing—even weird—was a bill introduced by Sen. Eugene J. McCarthy (D-Minn.). He thinks revenue to support such a fund should be raised by a requirement that private foundations make a grant to the Fund for International Public Service—which is what he calls HIS group—that would equal 15% of the total amount of grants made for all purposes by the institute during the taxable year.

Failure to comply, he proposed blithely, would mean—

LOSS OF TAX EXEMPTION

—by the foundations. He said he didn't mean churches or educational organizations, nor private foundations operated exclusively for a single specific purpose.

However, the hundreds of foundations which don't fall into these categories will be yelling "foul, extortion, squeeze" and other things if McCarthy has his way.

Another bill, which falls into line with the views of a three-man presidential committee headed by Undersecretary of State Katzenbach, has been proposed by Rep. John S. Monagan (D-Conn.), who wants his baby christened the American International Cultural and Educational Council.

All of this must come as a relief to the CIA. They'll save money, and with it they'll be able to go out and hire professionals to replace the amateurs.

When you pay a pro, he works for you. Not so the mercurial amateurs—some of whom were receiving grants and gushing pro-Red propaganda at the same time.

Maybe, now, the CIA will be free to do important work.

[From the Evening Star, Apr. 7, 1967]

CLAYTON FRITCHEY—"THOROUGH" HEARING ON CIA REPORT?

Rep. Dante B. Fascell, D-Fla., says the House Foreign Affairs subcommittee that he heads will "soon" hold hearings on the report released last week by the three-man panel appointed by President Johnson to investigate the CIA's secret subsidies of students.

Since Fascell has already publicly blessed the report the supposition is that the subcommittee will be called on to confirm his advance verdict that the panel took "a most realistic position."

It is just possible, however, that the students who were involved in these hidden million dollar expenditures might have a more "realistic" as well as more knowledgeable grasp of the situation than the congressman. It is certainly worth noting, in any case, that 60 former officers and staff members of the National Students Association charge that the report is a "poor substitute" for a full disclosure of the CIA's subsidies to the NSA and similar groups.

The Johnson panel recommended terminating the covert student operations, and suggested some other means might be found to carry them on openly.

"We believe," the student leaders said, "that the public has a right to know more than the report has told." They want a thorough investigation, conducted in public either by Congress or a panel of citizens.

They are not likely to get their wish, for a "thorough" investigation would almost certainly go beyond the student matter, and get into areas of truly vital importance, such as:

1—Considering proposals to remove "black" operations from CIA management, and confine the agency to its original role of gathering and evaluating worldwide intelligence;

2—Determining whether the agency should be allowed to continue making policy, as well as carrying it out.

There has never been a director of the CIA who hasn't expressly denied that the agency "made" or decisively shaped policy. This does not square, however, with the authoritative view of Harry Truman, the man who created the agency shortly after World War II.

"For some time I have been disturbed," the former President said in 1963, "by the way CIA has been diverted from its original assignment. It has become

an operational and at times a policy-making arm of the government." Truman flatly stated that he had never intended for the agency to go beyond straight intelligence work.

"We have grown up as a nation," he said, "respected for our free institutions and for our ability to maintain a free and open society. There is something about the way the CIA has been functioning that is casting a shadow over our historic position and I feel that we need to correct it."

Truman's doubts are now impressively confirmed by Roger Hilsman, who served under both Kennedy and Johnson as director of the State Department's Bureau of Intelligence and Research, and later as assistant secretary of state for Far Eastern affairs. In the first post he was the department's chief liaison with the CIA.

There could hardly be a better informed witness to the dominant role that intelligence has played in the last few years; and, in an absorbing book to be published later this spring, Hilsman brilliantly illuminates some of the obscurities of recent foreign policy.

His book is not muckraking, but fresh history. It is not an indictment of the CIA, but a conscientious effort to analyze the problem it poses. He recalls Allen Dulles, CIA's most famous director, as saying, "The National Security Act of 1947 has given intelligence a more influential position in our government than intelligence enjoys in any other government of the world." It was an understatement.

"The basic trouble," says Hilsman, "was that the agency was simply too powerful for the narrow function for which it was responsible. It combined in one organization just too many of the resources and instruments of foreign policy . . ."

Ideally, he thinks, the best solution "was probably along the lines the British had followed—which kept the research and analysis functions in an organization separate from the secret intelligence-gathering functions and subordinated the latter very sharply to the Foreign Office."

But, as Hilsman points out, "such a drastic move would require legislation," and that, he fears, "would clearly be impossible in the face of CIA's natural strength over the coalition of South Democrats and conservative Republicans that dominate Congress."

There is little doubt that the hearing promised by Fасcell will soon make Hilsman look like a prophet.

[From the Washington Post, Mar. 19, 1967]

BILLS OFFER SUBSTITUTE FOR CIA FUNDS

Sen. Eugene McCarthy (D-Minn.) will propose Monday that private foundations be required to contribute to a fund for financing certain overseas activities covertly supported by the CIA in the past.

In the House, a bipartisan group plans to ask creation of a publicly controlled corporation to finance such activities.

Both measures would be aimed at openly assisting the overseas undertakings of student groups, and educational and trade union organizations such as have been revealed as secret recipients of CIA funds.

McCarthy's plan calls for a fund to be financed by private foundations. They would be required to contribute an amount equal to 15 percent of the grants they made. Failure to contribute to the fund would mean loss of tax exemption, he said.

McCarthy said his bill was intended to apply to general purpose foundations, such as the Ford Foundation or others with a broad range of activity, and not those which might be engaged in such things as limited medical research activities.

Under the House proposal, the various activities would be entrusted to an institute of international affairs. It would be managed by a nine-member board of directors composed of private citizens and government officials.

The nine board members would be appointed by the President and would be subject to Senate confirmation.

Sponsors, all members of the House Foreign Affairs Committee, include Reps. Dante Fascell (D-Fla.), Donald M. Fraser (D-Minn.), F. Bradford Morse (R-Mass.), Edward R. Roybal (D-Calif.), Clement J. Zablocki (D-Wis.), John V. Tunney (D-Calif.), and Paul Findley (R-Ill.).

[From the New York Times, Apr. 19, 1967]

HEARINGS OPENED ON PLANS TO REPLACE C.I.A. SUBSIDIES

WASHINGTON, April 18—A House Foreign Affairs subcommittee opened hearings today on proposals to replace covert governmental subsidies to United States private groups operating abroad with both public and private funds. The funds would be disbursed by a "public-private" council.

The hearings were called by Representative Dante B. Fascell, Democrat of Florida, chairman of the Subcommittee on International Organizations and Movements. They stem from a Presidential order of March 30 that halted the Central Intelligence Agency's long standing practice of financing such groups except in cases involving "overriding national security" considerations.

Mr. Fascell introduced a measure urging the creation of an Institute of International Affairs with a nine-member board of directors to be named by the President. It would be authorized to disburse private funds supplemented by Government appropriations. Similar bills have been introduced by at least 10 Representatives.

Mr. FASCCELL. The meeting is adjourned subject to the call of the Chair. Tomorrow or the day after we will meet again to receive testimony from other Members of Congress who have either sponsored legislation on the subject or are simply inclined to discuss this matter.

(Whereupon, at 3:45 p.m., the subcommittee adjourned.)

ENCOURAGING PRIVATE PARTICIPATION IN INTERNATIONAL ACTIVITIES

THURSDAY, APRIL 20, 1967

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON INTERNATIONAL
ORGANIZATIONS AND MOVEMENTS,
Washington, D.C.

The Subcommittee on International Organizations and Movements met, pursuant to notice, at 2:30 p.m., in room 2200, Rayburn House Office Building, Hon. Dante B. Fascell (chairman of the subcommittee) presiding.

Mr. FASCELL. The subcommittee will please come to order.

We are meeting today to continue our hearings on legislation proposing various solutions to the problems arising from CIA's covert support of certain private activities abroad.

In addition to H.R. 7484 and companion bills sponsored by a bipartisan group of members of our committee, including the chairman of this subcommittee, we have been considering H.R. 6990, introduced by Congressman John Monagan of Connecticut.

I am given to understand that a number of other bills, introduced this week by our distinguished colleague from New York, Representative Benjamin Rosenthal, and several other members, are also being referred to our subcommittee. They are:

H.R. 8634, by Mr. Brown of California.

H.R. 8644, by Mr. Kastenmeier.

H.R. 8657, by Mr. Ryan.

H.R. 8674, by Mr. Burton of California.

H.R. 8709, by Mr. Conyers.

H.R. 8711, by Mr. Dow.

H.R. 8716, by Mr. Hawkins.

H.R. 8724, by Mr. Rosenthal.

As of right now, Mr. Rosenthal, I am informed that these bills have not been so referred. Despite that, we will be glad to hear your testimony regarding these proposals, because we expect to receive the official referral momentarily.

Before we begin, however, I think that it may be useful to recapitulate briefly where we stand at this point.

During our opening hearing, we discussed several issues which deserve the most thorough attention before we move to the markup of a specific bill.

The first of these is the question of establishing a separate organization to carry on in full public view some of the activities which had been conducted covertly by the CIA.

There is, it seems to me, considerable agreement regarding the need to establish such an entity. To put it another way, we have found no sentiment thus far for accomplishing the work that needs to be done within the framework of the existing governmental agencies.

The second issue on which there appears to be consensus is that the proposed organization must in some way be removed from considerations which govern the day-to-day operations of our Government.

It has to stand apart from our governmental agencies—and it ought to be influenced by, and responsive to, direction originating in the private sector of our society.

At this point we encounter some differences of view. These pertain to the corporate charter of the proposed organization, the size and composition of its board of directors, and the manner in which that board is to be selected and its membership maintained.

We hope to receive more testimony on this subject—not only from Members of Congress, but also from knowledgeable persons in private life: young people, educators, various organization executives, and the like.

The third issue which we have considered has to do with the mandate of the proposed new corporation.

Here, again, we have had some stimulating suggestions and a lively discussion.

Congressman Monagan contributed the interesting proposal embodied in his bill, H.R. 6990. He envisions the new corporation as the key element in the effort to disseminate American culture abroad.

This concept seems to reach beyond the purposes of H.R. 7484 and companion bills which are tied more closely to those requirements of national policy which have to be met with the help of a governmental effort.

Congressman Fraser also contributed some thought-provoking suggestions in his testimony. He proposed, specifically, that some of the official cultural and educational programs now administered by our Government be moved over to the proposed new institution. And he would entrust that institution with the job of stimulating international dialog on the political level.

I am certain we will not lack ideas when we come to grips with the task of delineating the mandate of the new corporation.

The fourth major issue which emerges from our earlier discussions relates to the financing of the activities which would be aided, or administered, by the new corporation.

It seems pretty clear that a blending of private and public support will be necessary to make this project financially feasible. And one of the promising ways of stimulating private contributions appears to be some type of tax exemption for donations to the new corporation.

Now let us turn our attention to the more recent bills introduced on this subject.

For a new approach, we are very pleased to call on an outstanding member of this subcommittee and the full committee, the distinguished Congressman from New York, Mr. Rosenthal.

STATEMENT OF HON. BENJAMIN S. ROSENTHAL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. ROSENTHAL. Thank you very much, Mr. Chairman.

At the outset let me congratulate you on these hearings, on the speed with which you personally acted to initiate dialog on this matter, and on the open, exploratory tone which you have set for our deliberations.

Frankly, I am troubled by the idea of using voluntary associations to advance American foreign policy. The best intentions in the world will not prevent abuse of the independence of these groups if we view such organizations as vehicles or instrumentalities.

Given the value and importance of such voluntary organizations, it strikes me as essential to respect and protect their independence, rather than to use or exploit them. And it is to that end that I address myself.

I recommend that there be a new public agency instituted to develop and promote a broad national policy of financial support for the overseas activities of American private voluntary associations. In this I am in agreement with the Katzenbach report, and what I take to be the sentiments of the subcommittee. I have therefore introduced legislation, H.R. 8724, to establish an American Council for International Exchange (ACIE). However, in the legislation I have introduced, I have sought to provide safeguards against any interference with the autonomy of private groups. One section of the measure, for example, provides that:

No department, agency, officer or employee of the United States shall exercise any supervision or control over the policy, personnel, or administration of any group supported by the Council.

Yet another section instructs that:

No activity pursued or sponsored by the Council shall be used for the purpose of gathering foreign intelligence or for espionage.

It seems to me, however, that the main issue regarding the likely independence of these groups turns on the composition of the council itself. Generally speaking, it is my view that the council must itself be independent from the Congress and the executive in order to assure similar independence for the recipients of aid. My bill consequently provides that of the 15 trustees directing the council, 10 shall be drawn from private life. Though first-term appointments will be made by the President, the Board itself will thereafter select succeeding private members. In that way, the Board itself will be able to resist many of the political pressures which accompany appointments to such a body. At the same time, it will be somewhat more willing to seek out imaginative and original members to participate in the council's affairs.

As well as insulating beneficiary groups from Federal interference, the legislation also provides that these groups be granted roles in the formulation of council policy. Thus, the preamble of the legislation declares that:

Decisions regarding the form and nature of federal support for the international activities of private voluntary associations should be reached with the maximum feasible participation of the recipients of that support.

I consider that this provision gives firm guidance to any council which might be set up under the recommended legislation.

Another section of the bill stipulates that:

The Council shall seek ways in which recipients of financial support from the Council, as well as other groups and citizens experienced in the field of international aid and exchange, can participate in decisions regarding the activities of the Council as set forth in this Act.

There is good reason to believe that the best advice regarding the kind of aid voluntary associations can profitably receive will be forthcoming from the groups themselves. Formal provision for this ought to be in the legislation.

Naturally, much will have to be discussed regarding the particular form of any measure establishing a public corporation to aid voluntary associations acting abroad. And, of course, Mr. Chairman, I am by no means committed to any specific provisions in the legislation I have introduced. However, I do think that we ought to avoid those dangers which relate to the threat Federal financing can pose to any private organization or individual. That threat exists whether or not the aid is made public. And when the Federal Government has as firm an interest as it does in the effects of any American activities abroad, there seems to me to be real cause for concern.

I am not ready to abandon my belief that we can devise a formula whereby private groups can receive the benefits of federal funds without the jeopardy of federal interference. There are those whose suspicion of such an arrangement leads them to conclude that the Federal Government has no business in this area at all. For the time being, I think we must proceed otherwise.

Mr. FASCELL. Thank you, Mr. Rosenthal. I want to thank you for your individual effort in sponsoring legislation and giving us some additional ideas with respect to this problem. I personally feel that no one ought to quarrel with doing whatever is required, either through legislation or otherwise, to maintain the integrity of those private groups which would become recipients of Federal aid. At the same time, I am not sure that I share the degree of concern which you and many others in this country have expressed about the integrity of a private group being placed in jeopardy simply because the group happens to receive some funds from an organization whose resources would come partly from the Federal Government and whose directors may include some governmental representation.

I don't think that this conclusion necessarily follows. Having said that, I would agree that whatever needs to be done to preserve the integrity of the private groups ought to be done.

The utility of these groups, as I see it, in relationship to the foreign policy objectives of the United States, does not depend on their espousal of a given policy line. On the contrary, they would be most useful by demonstrating the vitality and the diversity of institutions which comprise the American system.

Mr. ROSENTHAL. I think that is a fundamental premise. I also think this, Mr. Chairman. I think that the American viewpoint will stand or fall on its substance and not on its salesmanship, and I believe that our principal duty is to assure that the substance of that viewpoint is free, absolutely free, to present itself on its own terms. I think we are in

complete agreement that these groups must be free of Federal interference.

What I have done in this legislation is merely to write guarantees in to prevent these things. I think it is useful not so much for our point of view, but for the utility of the groups, if it is well advertised they are prohibited by law from being interfered with or involved in selling the American point of view.

If they sell their own individual point of view, that is a useful thing. I think we have got a great product to sell, and I don't think we should put any strings or inhibit or limit the integrity or what others believe to be the integrity of our salesmen. I think the product is going to sell itself.

I think the legislation should include limitations and provisions against all the things that the recipient groups had been accused of as a result of the covert activities involving the CIA.

Mr. FASCELL. I didn't realize that the recipient groups had been accused of so many things.

Mr. ROSENTHAL. Overseas they have been. In other words, their credibility was questioned once these revelations became known.

Their usefulness is probably not as effective today as it was years ago. Once the charge has been made, the only way we can eliminate the cloud under which they serve is to publicly acknowledge that they serve purely a private purpose and that there is no way in the world for them to become agents or vehicles or instrumentalities of any Federal agency.

Mr. FASCELL. I think that your argument takes cognizance of sentiments which have quite general currency in the United States. But are the feelings on this subject as prevalent abroad? I am not being argumentative, but I should like you to tell me where it hurt the Russian athletes, or stopped them from winning amateur athletic events abroad, to be subsidized by their government?

They won gold and silver medals, or whatever they win, and they were classed as amateur athletes even though they were completely subsidized by their government and, according to the rules of the international competitions in which they participated, received "tainted" money. In addition, they were obviously spokesmen for the party line except those who had guts enough to defect.

I am not sure that everyone abroad looks askance at private groups which receive some measure of support from their government—so long as that support is not intended as payment for services unrelated to the declared purposes of such organizations. My own impression is there may be some onus attached to such practices in this country rather than overseas.

Mr. ROSENTHAL. Athletics and athletic participants are in a little different category.

Mr. FASCELL. Let's take violin players.

Mr. ROSENTHAL. The difference is an appreciation of the difference of their form of government and ours. We accept them for what they are. We know that they are government agents. We know that they are sponsored.

Mr. FASCELL. It doesn't mean that we should do the same thing.

Mr. ROSENTHAL. Precisely. We have an entirely different kind of product to sell, and I think our product can be sold on substance rather than salesmanship.

Mr. FASCELL. If we let the recipient groups choose who will attend a given international conference, and I assume this is the way it is done, then they certainly would seem to have full control over the use of that money. In other words, if the proposed Council or the Government corporation simply made some funds available to a given organization to help defray its expenses, with the kind of safeguards you have proposed written into the law, it would seem to me that there should be no problem.

Mr. ROSENTHAL. Precisely. I think the only difference between my view and some of the others is I have tried to legislate the safeguards into being so that we don't have to be back here again next year or the year after, when someone has violated what you and I consider to be the ethics of the situation.

Mr. FASCELL. Mr. Findley.

Mr. FINDLEY. Mr. Rosenthal, my compliments, too. One of the ever-present problems of an open society dealing in a world in which police states exist is to meet its own problems and to act adequately in world affairs without adopting the tactics of the police state.

I am just a little bit miffed that you have gotten on the conservative side of me with this proposal. I wish I had thought of it first. Seriously, I think this is a very excellent first step to take.

As I understand it, your proposal does not authorize Federal funds at all. Am I correct on that point?

Mr. ROSENTHAL. There would be a Federal appropriation to the council.

Mr. FINDLEY. What would this cover?

Mr. ROSENTHAL. This would cover all of the workings of the council. I think I have misplaced the bill. I was going to read the sections of it. But it would cover all of the—

Mr. FINDLEY. Administrative costs only.

Mr. ROSENTHAL. No, it would cover the principal purposes in section 2 of the bill, "The Congress finds and declares" and it lists one to five thrusts of the bill, "free and open international exchange between private American voluntary associations and their foreign counterparts," and things like that.

Mr. Chairman, I might ask that this bill be inserted in the record.

Mr. FASCELL. Without objection, we will insert a copy of Mr. Rosenthal's bill in the record.

(The text of H.R. 8724 follows:)

[H.R. 8724, 90th Cong., first sess.]

A BILL To provide for the establishment of an American Council on International Exchange to give open support to the overseas activities of private American voluntary associations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "American Council for International Exchange Act of 1967".

SEC. 2. The Congress hereby finds and declares—

(1) that free and open international exchange between private American voluntary associations and their foreign counterparts is in the American national interest and that of world peace;

(2) that the encouragement and open public support of the international activities of private American voluntary associations should be an appropriate matter of concern to the Federal Government ;

(3) that American private voluntary associations, while receiving open Federal support for their international activities, must be guaranteed freedom and autonomy in the pursuit of their independent goals ;

(4) that Federal policy should support innovation and experiment in new forms of international exchange ;

(5) that decisions regarding the form and nature of Federal support for the international activities of private voluntary associations should be reached with the maximum feasible participation of the recipients of that support.

SEC. 3. (a) There is hereby established a body corporate to be known as the American Council for International Exchange (hereafter in this Act referred to as the "Council").

(b) The purpose of the Council shall be to develop and promote a broad national policy of financial support for the overseas activities of American private voluntary associations, and for international exchange programs between such groups and their foreign counterparts. The Council shall seek ways in which recipients of financial support from the Council, as well as other groups and citizens experienced in the field of international aid and exchange, can participate in decisions regarding the activities of the Council as set forth in Act.

(c) In the administration of this Act, no department, agency, officer, or employee of the United States shall exercise any supervision or control over the policy, personnel, or administration of any group supported by the Council.

(d) In the administration of this Act, no activity pursued or sponsored by the Council shall be used for the purpose of gathering foreign intelligence or for espionage.

SEC. 4. (a) The management of the Council shall be vested in a Board of Trustees (hereinafter in this Act referred to as the "Board") composed of fifteen members appointed as follows :

(1) Five members appointed by the President, not more than three of whom shall be officers or employees of the United States, for terms of four years each ; except that of the five members first appointed under this paragraph two shall be appointed for a term of two years.

(2) Five members appointed from private life by the President for a term of four years each and five members appointed from private life by the President for a term of two years each.

(b) Vacancies in the membership of the Board which occur among members appointed under paragraph (1) of subsection (a) shall be filled in the same manner as in the case of the original appointment. Vacancies which occur among members appointed under paragraph (2) of subsection (a) shall be filled by a majority vote of the entire Board and persons so appointed shall serve for terms of four years. Any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term ; but upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified.

(c) No person shall be eligible to succeed himself as a member of the Board.

(d) The Board shall select a Chairman from among its members to serve for a term of four years.

(e) Members of the Board appointed from private life shall each receive \$100 per diem when engaged in the actual performance of duties vested in the Board. Members of the Board who are officers or employees of the United States shall serve without compensation in addition to that received for their services as such officers or employees. Each member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of the Board.

SEC. 5. The Council shall have and may exercise the following general powers in carrying out the provisions of this Act :

(1) To make grants to private American voluntary associations.

(2) To adopt, alter, and use a corporate seal.

(3) To have succession in its corporate name until dissolved by an Act of Congress.

(4) To accept gifts of services or property, whether real, personal, or mixed, tangible or intangible, in aid of any of the purposes authorized by this Act.

(5) To enter into and perform such contracts as may be necessary to aid any of the purposes herein authorized.

(6) To acquire in any lawful manner, any property, whether real, personal, or mixed, tangible or intangible, or any interest therein; to hold, maintain, use, and operate the same; and to sell, lease, or otherwise dispose of the same at such time, in such manner, and to the extent deemed necessary to carry out the purposes of the Council.

(7) To sue and be sued in its corporate name in any court of competent jurisdiction.

(8) To execute all necessary or appropriate instruments in the exercise of any of its functions.

(9) To appoint such officers, agents, attorneys, employees, or advisers as may be necessary to carry out the purposes of the Council. In the appointment of such officers, agents, attorneys, employees, or advisers under this subsection and in the promotion thereof, no political test or qualification shall be permitted or given consideration, but all such appointments shall be given on the basis of merit and efficiency.

(10) To take such action as may be necessary or appropriate to carry out the objects and purposes of the Council.

Sec. 6. There are authorized to be appropriated such sums as may be necessary for the Council to carry out its purposes.

Sec. 7. (a) No part of the income or assets of the Council shall inure to any trustee, officer, or employee or be distributable to any such person except upon dissolution and final liquidation as provided in section 8 of this Act.

(b) The Council shall not make loans to any trustee, officer, or employee.

Sec. 8. (a) The Council shall be a nonprofit corporation and shall have no capital stock.

(b) The Council, including its property and income, shall be exempt from taxation now or hereafter imposed by the United States, or any territory or possession thereof.

(c) The Council and its officers and trustees as such shall not contribute to or otherwise support or assist any political party or candidate for public office.

(d) The right to alter, amend, or repeal this Act is expressly reserved.

(e) The Council shall, on or before the 1st day of January in each year, make and transmit to Congress a report of its proceedings for the preceding fiscal year, including full public disclosure of all grants, subsidies, loans, and other payments to groups or individuals.

(f) The Council shall be liable for the acts of its officers and agents when acting within the scope of their authority.

(g) Contributions, donations, or gifts made to the Council shall be deductible from the donor's gross income for Federal income tax purposes.

(h) Upon termination of the corporate life of the Council all of its assets shall be liquidated, and, unless otherwise provided by Congress, shall be transferred to the United States Treasury as the property of the United States.

MR. ROSENTHAL. Federal funds can be used not only for the administrative purposes, but for the general purposes which the council would engage in. But having said that, then I limit specifically the things the council should not do in violation of what I consider to be the unanimous purposes of all the members of the subcommittee.

In other words, the reason I don't have the Secretary of Defense or the Attorney General or the CIA involved in the council, I want to free them from that kind of interference. We have 10 private citizens subject to appointment of the President. They would appoint their successors.

This would give it a freedom away from Federal interference. I think if you want to make these groups viable and creditable and maintain their integrity, we are willing to give them money with no strings

attached. This should be called a no-strings-attached bill, because that is what it is.

Mr. FINDLEY. To what extent would public funds be involved in this program?

Mr. ROSENTHAL. The council would be permitted and would solicit private funds. For example, if private funds met \$7 out of \$10 worth of the total budget of the council, then the council could seek by appropriation from the Congress the other \$3 worth of funds. Section 6 of the bill says—

Mr. FASCELL. Is this a general authorization?

Mr. ROSENTHAL. General authorization. There are authorized to be appropriated such sums as may be necessary for the council to carry out its purposes.

Mr. FINDLEY. I am sure that you have heard the discussion of other bills that are under consideration by the subcommittee on the question of financing.

Do you anticipate that the role of private money would be about the same as in these other proposals, no more, no less?

Mr. ROSENTHAL. I can't tell. I think this is an open question. I think it is pure speculation.

Mr. FINDLEY. Do you think perhaps the independent character of the directing council might stimulate a higher level of private contributions?

Mr. ROSENTHAL. I think so. I think that is a very valid point.

Mr. FINDLEY. Well, many thanks for your suggestions.

Mr. FASCELL. Mr. Rosenthal, on the question of financing, the general authorization would require the regular appropriation process. In addition, the normal budgeting and accounting requirements would, I imagine, apply to this council. To that extent, therefore, the council would be subject to governmental control in any event.

On the other hand—and I am thinking out loud here—you have the appropriation process legislatively, and you have the budget and accounting process which is administrative. Now, that might present a problem if the membership of the Council should become self-perpetuating and not be responsive to any public authority. I don't know whether this would present a problem in practice but this is a possibility we ought to consider. It is something that we are going to have to think about. How we will handle that, I don't know right now.

Other than that, I think it may prove advantageous to spell out the safeguards that you mentioned so as to forestall some of the problems that could otherwise arise. There appears to be a good reason for doing that, and we certainly ought to consider it. There are other Members who have presented similar proposals and we will consider all of them carefully.

We have other Members who want to present their testimony before this committee. We will hold the record open for those Members who may want to present statements at a later date.

We will now receive a statement from the ranking majority member of the full committee, Congressman Clement J. Zablocki, who has been interested in this subject for many years and who joined us in sponsoring legislation to create the Institute of International Affairs.

STATEMENT OF HON. CLEMENT J. ZABLOCKI, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF WISCONSIN

Mr. ZABLOCKI. Mr. Chairman, I am indeed pleased to have this opportunity to make a statement on behalf of legislation which would establish an Institute of International Affairs.

At the outset, I want to commend you, Mr. Chairman, for having proposed this measure and for having so speedily scheduled hearings on it and the companion bills which have been introduced.

I have been pleased to cosponsor this bill, Mr. Chairman, because of my longstanding concern that the Central Intelligence Agency may have, at certain times and in certain situations, abused its mandate from Congress.

As you know, for many years I have sponsored a bill to provide a joint congressional "watchdog" committee of Congress to oversee the activities of the CIA and the other agencies involved in intelligence work.

My close study of the recent disclosures about widespread CIA financing of private organizations has convinced me that the establishment of an Institute of International Affairs is absolutely necessary.

Mr. Chairman, we have only begun to "reap the whirlwind" of repercussions from the revelations that the CIA has provided support for certain private American organizations and foundations in order to facilitate their activities abroad.

Without debating the wisdom of the original decision directing the CIA to undertake such activities, we can be certain that America's credibility and the credibility of many pro-American foreign nationals has been severely compromised.

For example, it is my understanding that the American-Indian binational foundation in India is apparently doomed.

You will recall, Mr. Chairman, the fanfare which greeted the announcement by President Johnson and Mrs. Gandhi that U.S.-owned rupees, generated by Public Law 480 sales, would be used to establish and operate a binational foundation.

Although the move initially was unpopular with certain leftwing elements in India, the foundation project appeared to be moving forward until the disclosures of CIA activities, some of which involved meetings attended by Indian nationals.

As a result, tremendous pressures have built up in India against a binational foundation on the grounds that it would be a vehicle for American espionage and covert influence. The Indian Government apparently has bowed before these pressures and has put off any further plans for implementing the earlier agreement.

Under the circumstances, it is difficult not to sympathize with the Indian Government on the question. Unfortunately American activities abroad, no matter how nonpolitical they may be, are going to be suspect for a long, long time to come.

That is why the Congress must act to establish an Institute of International Affairs. It would truly be an alternative to suspicion.

The Institute could support private overseas activities considered important to American foreign policy, including programs which have previously been funded through the CIA.

This, I believe, is the proper and, indeed, the only way in which such activities should be funded.

In that regard, I was pleased to note that President Johnson in his March 29 statement, upon receiving a report from the three-man Committee which surveyed CIA activities, said:

We will also give serious consideration to the Committee's recommendation that the Government should promptly develop and establish a private-public mechanism to provide public funds openly for overseas activities of organizations which are adjudged deserving, in the national interest, of public support.

The Institute of International Affairs would be just such a mechanism. Consistent with the national interests, it could provide the types of assistance to private U.S. organizations that non-governmental instrumentalities, like foundations, are unable to.

Two things are clear, Mr. Chairman.

First, there is nothing wrong with using public funds to assist the foreign activities of American organizations and associations, so long as those expenditures serve the public interest. Almost every nation in the world provides such support, either directly or indirectly, to such activities.

Second, these expenditures are best done in the open. Secrecy in these matters poses dangers for our domestic society, in whose open nature we justly take pride, as well as for our foreign relations.

The recent debacle surrounding the CIA activities need not be a complete loss for the United States. In fact, it can be a net gain if it impels us to create the kind of instrumentality envisioned in the legislation before the subcommittee today.

Therefore, Mr. Chairman, I urge quick approval of the proposal by the Foreign Affairs Committee, and that it be sent to the floor of the House at the earliest opportunity.

Mr. FASCELL. Thank you, Mr. Zablocki.

We are pleased, indeed, to have another ranking member of the Committee on Foreign Affairs—the charming Congresswoman from New York. Representative Edna F. Kelly—also take an active interest in the subject under consideration by our subcommittee. We will be happy to receive her statement.

**STATEMENT BY HON. EDNA F. KELLY, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW YORK**

Mrs. KELLY. Mr. Chairman, I appreciate this opportunity to share with your subcommittee my views on legislation intended to provide an alternative to our Government's continued reliance on the CIA to finance certain private overseas activities.

I am particularly happy that you are holding these hearings because I have been disturbed for a long time by CIA's apparently increasing role in our foreign policy undertakings.

While I fully acknowledge the need for governmental participation in, and support of, some of these undertakings, I do not believe that the CIA is an appropriate instrument to carry out this national purpose.

For this reason, I was pleased to join with you and with other members of our committee in sponsoring legislation to provide for the establishment of a government corporation known as the Institute of International Affairs to engage actively and openly in these activities.

64 PRIVATE PARTICIPATION IN INTERNATIONAL ACTIVITIES

My bill, H.R. 8954, differs somewhat from the other legislation on this subject and I will discuss the reasons for those differences in a moment.

First, however, I should like to refer to my long-standing interest in the overseas activities of the CIA and the need for a more systematic and comprehensive congressional oversight of that Agency.

As you may know, Mr. Chairman, more than a dozen years ago, I pioneered in sponsoring legislation calling for the creation of a Joint Congressional Committee on Central Intelligence, patterned on the Joint Committee on Atomic Energy.

Over the years, several score Members have joined in introducing similar bills. I believe that all of us have been prompted to take this action by similar considerations. We were, all of us, quite concerned that with the help of its reportedly very generous appropriations, the Agency was beginning to unduly influence foreign policy developments-- and our Government's reaction to them.

Certainly much that has been written about the tragic events in Vietnam which led to the assassination of President Diem and the subsequent chaos-- and the utter failure of the Bay of Pigs invasion-- appears to justify our concern and our efforts.

The bill before you, H.R. 8954, is, of course, motivated by very different considerations. It relates strictly to CIA's support of those private activities which have a direct bearing on our national objectives abroad, which involve private individuals or organizations, and which warrant open, above-board Government assistance.

The bill provides an alternative to the provision of such assistance through the CIA. It is an alternative which is badly needed and which ought to be made available by the Congress to the President who, under our Constitution, is responsible for the conduct of our foreign affairs.

There is one provision in my bill to which I alluded earlier and which relates to the same reasons which prompted me to propose the establishment of a Joint Congressional Committee on Central Intelligence.

I refer specifically to section 6 of the bill which specifies that the management of the proposed Institute of International Affairs be entrusted to a board of 24 members, eight of whom would be drawn from the Congress, 12 from private life, and 4-- only 4--from the executive branch.

Since most of the provisions of this legislation already have been described by other witnesses, I should like to take a moment to explain why my bill, unlike the others, calls for such a substantial congressional representation on the Board of Directors of the proposed Institute.

I believe firmly that in order to be effective, and in order to obtain adequate financial support from the Congress, the Institute must have a working relationship with the legislative branch of our Government.

There are, of course, several ways in which such a relationship can be established and maintained.

This can be accomplished through the standing authorizing committees of the Congress.

It can be done through the appropriations committees.

It can also be performed by a joint congressional committee.

And, finally, as is the case of our representation in the General Assembly of the United Nations, it can be accomplished by including Members of Congress on the U.S. delegation—or the proposed Board of Directors.

Three years ago, I had the honor to represent our country in the United Nations. Partially as a result of that experience, I came to appreciate the advantage to the executive branch, and the Congress, of having Members of Congress participate in decisions which depend upon the Congress for their implementation.

I have concluded, therefore, that it would be useful to have four Members of the House of Representatives, and four Members of the U.S. Senate on the Board of Directors of the proposed Institute.

Further, since the activities with which the Institute would be concerned relate directly to our foreign policy, I feel that one-half of that congressional representation ought to come from the Committee on Foreign Affairs and the Committee on Foreign Relations.

Finally, Mr. Chairman, my bill provides that 12 members of the Board of Directors—or 50 percent of its membership—be drawn from private life.

This, again, is to me an essential characteristic of the proposed institution. To the extent possible, the Institute ought to have private character. It should not be dominated by the people who are officials of the executive branch and who, in the past, passed on activities financed covertly through the CIA.

Mr. Chairman, I hope that your subcommittee will take early action on this legislation.

I want to commend you for holding these hearings and to thank you again for giving me the opportunity to present some of my thoughts on the subject at hand to your subcommittee.

Mr. Chairman, before concluding I should like to ask that the text of H.R. 8954 be made part of this record.

Mr. FASCELL. Without objection, the text of H.R. 8954 will appear at this point in the record.

(The text of H.R. 8954 follows:)

[H.R. 8954, 90th Cong., first sess.]

A BILL To promote private United States participation in international organizations and movements, to provide for the establishment of an Institute of International Affairs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Institute of International Affairs Act".

SEC. 2. There is created as an agency of the United States of America a body corporate to be known as the "Institute of International Affairs" (hereafter in this Act referred to as the "Institute").

SEC. 3. (a) The purposes of the Institute are—

(1) to strengthen friendship and understanding among the peoples of the free world;

(2) to encourage the development of free and democratic institutions;

(3) to promote private United States participation in international organizations and movements which support the purposes set forth in paragraphs (1) and (2) of this section; and

(4) to encourage continuing studies of communism, fascism, and other political ideologies which may impair peaceful international relations.

(b) The Institute shall carry out the purposes set forth in subsection (a) of this section through and with private organizations, individuals, governmental

agencies, and international organizations by planning, initiating, assisting, financing, administering, and executing programs and projects designed to promote the achievement of such purposes.

Sec. 4. The Institute, as a corporation—

(1) shall have perpetual succession unless sooner dissolved by an Act of Congress;

(2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) may make and perform contracts with any individual, corporation, or other body of persons however designated, whether within or without the United States of America, and with any government or governmental agency, domestic or foreign;

(4) shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid;

(5) may, as necessary for the transaction of the business of the Institute, employ, and fix the compensation of, officers, employees, agents, and attorneys and, the Institute may, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, employ, and fix the compensation of, officers, employees, agents, and attorneys of the Institute employed for service outside the United States, except that the salary of any person thus employed shall not exceed the maximum salary established by the General Schedule under section 5332 of title 5 of the United States Code;

(6) may acquire by purchase, devise, bequest, or gift, or otherwise, lease, hold, and improve such real and personal property as it finds to be necessary to its purposes, whether within or without the United States, and in any manner dispose of all such real and personal property held by it and use as general funds all receipts arising from the disposition of such property;

(7) shall be entitled to the use of the United States mails in the same manner and on the same conditions as the executive departments of the Government;

(8) May, with the consent of any board, corporation, commission, independent establishment, or executive department of the Government, including any field service thereof, avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this Act;

(9) may accept money, funds, property, and services of every kind by gift, devise, or bequest, or grant, or otherwise, and make advances and grants to any individual, corporation, or other body of persons, whether within or without the United States of America, or to any government or governmental agency, domestic or foreign, when deemed advisable by the Institute in furtherance of its purposes;

(10) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction; and

(11) shall have such other powers as may be necessary and incident to carrying out its powers and duties under this Act.

Sec. 5. Upon termination of the corporate life of the Institute all of its assets shall be liquidated and, unless otherwise provided by Congress, shall be transferred to the United States Treasury as the property of the United States.

Sec. 6. (a) The management of the Institute shall be vested in a board of directors (hereafter in this Act referred to as the "Board") composed of twenty-four members appointed by the President as follows:

(1) Four directors appointed from among Members of the Senate, at least two of whom shall be members of the Committee on Foreign Relations.

(2) Four directors appointed from among Members of the House of Representatives, at least two of whom shall be members of the Committee on Foreign Affairs.

(3) Four directors appointed from among persons who are officers or employees in the executive branch of the Government.

(4) Twelve directors appointed from among persons in private life whose appointment shall be made by and with the advice and consent of the Senate.

(b) Each member of the Board shall be appointed for a term of six years, except that of the first twenty-four members appointed under this Act eight shall be

appointed for a term of two years and eight shall be appointed for a term of four years, except that no member of the Board appointed from among Members of the Senate and House of Representatives shall serve beyond the expiration of his term of office as a Member of the Senate or House of Representatives. Any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term; but upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified.

(c) Members of the Board appointed from private life shall each receive \$100 per diem when engaged in the actual performance of duties vested in the Board, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties. Members of the Board who are officers or employees of the United States or Members of the Senate or House of Representatives shall serve without compensation in addition to that received for their services as such officers, employees, or members, but they shall be reimbursed for travel, subsistence, and other necessary expenses in the same manner as in the case of members appointed from private life.

(d) The Board shall direct the exercise of all the powers of the Institute.

(e) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the Institute may be conducted and in which the powers granted to it by law may be exercised and enjoyed. A majority of the Board shall be required as a quorum.

(f) In furtherance and not in limitation of the powers conferred upon it, the Board may appoint such committees for the carrying out of the work of the Institute as the Board finds to be for the best interests of the Institute, each committee to consist of two or more of the directors, which committees, together with officers and agents duly authorized by the Board and to the extent provided by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the Institute.

SEC. 7. The Institute shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, and employees and such revenue, earnings, or other income, or property shall be used for the carrying out of the corporate purposes herein set forth. No director, officer, or employee of the corporation shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his personal interests or the interests of any corporation, partnership, or organization in which he is directly or indirectly interested.

SEC. 8. When approved by the Institute, in furtherance of its purposes, the officers and employees of the Institute may accept and hold offices or positions to which no compensation is attached with governments or governmental agencies of foreign countries.

SEC. 9. The Secretary of State shall have authority to detail employees of the Department of State to the Institute under such circumstances and upon such conditions as he may determine. Any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of the Government by virtue of such detail.

SEC. 10. The principal office of the Institute shall be located in the District of Columbia, but there may be established agencies, branch offices, or other offices in any place or places within the United States or elsewhere in any of which locations the Institute may carry on all or any of its operations and business under bylaws or rules and regulations.

SEC. 11. The Institute, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, or any territory or possession thereof, or by any State, county, municipality, or local taxing authority.

SEC. 12. The right to alter, amend, or repeal this Act is hereby expressly reserved. If any part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act, but shall be confined in its operations to the part hereof directly involved in the controversy in which such judgment shall have been rendered.

SEC. 13. In lieu of the provisions of the Government Corporation Control Act, the Institute shall be subject to the applicable provisions of the Budget and Accounting Act, 1921.

Mr. FASCELL. We are now pleased to receive into the record the statement of one of our distinguished colleagues, a member of the minority and a cosponsor of legislation relating to the proposed Institute of International Affairs, Representative Peter H. B. Frelinghuysen, of New Jersey. Judging from Congressman Frelinghuysen's outstanding contribution to the studies and other projects initiated by this subcommittee, I know that his recommendations on the subject at hand will be of great interest and value to all of us.

STATEMENT OF HON. PETER H. B. FRELINGHUYSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. FRELINGHUYSEN. Mr. Chairman, I would like to take this opportunity to commend you for taking the initiative in organizing these hearings on H.R. 7484, related bills and other matters of utmost concern.

Recent disclosures regarding the activities of the Central Intelligence Agency in this particular area make it impossible for that Agency to carry on these activities. There is substantial agreement, however, that private overseas programs have been useful in furthering our foreign policy objectives, and there is a definite need to continue the funding of worthwhile programs.

The Institute of International Affairs proposed in the legislation now before the committee, in my opinion, is an appropriate vehicle to provide this financing.

Because appropriations will be made available directly to the Institute, it will undoubtedly receive a great many requests for assistance. Hence, it is important that the Institute be given sufficient independence and autonomy to insure freedom from external pressures.

It is vital, I feel, that the Institute be the judge of the desirability of programs proposed by the private organizations.

It should be noted, further, that H.R. 7484 affords the opportunity for nongovernmental as well as governmental financing of private international programs.

Mr. Chairman, I am in complete agreement with the objectives contained in this bill, which I have also introduced. Creation of an Institute of International Affairs is a logical move at this time.

In closing, I strongly urge, Mr. Chairman, that we move rapidly in this matter. We need both to minimize any negative side effects resulting from the CIA subsidy disclosure and to make sure that we shall continue to benefit from these private overseas programs.

Mr. FASCELL. Congressman Henry S. Reuss, of Wisconsin, although not a member of the Committee on Foreign Affairs, is no stranger to the work of this subcommittee. We are always happy to welcome him and we appreciate his contribution to our deliberations. I know that his testimony on the subject at hand will prove of great interest to many Members of Congress, executive branch officials and the public at large.

STATEMENT OF HON. HENRY S. REUSS, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF WISCONSIN

Mr. REUSS. Mr. Chairman, I appreciate the opportunity to testify here today on the important question of the role of the Federal Government in encouraging and sustaining private American organizations in their overseas activities. This subcommittee has been a close student of these activities and, as a result, is in an excellent position to bring order out of the chaos caused by recent revelations of the deep and distressing CIA involvement in these affairs.

The time for recrimination is past. The subcommittee must now pick up the pieces and construct a new program which will enable the United States in the remainder of the 1960's and in the 1970's openly to put its best foot forward to the world.

There is both an immediate and a larger problem. The immediate problem is how, without government control, to provide public government support for the numerous private organizations—educational, philanthropic, cultural, labor, student, technical—which daily enlarge the world's good will toward the United States by their overseas activities.

The larger problem is how to improve the direction and supervision of the CIA to assure that we will not next year, or the year after, be again called upon to pull the CIA's chestnuts out of the fire as the result of some other covert activity yet to be exposed.

AN INSTITUTE OF INTERNATIONAL AFFAIRS

H.R. 7484, the Fascell bill which I have had the pleasure of co-sponsoring, would establish an Institute of International Affairs. This is an excellent framework for funneling Government funds to private organizations which are improving the Nation's standing abroad.

There is a need to provide public support of these activities. Other nations have long recognized this. To take but one example, since 1934 the British Council has sponsored international conferences and cultural exchanges, scholarships, exhibitions, and libraries abroad in the service of Her Majesty's Government. Ninety percent of its \$30 million annual budget comes from the Exchequer. The Council continues to maintain a reputation for independence because 21 of its 30 members are drawn from private life.

In the study and perfecting of this legislation, I should suggest that the following important questions need clarification:

1. Should the activities of the Institute, or of those organizations supported by the Institute, be limited strictly to international activities? The Institute should be generally enjoined from undertaking or sponsoring domestic activities. It will not then duplicate the efforts of other Federal, or federally sponsored, educational or cultural agencies which operate principally inside the United States.

2. Should the Institute be restricted as to the amounts of activity it will carry on directly or through support of independent private organizations? Independent private organizations are generally more ef-

fective than hothouse Government-bred varieties. Consequently, the financing of independent private organizations should be the Institute's primary task. It should itself undertake projects only when private organizations do not exist to sponsor them. Thus, initially at least, until the Institute has proven itself and charted the area of its activities, I would severely limit its authority to engage in projects directly.

3. Should a specific percentage of private financing be required of the Institute? It would greatly strengthen the independence of the Institute if it were required to match the Federal contribution by some small percentage—perhaps by the same 10 percent which the British Council gets from private sources. Such a requirement would make the Institute responsive to patrons other than the Federal Government.

4. Should the private representatives on the Institute's Board of Directors be greater than a 5-to-4 majority? Again, to increase the Institute's independence, on a nine-man Board, I would favor a 6-to-3 majority of private members.

5. To what extent should the Institute support private organizations which differ with prevailing Government policy? The new Institute with limited funds is likely to error in its timidity rather than in its temerity. The legislation should state that a private organization differing with official American policy should be supported where in the Institute's judgment the overall international activities of the organization are beneficial to the United States.

IMPROVED DIRECTION AND SUPERVISION OF THE CIA

The problem with which we are dealing today is only one manifestation of a larger problem—the closer direction and supervision of the CIA's secret political operations. The widespread secret CIA subsidies to student organizations, universities, labor unions, and the press are only the latest of CIA's political activities to surface. In order to avoid the agony and embarrassment of future revelations of other CIA activities which will not stand up well under public scrutiny, I have suggested closer direction and supervision of CIA operations by elected officials—the President and Congress. By improved control, I should hope that past mistakes would not be repeated.

On March 13, 1967, I introduced H.R. 7107, a bill which would place the political action activities of the CIA under the President's personal direction. The bill would also establish a Joint Congressional Committee on Intelligence to supervise CIA activities. The membership of the committee would be changed every 4 years in order to bring fresh insight to bear on CIA operations.

It is important to distinguish between the intelligence and political action functions of the CIA.

A widely accepted definition of intelligence found in the Dictionary of U. S. Military Terms and Joint Usage describes intelligence as: "The product resulting from the collection, evaluation, analysis, integration, and interpretation of all available information which concerns one or more aspects of foreign nations or of areas of operations, and which is immediately or potentially significant to planning."

Simply put, intelligence is information culled from numerous sources.

Most of us would agree, I am sure, with the 1955 task force on intelligence activities of the Hoover Commission that:

The fate of the Nation well may rest on accurate and complete intelligence data which may serve as a trustworthy guide for the top-level governmental decisions on policy and action in a troubled world.

The 1962 Cuban missile crisis is an object lesson. Only our highly developed intelligence system, including our aerial surveillance of Cuba, gave us the opportunity to avert the installation of offensive Russian missiles 90 miles off our shores.

On the other hand, the CIA engages in special operations in political action.

Many rumors exist as to what in the past two decades have been CIA special operations. CIA's most notable effort was, of course, the abortive Bay of Pigs invasion. Also on the public record are two CIA-engineered palace coups—one in 1953, in Iran against Mossadegh, and the other in 1954, in Guatamala against Arbenz.

The recently revealed CIA subsidies to private groups are another form of special operations. The principal purpose of giving financial assistance to the National Student Association was to prevent the other side from capturing world youth conferences, not to gather intelligence.

It may sometimes be justified to carry on covert special operations, but these must be carried on sparingly and with the greatest selectivity and sensitivity. For secret operations are a weapon with vast implications for deepening U.S. involvement, as President Kennedy rightly foresaw at the Bay of Pigs. They are also a weapon which should be used only where the stakes are high. Secret U.S. Government meddling in the affairs of state of other nations or in the affairs of domestic or foreign private organizations is so alien to our traditions that it can only be justified when the national security is genuinely at stake.

A large part of the difficulty of justifying the recently revealed CIA subsidies to private organizations is the very real doubt whether the efforts of these groups, no matter how laudable, are really vital to our national security.

This doubt has been confirmed by the March 29 report of the Katzenbach committee. The committee recommends the termination of all CIA subsidies to any of the Nation's educational or private voluntary organizations, and concludes that the terminations "will not unduly handicap the CIA in the exercise of its national security responsibilities."

H.R. 7107 would require a political directive to authorize each special operation, and an annual Presidential review of the operation. This measure underlines the extreme seriousness of special operations and the extraordinary importance of their being limited in number and nature, precisely directed, and carefully supervised.

The CIA is today subject to high political direction to the directives of an interdepartmental committee composed of a high ranking member of the White House staff, the Deputy Secretary of Defense, and the Deputy Under Secretary of State for Political Affairs, to the policies

of the National Security Council, and ultimately to the will of the President.

This direction, however, is not good enough when questions concerning CIA special operations are up for discussion. These operations are so serious and so sensitive that the President personally should authorize each and every one in writing, and should periodically review each of them.

H.R. 7107 also establishes a Joint Congressional Committee on Intelligence. The joint committee's job would be to examine continuously the foreign intelligence activities and the special operations of the CIA. The joint committee would be reconstituted with new members every 4 years, at the beginning of even-numbered Congresses. In this way Congress can periodically take a fresh look at the CIA.

In the National Student Association case, it is clear that the top Presidential aides charged with national security duties, appropriate Cabinet officers or their representatives, and the Congressmen and Senators who serve on CIA watchdog committees all knew of this CIA activity and approved of it.

I can only conclude that the CIA policymakers were mistaken because, being insiders for so long, their perspective had become distorted. The need for men of clear insight to pass on intelligence matters can only be supplied by periodic changes of CIA supervisors.

No criticism is meant of the Members of Congress who now devote themselves to oversight of CIA matters and appropriations. Theirs has been a job under difficult circumstances. Nevertheless, the present system of congressional oversight is too piecemeal to produce the close supervision which is called for.

Mr. Chairman, only by this double-barreled approach of attacking the immediate problem of providing for the foundling children of the CIA, and by attacking the long-range problem of seeing that the CIA commits no further indiscretions, can we put to rest once and for all the problem which has been plaguing us for the past 15 years—how to operate a secret intelligence and political action organization in conformance with our democratic values.

I commend the subcommittee for vigorously attacking this most difficult of problems, and hope that, having established an Institute of International Affairs, it will not rest, but will consider how the CIA can better serve the Nation in foreign affairs.

Mr. FASCELL. To complete the record of this hearing, we will now turn our attention to the statement of one of the newer members of our subcommittee, but certainly not a newcomer to the Congress or to the field of foreign affairs, the distinguished gentleman from Illinois, Congressman Paul Findley.

Congressman Findley, as the record shows, has participated actively in our consideration of the various legislative proposals before this subcommittee. His formal statement will supplement his earlier contribution.

I should also like to add that Congressman Findley is submitting some additional material which he believes warrants the attention of the subcommittee. Without objection, we will include that material in the appendix to this record.

(The material referred to appears in the appendix (see p. 77).)

STATEMENT OF HON. PAUL FINDLEY, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF ILLINOIS

Mr. FINDLEY. Mr. Chairman, I have appreciated the opportunity to question our witnesses and to register some of my convictions during these initial hearings on legislation calling for the establishment of the Institute of International Affairs.

I believe it may be useful, both for myself and for the record, to try to summarize my views regarding the key provisions of any legislation that may ultimately emanate from this subcommittee and provide us with an alternative to the CIA as an instrument for lending support to those private international activities which advance our public goals.

As a cosponsor of H.R. 7484, I have, of course, already indicated some of my feelings about this subject. However, our current hearings have helped to focus attention on some further aspects and ramifications of the legislation before us. In so doing, they have served a very useful purpose and helped to clarify, and perhaps refine, my own outlook toward this subject.

In the first place, I believe strongly that the principle of openness—of doing things aboveboard, in full public view—must be embodied in any legislation that will be recommended by this subcommittee.

It would serve no useful purpose to try to supplant CIA's covert operations in the area of our interest with some semiveiled, or even completely hidden, activities conducted by a newly created institution.

The principles embodied in the Freedom of Information Act, enacted by the last Congress, must serve as our guide in this matter.

If there is a legitimate need for Federal involvement in supporting private overseas activities, that need should be able to withstand full public scrutiny. If it cannot, then the Federal Government has no business getting involved.

The second principle that ought to be included in the legislation under discussion is the principle of governmental noninterference both in the day-to-day operations of the proposed Institute of International Affairs and in the activities of those private groups which may become beneficiaries of its programs.

Here, I think, we must differentiate between legitimate oversight and improper attempts at domination. For I do believe that the Federal Government has the responsibility to establish overall policies for, and to review the activities of, its own creatures, particularly when they are entrusted with Federal funds. But I would be opposed to any Federal attempt to control the operations of the proposed new Institute or to dictate operational policies to private groups receiving support from it.

I say this because we are not discussing the establishment of a new intelligence-gathering agency. It would negate the whole purpose of our undertaking to have the Federal Government attempt to use the new corporation for any such or related purpose.

Third, having already raised the issue of Federal oversight, I ought to mention that I am very much in favor of having Members of Congress—Representatives and Senators of both major political par-

ties—represented on the Board of Directors of the proposed corporation.

Of all our governmental bodies, the Congress is closest to the American people and most responsive to their dictates. I believe, therefore, that the Congress is the appropriate member of the Federal family to contribute to the decisionmaking within the proposed institute.

At the same time, the presence of even two Congressmen or Senators on the Board of Directors of the new corporation would tend, it seems to me, to impress that Board with the need of operating within the general outlines of our national policy and in step with the sound public judgment of the American people.

My fourth point relates to the issue of financing the programs of the proposed corporation.

I would hope that the activities of the corporation could be financed by private contributions, other grants and endowments. Such private financing would forestall many complications and materially enhance the status of the proposed institution and its programs.

I would recommend, therefore, that we include a provision in the bill to stimulate private contributions—possibly through some sort of a tax deduction.

Needless to say, to the extent that private contributions may fall short of the requirements of the new corporation, the shortfall can be made up by the Federal Government.

My fifth point centers on the relationship between our American voluntary organizations and the proposed Institute.

It would seem to me that that relationship ought to be a two-way street. In other words, in addition to being eligible to receive assistance from the proposed Institute, our voluntary agencies operating abroad should have some voice in its policies, possibly through some representation on its Board of Directors.

I don't see how we could expect the Institute to be an effective instrument unless its management would have a continuing contact with the constituency it is supposed to serve.

My sixth and final point, Mr. Chairman, relates to the authorization for the proposed Institute.

I am certain we will all agree that it is impossible to tell at this point how the Institute will operate, what will be its financial requirements, and so on. For this reason, while the authorizing legislation should and will contain some general guides, it will not be able to anticipate problems and issues which will arise only after the Institute has had a chance to get its feet wet.

I would think, therefore, that prudence dictates that we limit the initial authorization of the Institute and make it valid for, let's say, 2 years.

This would certainly give the institute ample time to organize, to develop a program, and to gain some experience with its implementation.

After the 2 years are over, we could take a thorough look at the institution which the Congress has created and see what needs to be done to make its operations as effective and efficient as possible.

Mr. Chairman, I want to congratulate you for your leadership and to thank you and my colleagues on the subcommittee for your indulgence. I hope that the summary which I have presented may be of some value to us in considering our next step with respect to this legislation.

Mr. FASCELL. The subcommittee will now stand adjourned, subject to the call of the Chair.

(Whereupon, at 3:05 p.m. the subcommittee adjourned, subject to the call of the Chair.)

APPENDIX

INTERNATIONAL YOUTH AND STUDENT ACTIVITY—A TWENTY-YEAR SURVEY AND QUESTIONS FOR THE FUTURE

(By Reed Martin, Secretary for International Affairs, United States Youth Council, 1966-67; assistant to the president, United States National Student Association, 1955-56)

INTRODUCTION

Recent revelations about C.I.A. financing of the National Student Association's international activity, have brought to the attention of many Americans a world they did not know existed. For two decades, young people have played an influential role in determining the international course of history—toppling some governments, influencing others, and always pricking the conscience of their society—and American youth and students have occupied a proud place in this history.

However, the discovery that the C.I.A. was financing some of this activity, and that it seemed to oppose communism, has given the American public a distorted view both of what has been done, and the nature of the challenge before us. The goal is not reflex anti-communist, although it seeks to pose a non-communist alternative; and it does not represent the U.S. government, although some activity has been subsidized by government sources.

But one fact is clear: the present generation of youth and student leaders will eventually run the world. Some nations recognize youth as an invaluable force for productive social change. Some countries recognize the potential for propaganda among young people. All Americans should realize that the United States must continue to be represented internationally at this vital level.

The press has portrayed the challenge basically as it existed in the late 40's and early 50's when the need was to send delegations of U.S. youth to confront communist propaganda at international meetings. But the problem is far different now, and a new understanding of the situation is needed for the future effort to be successful.

COMMUNIST INITIATIVES AFTER WORLD WAR II

In November of 1945, representatives of 63 countries met in London to discuss how to cooperate at the youth level to form a world in which wars, like the one they had just fought, would be impossible. Out of these meetings came two groups: the World Federation of Democratic Youth (WFDY) headquartered in Budapest, Hungary; and the International Union of Student (IUS), based in Prague, Czechoslovakia. WFDY was a federation of the national youth organizations which were being formed in many countries, and the IUS worked with various national unions of students in existence. It was necessary to have two organizations—youth as well as students—because in some countries there were no students and thus no national union of students, and in others the youth represent the uneducated mass of people with which the government must contend through a national youth organization.

Each of the East European "bloc" countries sent representatives to these post-war meetings. Consequently, the Soviet "line" had enough delegates to assure domination. It soon became apparent that the sole purpose of these organizations was to provide the Soviets with access to youth of the emerging nations so that they could disseminate propaganda favorable to the communist cause. The two main groups, WFDY and IUS, cooperated in holding a third function called the World Youth Festival (Festivals). The Festivals were merely another vehicle to bring young people from all over the world together to receive

a sympathetic view of communist life. The first Festival was held in 1947 in Prague. As an indication of the fact that these bi-annual Festivals were to be tightly controlled, the first six were held in bloc countries.

THE UNITED STATES' RESPONSE

At the first meetings of WFDY and the IUS, there were representatives of the United States who, as individuals, had chosen to attend. But the U.S. needed a national union of students and a national youth organization if they were to have continuing representation. Also, it was necessary to have formal delegations from representative organizations because some of the informal delegates, claiming to represent the U.S. at the early meetings, were pro-Soviet. At one post-war meeting, one group of youth claiming to represent America displayed a cultural exhibit which featured a large picture of Negroes being lynched. There was an immediate need to get delegations that really represented America at the youth and student level.

The National Social Welfare Assembly in New York, coordinated activities for many groups that worked in social action and had an interest in international activities. The young adult components of these groups formed the Young Adult Council in 1948 (changed in 1962 to the U.S. Youth Council—hereafter referred to as USYC). USYC became the national youth organization for the United States and began to represent American youth at WFDY meetings. Student organizations were irreparably subverted to the purposes of Soviet foreign policy when a 1948 conference in Calcutta (jointly sponsored by IUS and WFDY) was followed by student led armed uprisings in Malaya, Burma and Indonesia.

The U.S. and other non-communist countries, recognizing the need to work with youth at the international level, realized that new non-communist organizations must be established. Thus the World Assembly of Youth (WAY) was formed in 1949 in Brussels, Belgium and the International Student Conference (ISC) was founded in 1950 in Lelden, Netherlands. USYC has been the U.S. affiliate of WAY, and NSA the U.S. affiliate of the ISC since those dates. Both WAY and the ISC have been open in seeking participation by all countries, and their growth has paralleled the decline of active membership in WFDY and the IUS. Both WAY and the ISC have been more interested in programming than propaganda and have held many regional leadership training courses and seminars as well as their bi-annual international conferences. A full report of their activities is made in WAY's publication, *The Forum*, and the ISC publication, *The Student*.

Carrying out activities requires large sums of money. The communist world has turned consistently to Moscow. The non-communist internationals have turned to private foundations, mostly in the United States. The reason is simple: aside from Russia and the U.S., there were few countries, if any, that could support such an effort. But the result has been that way, the ISC, USYC and NSA, having turned to U.S.-based organizations for support, have been glitly described as U.S.-financed tools in the Cold War against communism.

That stereotype is not useful for analysis, since Cold War terms and strategy are no longer applicable to the youth and student world. USYC and NSA have moved away from simple Confrontation—where the enemy was Russia and the goal was to prevent communist-led revolution—to very complex Cooperation in which the enemy is poverty, disease, and ignorance, and the goal is peaceful social revolution. To understand the significance of the U.S. response, it is important to examine the way American groups have grown in the past two decades.

TRANSITION: 1947-07

In the beginning, the U.S. groups, USYC and NSA, were established to fill the need for U.S. representation in international activity, but both groups soon began to fill domestic needs as well.

In the early 50's, these groups promoted academic freedom domestically, and gave moral support to the Algerian people in their fight for freedom. In the late 50's, they advanced the cause of civil rights—supporting sit-ins, aiding Negro colleges, and raising money for the poor in the South. In the 60's, they aided minority groups, developing the forerunners of VISTA and Headstart; worked with the peoples of Angola and Mozambique against Portuguese colonialism; supported the students of Spain in their attempt to secure academic freedom; and joined other youth in the world in protesting the racist regime in the Union of South Africa.

In addition to conducting programs, these groups served as forums where American youth could express opinions to youth in other countries on national and international affairs. Those opinions, codified in resolutions passed at annual meetings, were not automatically pro-U.S. The real virtue of these groups was their freedom from U.S. government control, a freedom which allowed them to criticize the foreign policy of any country, including the U.S., when proper. Some critics, after the revelation of covert government funding, argue that these groups were subverted because they were in the pay of the C.I.A. The resolutions USYC and NSA have passed document their vitality as independent bodies.

Thus a profound transition has occurred. USYC and NSA have become viable national entities. Their substantive programs have gained the respect of the international youth and student world, and they occupy a position of leadership. The earlier activity—confrontation of communist propaganda—has been replaced by American leadership in cooperation with dozens of countries.

Now doubts have been cast on the quality of leadership by suggestion that programs and personnel were funded by the C.I.A., and therefore, are bad. But the twenty year history of U.S. activity has been too significant, too independent, and too proud to be discontinued, even though various critics, with varying motives, would like it to be stopped. The question that has occupied the press and public for the past month has been "why did the C.I.A. get involved", "or who was subverted, and how?" These questions are interesting for page one stories, but the only significant question is where we go in the future with special emphasis on where we can get financial support.

QUESTIONS FOR THE FUTURE

Many suggestions are now being made in answer to the question of what we can do in the future. A crucial question involves finance since the foundations on which youth groups have counted for support have been attacked as C.I.A. fronts. There are possibilities for joint public and private support. But whatever is contemplated must confront certain facts that history has made clear.

The type of activity which needs to be carried out must be done by a continuing structure. The work is not simply selecting students to go to oppose communists at international meetings. There must be day-to-day contact with many groups to develop the body of information necessary to know the needs and possibilities for programming with another country. And when programs are developed, there must be a staff with some expertise at the youth level to carry out the program and provide for effective followthrough. The type of *ad hoc* group that the IRS represents in getting students to a Festival, cannot carry on the real work that needs to be done in substantive technical assistance. For an organization to be run on a continuing basis it needs financial administration support, but there is a real question whether it will be forthcoming.

The continuing structures that are used should be the existing structures of today. Any new group would have many problems as well as the fact that if it were not a national youth organization or a national union of students, it would have little to cooperate with abroad. It is important to have our existing structures continue because of their 20-year history, their knowledge and expertise, their contacts with other groups, and their continuing good will (despite the C.I.A. controversy).

These groups must work inside the U.S. even if they are solely concerned with international affairs. Some suggestions have been made for an Overseas Council that would not affect U.S. domestic institutions. But an important part of any youth group's work will be done by bringing delegations into the U.S. since all programs cannot be run outside our borders if we hope to have real cultural exchange. In addition, there must be increased work with the nearly 100,000 foreign students now in U.S. colleges. And there are many delegations brought to the U.S. by varied agencies that should be able to have a youth component in their program. So the groups must be active internationally inside the U.S., as well as in regard to domestic matters as mentioned before.

The work of these groups is basically political. The work is not purely educational, nor is it primarily with students. So it does not fit any more comfortably under the Department of Education or under the International Education Act, than it does under State's Bureau of Cultural and Educational Affairs. To illustrate the nature of these programs, a sample program between USYC and the Sudan is attached.

This program was contracted with A.I.D. and thus the program itself obviously could be carried on by overt government finance. But it is a type of program

that could not be conducted by a simple programming agency. It was made possible by having an organization in existence that had maintained contact with the Sudan; that organization had built up models for similar programs; it knew the needs of the Sudanese national youth organization; it had a good reputation because of its work in civil rights and its policy stands against U.S. bombing in Vietnam. The programs could receive support from various foundations or government agencies. But the organizations which develop and run these programs cannot exist without direct administrative support.

We must recognize that any group working in this area will be unpopular. Suggestions have been made that public support from the Congress might be given to such a group, but Congress could hardly be expected to approve. First, the group must have some significant domestic activity, or else it will be a facade and other countries will see no value in cooperating with it. So the U.S. groups must work in areas like minority rights, thus earning the criticism of many elected officials.

Second, the groups must speak out on topics of interest to the international youth community, and work on the side they feel is most just, whether the U.S. also happens to be on that side. One cannot work in Asia without declaring oneself on Vietnam, or in the Middle East without commenting on the Palestinian problem, or in Africa without supporting the rights of the oppressed in Southern Africa, or in Europe without standing beside those persons working against Franco, or in Latin America without questioning unilateral intervention such as in the Dominican Republic.

It is vital at this time of dissatisfaction with some areas of U.S. policy to have non-governmental alternatives for social progress that are acceptable and that are also non-communist; but who would expect Congress to support a group that did not seem to be supporting the U.S. one-hundred percent of the time? The public outcry over recent disclosures indicates that the price of a covertly funded group is too high for a democracy to pay, because the price appears to be control and compromise. The question now is whether this country can afford to pay openly for an uncontrolled group.

A SAMPLE YOUTH LEADERSHIP TRAINING PROGRAM

(By Reed Martin, Secretary for International Affairs, United States Youth Council)

OUTLINE FOR SUDANESE PROGRAM CONDUCTED BY THE UNITED STATES YOUTH COUNCIL UNDER CONTRACT WITH THE AGENCY FOR INTERNATIONAL DEVELOPMENT, DECEMBER 9, 1966, TO FEBRUARY 26, 1967

- I. Change and development:
 - A. Forces in the development process.
 - B. Projects in the United States and other countries.
 - C. Models for the Sudan.
- II. International relation:
 - A. Problems.
 - B. Organization involved.
- III. Period of practical training.
- IV. Understanding the United States.

Pursuant to a visit to the USYC office by two Sudanese who were members of the Council of Trustees of the National Youth Organization (NYO) and members of the Parliament, communication was begun which led to our hosting a delegation of the current leadership of the NYO for a ten-week program. This program was discussed at the summer and fall USYC meetings and the delegation was present at the winter meeting. The purpose of the program was to assist the NYO in exploring the role and potential of a youth group as a force for social change, while making its leadership familiar with the United States and its institutions.

The mechanics of the program were to place the Sudanese in a site rather than travelling. The tour leader, who was full-time on site, would develop the substance of the program through lectures by experts and the selected readings, and conduct intensive seminars to discuss the areas raised. There were also numerous short visits to relevant projects to broaden the exposure to problems and alternative solutions.

The first portion of the program dealt with the Change and Development now taking place in the developing countries. *Forces in the development process* were examined with attention to economics, social problems, health, education, welfare,

religion, and culture in both urban and rural settings. These forces were examined in the current situation and then, after assessing long term goals for the country, the forces which would inhibit the attainment of that goal were re-examined. The role of youth in working toward desired goals was discussed with special attention to the characteristics of young people.

Projects in the United States and other countries.—Case studies were made of social action projects in the U.S. (e.g. Watts-Opportunities Industrial Relations Center, Teen Posts) and in countries with similarities to the Sudan (e.g. Tunisia); and comparisons were made to the Sudanese NYO methods of social action projects (e.g. structure, membership, administrative procedure).

Models for the Sudan.—The NYO delegation set up several models for action by picking a goal, then developing program objectives, determining the human and material resources needed, the expected results in terms of resources committed, possible methods of evaluation, and the plans for follow-through.

The second part of the program dealt with International Relations.

Problems.—This involved discussion of the elements in international disputes, and the determinants in resolving disputes. Particular attention was paid to Vietnam and Southern Africa (e.g. Rhodesia).

Organizations involved.—The role of international non-governmental organizations in dealing with international problems was studied, with particular attention to youth structures. The history and development of the International Union of Students and the International Student Conference, and of the World Federation of Democratic Youth and the World Assembly of Youth, were examined through case studies of the events and programs of each organization.

The third part of the program was a Period of Practical Training. This was tailored to the needs and interests of each participant—in the case of this delegation, labor, communications and publications, arts and drama, and the functioning of a national union of students. This makes the experience more specific, and transferable to the work that will actually be pursued by the participants upon their return to the Sudan.

The fourth part of the program, Understanding the United States was not actually a separate portion, but was built into the entire schedule. The two major halves of the program (Change and Development and International Relations) were conducted on the west and east coast. While travelling in between, attention was given to getting a sense of U.S. life, visiting with youth groups and youth projects wherever possible. Some examples are: New Haven—urban re-development; outside of Chicago—Chrysler plant, midwestern farm; San Joaquin Valley—migrant labor activity; Phoenix—International Union of Electrical Workers, Salt River Irrigation Project and a home-stay with a Southwestern family; St. Louis—brief tour; Atlanta—Southern Regional Council, Student Non-violent Coordinating Committee, Southern Christian Leadership Conference, several Negro colleges, and a home-stay with a Southeastern family; Washington—Office of Economic Opportunity programs, Senator Edward Kennedy, and general tours.



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