

March 9, 1967

## CONGRESSIONAL RECORD—HOUSE

H 2505

abreast of veterans' needs in the United States.

We have heard many warnings during the past several years about the need for a workable, long-term plan to establish adequate gravesites for veterans. Legislation to that end has been introduced, from time to time. Each time, it has been buried in committee.

Unless the Congress takes some action promptly, the crisis which has all but closed down Arlington will spread to other national cemeteries. For example, the veterans of New York are deeply concerned about the future of Pinelawn National Cemetery on Long Island. Pinelawn was established in 1937, and the forecast for its future indicated that Pinelawn would provide veterans' gravesites until 1975.

In recent years, these forecasts have been sharply amended. It would now seem that the close-out date is almost upon us. Without expansion, Pinelawn is not likely to serve beyond 1970. Thousands of acres of Government-owned land is available for the expansion of Pinelawn on the site of former Camp Upton at Yaphank, L.I. The time to plan such expansion is now, not on the eve of another crisis.

There are many other national cemeteries throughout the Nation whose future should be outlined in a well-defined plan. Such a plan does not exist, and will not exist if the legislation aimed at creating it is repeatedly swept under the rug.

Under present rules of this House, legislation of this kind is referred to the Interior and Insular Affairs Committee. It would certainly be more reasonable for matters of such importance to the veterans of our Nation to be in the purview of the Committee on Veterans' Affairs.

The Committee on Veterans' Affairs is familiar with the needs of veterans, and deals with these needs daily. Certainly, provisions for gravesites for those who have helped to defend our Nation is no less an important veterans' affair than any other.

For that reason, I have introduced a resolution today to amend the rules of the House to achieve that end. Clause 10, rule XI, would be amended to remove national cemeteries from the responsibilities of the Interior Committee, and clause 19 of the same rule would be amended to make national cemeteries a concern of the Veterans' Affairs Committee.

A similar resolution has been introduced by the gentleman from Pennsylvania [Mr. SAYLOR], who has also introduced a bill to make operation and maintenance of a national veterans' cemetery system a responsibility of the Veterans' Administration. This is one of the bills which has so far been ignored.

We owe it to those who have fought for us to provide them with adequate gravesites. I am convinced that a first step in this direction will be to transfer responsibility for such legislation to the Committee on Veterans' Affairs. I urge action to change the rules to make this possible.

## CONTROL OF THE CIA

The SPEAKER pro tempore. Under previous order of the House the gentleman from New York [Mr. RYAN] is recognized for 15 minutes.

Mr. RYAN. Mr. Speaker, the dust stirred up by the revelations that the CIA has been secretly financing domestic organizations is beginning to settle, without any safeguards established to end this nefarious practice. We now know that the CIA has given substantial amounts of money to student organizations, labor organizations, publishing companies, and others. We also know that it has channeled funds through the use of tax-exempt foundations. At first there was deep concern about this activity. But already a sense of complacency is developing. Moreover, the CIA's infiltration of domestic organizations has been defended on the grounds that it is justified to combat the threat of communism.

Mr. Speaker, the issue is fundamental. Should a free society resort to secret and undemocratic methods in combating a political movement which denies freedom? Does the end justify the means? The means used by the CIA resulted in corruption of ourselves. For example, the students who were knowingly involved with the CIA were placed in the position of lying to their colleagues and tailoring their positions to suit the CIA. The very process, which was supposed to protect them, was a corrupting one.

The article published in the March issue of Ramparts magazine, which lifted the lid off the CIA's operations, clearly shows the effect of the CIA's seduction of students. No one who cares about maintaining the independence and freedom of our young people will fail to be repelled by the CIA's efforts. I will include the Ramparts article in the Record at the conclusion of my remarks.

If we are to compete with Communist ideology, we must do so by example, by showing that our open democratic system leads to the greater fulfillment of man. We cannot compete by emulation. For to do so leaves no choice. If it is in our national interest for the Government to support organizations which cannot receive sufficient support through private means, we should bear that responsibility openly. The decision to support an organization must be arrived at through the democratic process—not behind closed doors.

It is time we, as a nation, faced up to our responsibilities as a democratic society.

I fear the Central Intelligence Agency will, through one means or another, continue to funnel funds to seemingly free institutions unless Congress enacts an explicit prohibition.

Since the Bay of Pigs fiasco I have sponsored legislation to establish a Joint Committee on Foreign Information and Intelligence to oversee the CIA. In this Congress it is House Joint Resolution 305. But that may not be enough. There are already two subcommittees of the Congress which supposedly oversee the CIA. Did these subcommittees know

about the CIA's involvement with the National Student Association and other domestic organizations? The Joint Committee on Foreign Information and Intelligence should be established as soon as possible.

However, the issue of channeling CIA funds to domestic organizations must be met head on. Congress must act to make it clear to the CIA, to our citizens, and to the world that the era of CIA interference with our free institutions is at an end for all time.

Today I have introduced two bills which should prevent it in the future.

The first bill amends the Central Intelligence Agency Act of 1949 to prohibit the Agency from granting, contributing, lending, or otherwise paying, directly or indirectly, any of its funds "to any foundation or philanthropic organization, labor organization, publishing organization, labor organization, radio or broadcasting organization, or educational institution—including organizations composed of students or faculty members—incorporated or otherwise organized under the laws of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States, or under the laws of the United States."

The second bill amends the Internal Revenue Code of 1954 to require each tax exempt organization to file a public annual report which lists the sources, including Government sources, of all its income and other receipts. The bill provides for a penalty in addition to those already in the tax code, for a willful failure to file or fraudulent statements made in connection with the report. A willful failure to file or the making of fraudulent statements will result in the loss of tax exemption.

Mr. Speaker, I believe that legislation is the only way to insure that the CIA does not engage in the secret subsidizing of domestic organizations. The enactment of these two bills will prevent the CIA from engaging in secret activities which do much more damage to us than they do to others.

Mr. Speaker, I include at this point in the Record the Ramparts article published in March 1967:

A SHORT ACCOUNT OF INTERNATIONAL STUDENT POLITICS AND THE COLD WAR WITH PARTICULAR REFERENCE TO THE NSA, CIA, ETC.

(By Sol Stern, with the special assistance of Lee Webb, Michael Ansara, and Michael Wood).

## I. SOME NECESSARY BACKGROUND.

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

MORI/CFD

H2506

## CONGRESSIONAL RECORD — HOUSE

March 9, 1967

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

Establishing themselves as an organizing committee, the Prague 25 issued a call for a national conference of student leaders to organize a new national union of students. They were remarkably successful. In the summer of 1947, a new body known as the United States National Student Association (NSA) held its Constitutional Convention in Madison, Wisconsin. By the time of this convention, the atmosphere of the IUS had become even more openly procommunist than it had been in Prague. However, it was not until the communist coup had taken place in Czechoslovakia in 1948 and the IUS had failed to condemn the communists' mishandling of Czech students that the break between NSA and IUS became official.

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

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

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

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

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

Despite the formal democracy in NSA, there was little relationship between its overseas operations and its on-campus base. NAS Congresses were massive affairs attended mostly by students sent as delegates from the student governments of NSA's member

schools. They had little knowledge of NSA's year-round staff operations. International affairs and the operations of NSA's international staff were debated by a select few who could usually move the rest of the Congress on the basis of their esoteric expertise. Overseas representatives of NSA and delegates to the ISC were never elected by the NSA Congress.

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

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

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

## II. SOME FANCY FINANCING

It is widely known that the CIA has a number of foundations which serve as direct fronts or as secret "conduits" that channel money from the CIA to preferred organizations. An intimation of the scope of this financial web was afforded the public on August 31, 1964, when Texas Congressman Wright Patman, in the course of an investigation into the use of foundations for tax dodges, announced that the J. M. Kaplan Fund of New York was serving as a secret conduit for CIA funds. As soon as Patman made his announcement, representatives of the CIA and Internal Revenue came scurrying to his office for a hasty conference. Patman apparently was satisfied with the results. Without retracting his allegations about the Kaplan Fund he announced: ". . . The CIA does not belong in this foundation investigation."

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

Ramparts was provided with an unusual insight into the manner in which the CIA uses legitimate foundations with liberal interests, such as the Kaplan Fund, in a recent conversation with the president of a prominent New England foundation who asked to remain anonymous: "I didn't want

my foundation dragged through the CIA mud." In 1965 he was approached by what he described as "two nice middle-aged Irish cop types who flashed CIA cards at me." The men asked the foundation president if they could look over the list of organizations that his foundation supports. He volunteered the list to them and after looking it over, the agents said that there were organizations on the list that they would also be willing to support. The CIA men explained, "We are trying to pose an alternative to communism and want to back third-force programs, which we could not do if it was known that this support comes from a government source."

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

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

The CIA-suspect Funds mentioned in the Patman investigations are a key to understanding part of NSA's finances. Conveniently, they are spread all over the country (Borden in Philadelphia, Price in New York, Beacon in Boston, Kentfield in Dallas and Edsel, whose last known address was in San Francisco). When a Ramparts reporter checked out the addresses, officially listed by the foundations, he usually found himself in a law office where no one was willing to talk about the Funds.

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

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

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

Between 1962 and 1965, NSA received \$256,483.33 in grants for its international programs from Independence. Much of that sum went to pay for NSA's International Student Relations Seminars, yearly extravaganzas which served as effective training grounds for future NSA international leaders. NSA is still coasting on Independence's largesse. The building which houses NSA's present headquarters is occupied under a 15-

March 9, 1967

## CONGRESSIONAL RECORD — HOUSE

H2507

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

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

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

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

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

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

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

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

During 1964, the Rabb Foundation again received unusual contributions, from three Funds, and also made three matching disbursements. It received \$25,000 from the Tower Fund, and turned over the exact sum of \$25,000 as a grant to the International Development Foundation which has been engaged in organizing anti-communist peasant unions in Latin America. It was particularly active in the Dominican Republic during that country's period of revolution and American intervention. The Rabb Foundation also received a \$20,000 contribution from the Appalachian Fund, and during that year made a disbursement of \$20,000 to the American Society of African Culture. Finally, the Rabb Foundation received \$6,000 from the ubiquitous Price Fund, and during the same year it turned over—would you believe—\$6,000 to the United States National Student Association to help retire an NSA deficit. Rabb made at least one other contribution to NSA in 1965 in the amount of \$5,000.

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

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

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

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

In recent years, FYSA annually pumped hundreds of thousands of dollars per year into NSA's treasury. The figure for October 1965 to October 1966 was \$292,753.60. It

provided a general administrative grant of up to \$120,000 per year and funded projects such as NSA's magazine, The American Student, foreign student participation at NSA Congresses, technical assistance projects; and its funds paid NSA's dues to the ISC. In addition, FYSA could be relied upon to pick up any operating deficit that NSA incurred during the year, and FYSA gives "scholarships" to ex-NSA officers for overseas study.

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

The executive secretary of FYSA is Harry Lunn, a tall, ruddy-faced, balding man in his middle thirties, himself a past president of NSA, who used to make applications for grants to the foundation which he now directs. Lunn vehemently denies the suggestion that his foundation might be channeling CIA money for NSA, although he would not release a financial statement to this magazine.

After his presidency of NSA (1944-55) had terminated, Lunn became a member of an ISC delegation to Southeast Asia. Then, following a short stint in the Army, he went to the Department of Defense as a research analyst. From there he went on up the ladder to the political desk of the American embassy in Paris and then on up to the Agency for International Development, where he worked on the Alliance for Progress. It was from this last position that he came to FYSA in 1965. Lunn also took part in the activities of the militantly anti-communist Independent Research Service at the Vienna Youth Festival in 1959, while he was attached to the Department of Defense.

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

## III. AN EXTRAORDINARY CONVERSATION

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

There were two people there that day. One of them was Phil Sherburne, NSA president for 1965-66. Athletic-looking, blonde, self-possessed, his NSA post was his latest stop in a meteoric career in student politics.

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

H 2508

## CONGRESSIONAL RECORD — HOUSE

March 9, 1967

ceived a letter from Douglass Cater, special assistant to the President, commending him for his excellent reports.

Wood was talking to Sherburne because he was troubled. He had been running into irritating roadblocks in trying to raise money for NSA. He had encountered a curious lack of concern among other members of the Association's international staff about the rigorous preparation usually required for foundation fund raising. The amount of money needed often ran into hundreds of thousands of dollars, yet the proposals being submitted to the foundations funding the international program were ill-prepared, perfunctory and brief. Furthermore, President Sherburne was negotiating with the foundations without Wood's participation.

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

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

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

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

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

Among the CIA-front foundations specifically mentioned, according to Wood, were the Independence Foundation, the San Jacinto Foundation, the Foundation for Youth and Student Affairs, the Sidney and Esther Rabb Foundation, and the J. Frederick Brown Foundation. To the best of Sherburne's knowledge, CIA money did not pass through the Ford Foundation, the Rockefeller Foundation, the Asia Foundation, and other groups which had also funded NSA international programs in the past.

Sherburne presented the Agency's involvement in international student politics as a *fait accompli*; he argued that the CIA's vast supply of money was absolutely essential. Although he had serious doubts about the desirability of the relationship, he felt that NSA could not get as much money from any other source; moreover, the Agency had sup-

ported many worthwhile and liberal overseas programs. In any event, Sherburne felt that a sudden termination of the relationship would leave NSA in disastrous financial straits.

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

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

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

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

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

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

So intimately was the CIA involved in NSA's international program, that it treated NSA as an arm of U.S. foreign policy. The point is illustrated by a story that Sherburne told Wood. At one point during his tenure in office, Sherburne was to attend the International Student Travel Conference in Istanbul. There had already been much talk in NSA circles of opening up some bilateral contact with student unions in Soviet-bloc countries. Sherburne felt his trip to Turkey would provide a good opportunity to meet with Soviet students and discuss possible student exchanges. Sherburne sent off a cable to the Soviet National Union of Stu-

dents saying that he would be in Istanbul and requesting permission to travel on to Moscow for a meeting with the Soviet student organization. But the CIA got wind of Sherburne's cable and admonished him for doing such things without first consulting the Agency. A CIA agent explained to Sherburne that since KGB (the Soviet "CIA") assumed that NSA took its cues from the U.S. government, Sherburne's gesture might be interpreted as an official change in CIA policy on bilateral student contacts. Sherburne, even though he was president of the United States National Student Association, was enjoined against making such diplomatic overtures without first requesting permission from the Agency.

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

And NSA, with the CIA's aid, was able to play a major role in cooperating with favored national unions of students all over the world. No other union of students in the Western world has the kind of financial backing as NSA. The Canadian Union of Students, for example, operates on a budget of about \$14,000 a year for its international programs, all of which come from the dues of member schools. NSA, with its almost unlimited funds, was able to conduct a full program of foreign diplomacy.

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

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

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

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

The standard practice was for the president of NSA to send a letter to the local draft board stating that the staff member's

March 9, 1967

## CONGRESSIONAL RECORD — HOUSE

H 2509

services were required in an area that affected the national interest. Always included was a Cold War paragraph about how NSA was combatting communism. In what had become almost a form letter, the NSA president, asking for an occupational deferment for his staff member, wrote: "NSA is largely responsible for the creation and maintenance of the International Student Conference, which was established in 1950 to combat the communist-controlled International Union of Students. More than 50 countries—almost every state with a national union this side of the Iron Curtain—now participate in the International Student Conference."

During 1965-66 the war in Vietnam escalated, and a panic developed in the NSA office when staff members suddenly found themselves re-classified 1-A under the impact of the increased draft quotas. Sherburne took the matter of the office staff's status to the Selective Service Presidential Review Board, and also went directly to General Hershey. No NSA staff members, "witty" or "non-witty," were drafted. The Agency looks after its own.

## IV. THE PRESIDENT REBELS

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

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

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

Sherburne's effort at establishing some independence left its financial marks. Previously, any year-end operating deficits were quickly picked up by FYSA or some other foundation. In 1962-63 NSA had blundered into a disastrous financial venture with a book cooperative and wound up with approximately a \$70,000 deficit. After NSA made a pro forma appeal to alumni that brought in practically nil, several key CIA foundations and individuals came through with the cash and the debt was miraculously retired in two years. The cost of NSA's move from Philadelphia and at least \$35,000 worth of furniture and renovations for the new Washington offices were just as easily absorbed. Among others, FYSA put up \$15,000 and two men, Thomas Millbank and George Baker, put up \$10,000 and \$5,000 respectively. Millbank and Baker are both well-established New York corporate executives and fellow members of the Racquet and Tennis Club. These two men once joined with FYSA in making an \$18,000 grant to the ISC for a Latin American student conference. When asked about his interest in NSA and international student politics by this magazine, Dr. Millbank, once an assistant naval attache

in Cairo, said: "It is none of your business," and promptly hung up the phone.

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

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

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

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

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

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

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

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

Yet what Sherburne had accomplished was considerable. For the first time in years, new national officers were elected without apparent commitments to the CIA relationship. The only problems bothering the new officers were their knowledge of the past, and the large financial deficit—for it appeared that Humphrey's friends in the "private sector" were not as interested in supporting NSA as a rather un-public part of the "public sector" had been.

## V. EPITAPH TO A CAPER

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

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

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

Sometime in the middle of January, the NSA officers and Sherburne heard that Michael Wood had passed his information along to Ramparts. Sherburne called Wood and asked him to fly to Boston, where Sherburne pleaded with him for an entire day to retract his story. Then they both flew to Washington for four more days of

intense and harrowing discussion with two of the current NSA national officers, an NSA staff member, and a former national affairs vice president.

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

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

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

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

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

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

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

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

Having kept quiet about the CIA since their election, the officers now went into action to minimize the effects of the forthcoming disclosures. NSA President Gene Groves flew off to Leiden, Holland for an emergency Summit meeting with the leaders of the NSC. Groves came back convinced that NSA must make some acknowledgment of the CIA rela-



H2510

CONGRESSIONAL RECORD — HOUSE

March 9, 1967

tionship—but at the urging of his colleagues in Leiden there would be as few details as possible admitted.

If older Americans have been a little put off by the style of the draft card burners or the Mario Savios, there has always been somewhat of a consensus about the good works of the young men and women of the United States National Student Association. The NSA seemed to mix the idealism of the community organizers, the FSM activists and the Peace Corps with the buttoned-down practicality of young junior executives.

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

There were many arguments put forward by NSA's current officers as to why the CIA-NSA relationship should be kept secret, and many similar arguments desperately made to Mike Wood as to why he should not have given the information to anyone. Of all the reasons given—by Stearns and Groves to Ramparts' editor in Washington, and by others who pleaded with Wood—the most pathetic, which appeared again and again, was this: exposing the story would not only hurt NSA, it would hurt the CIA. Covert Action Division No. Five, after all, was not in the business of assassinating Latin American leftists, it was supporting liberal groups like NSA, groups with international programs in the best tradition of cultural exchanges between countries. NSA might be anti-communist, but certainly no one could ever argue that its anti-communism was more militant or more narrow-minded than that of the average American. Rather, it was less so. Thus the exposure of the NSA-CIA tie would deeply hurt the enlightened, liberal, internationalist wing of the CIA. Conservative congressmen, such as L. Mendel Rivers of the House Armed Services Committee, would cut off Agency funds for these purposes, and the head-liners in CIA's "core" would be proven right in their contentions that the Agency shouldn't give large sums of money to support liberal students, no matter what intelligence it was getting in return.

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

#### AN EPILOGUE

(By Michael Wood, San Francisco, February 1967)

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

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

For years the United States National Student Association has stood for "a free university in a free society." Its resolutions on academic, political and social freedoms are

clear. Its constitutional commitment to free and open democracy is of long standing. Its defense of civil liberties has been staunch and consistent. Yet because of NSA's relationship to the CIA, its leaders have for 15 years undermined those principles.

This story is only a case study in CIA corruption. When I was told of Covert Action No. Five's infiltration of NSA, I was also told of numerous other organizations similarly infiltrated. A few have been named in this article; many others have had to be omitted. In an age when the average man's only access to the centers of decision is through private institutions, the responsiveness of those institutions to his wishes is critical to the healthy workings of a democracy. The spectre of CIA infiltration of domestic institutions—and the covert creation of coordinated leadership among them—must horrify those who regard unentered debate as vital to representative democracy.

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

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

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

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

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

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

#### AND A JUDGMENT

(By Marcus Raskin, co-director, Institute for Policy Studies, Washington, D.C.)

In Simone de Beauvoir's roman à clef, *The Mandarins*, there is a passage where the State Department tries to "help" Henri Perron (supposedly Camus) by offering him newsprint if his journal holds to an independent, neutralist line. Perron counters the offer to mean that the magazine should not criticize the fundamental methods of American foreign policy, and turns down the "aid." To protect the magazine's independence he also turns down aid from communist sources. But the gods play with men and their ideals. For a period of time the magazine receives its funds from a man who took gold from dentists who collaborated with the Nazis. Living in the world makes it hard to avoid dirty hands, perhaps; because we are egocentric and overvalue the work we do. When we try to bring our projects into being they become more important to us than the reason we initiated them.

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

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

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

**MORE TAXES IF INCOME TAX SHARED BY STATES; BLESSED BE TAXPAYER**

The SPEAKER pro tempore. Under previous order of the House the gentleman from Florida [Mr. FUQUA] is recognized for 10 minutes.