

FEB 24 1967

CIA & Business

Intelligence Agency's Requests Pose Problems For Some Global Firms

Kaiser Jeep Shows Its Sales Movies; Traveler to Soviet Rebuffs Two Bids for Help

Top Bosses May Not Be Told

WALL STREET JOURNAL News Roundup

The web of Central Intelligence Agency links to private organizations extends to businesses—in particular, to big companies that operate around the globe.

Unlike the recently disclosed CIA ties to student groups, foundations and labor unions, the agency's relations with firms apparently don't involve financial subsidies. Instead, the CIA has sought on occasion to use positions on overseas staffs of companies as cover for its employees. More frequently, it has turned to business as a source of information, interviewing business travelers and other businessmen involved in foreign operations to gather clues to political and economic developments abroad.

At least within the business world, companies' relations with the CIA usually don't appear to pack the emotional content they do in the case of some of the other private organizations that have cooperated with the agency. Most executives take a matter-of-fact view of the situation.

Kaiser Jeep Corp., a subsidiary of Kaiser Industries Corp., says it was approached by the CIA last year for a report on a promotional jaunt by 25 salesmen through several East European countries, including Poland, Czechoslovakia and Rumania. "We thought we should cooperate with them," comments a Kaiser official. "They were asking legitimate questions concerning business information."

Damaging Foreign Operations

On the other hand, some businessmen say they are uneasy about even seemingly casual relations with the CIA. Their concern is based not so much on ethical grounds as on fears that the slightest hint of involvement with U.S. intelligence could damage their foreign operations.

J. L. Camp, vice president in charge of the overseas division of International Harvester Co., says he spends three-quarters of his time abroad but has never been approached by the CIA—and hopes he never is. "Without terrific investment overseas, if anybody suspected us of cloak-and-dagger work, it would wreck us," says Mr. Camp.

Many executives flatly refuse to discuss possible relations between business and Government intelligence gatherers. "This is a non-comment area," says an official of General Electric & Rubber Co. Asked if Raytheon

has ever had anything to do with the CIA, Charles Adams, chairman, says: "No comment. That's all I have to say. I'll talk to you about anything but that."

The president of a Southwest-based company that drills oil wells abroad at first agreed to talk about the CIA on an anonymous basis, then changed his mind midway through the interview and ordered the reporter to tear up his notes; he watched intently to make sure the reporter complied. "I hope you realize," he said, "how delicate a matter this is."

Keeping the Boss in the Dark

Even when businessmen are more talkative on the subject, the truth may be elusive. At some firms the top officer may be unaware a subordinate has ever dealt with the CIA because, as one American executive based in Geneva, Switzerland, puts it, "This sort of thing is never on a company basis but on an individual basis." In other instances, businessmen may feel obligated to mislead questioners.

One of these situations may well apply in the case of a major U.S. corporation with extensive operations in Asia. At the company's Midwest headquarters, the president says he would bar any cooperation by employees with the CIA. "You've got to decide whether your employees are working for you or for someone else," he declares firmly. But another source familiar with the firm's overseas staff insists just as firmly that for years one of its "salesmen" in Japan was actually a CIA operative.

The president of a West Coast manufacturer involved with the CIA from time to time suggests that it would be wise for a company that wanted to assist the agency to issue a well-publicized statement that "International Widget will not allow its employees to cooperate in any manner with the CIA." Then, he says, the company would be free to cooperate as much as it pleased.

No Truck With the CIA

With at least seeming sincerity, some businessmen do insist in sweeping fashion that they will have no truck with the CIA. Romaine Fielding, 47-year-old president and owner of a Los Angeles concern that acts as sales representative for about 40 U.S. manufacturers, has made 13 trips to the Soviet Union over the past eight years. Twice the CIA has asked him for help, he says, and both times he has refused.

"At no time did I let the conversation even get into specifics," he recalls. In Mr. Fielding's view, "the only row for a businessman to hoe is right down the middle, without involvement."

Most companies have no hard-and-fast rules about relations with the CIA. They weigh each request for cooperation as it arises. In general, they seem to be willing to go along when they are convinced that doing so won't hurt them. "Obviously, you are going to help as much as you can without jeopardizing yourself overseas," says one Ohio executive.

"One has to balance the national interest" with one's own interest in being effective world-wide, says a corporate official in Los Angeles. He goes on to argue that rejecting a CIA request for assistance is not necessarily a selfish flouting of the common good—suggesting, in essence, that what is good for a private American company abroad is also

run is also good for the U.S. as a whole. "Being effective world-wide is, in a sense, in the national interest," he asserts.

A surprising number of U.S. companies do own up, at least privately, to cooperating with the CIA to the extent of providing information.

Some firms say the agency has approached employees before they departed on trips overseas and asked them to pick up specific bits of information, which they proceeded to do. The companies suggest the CIA must have learned of the impending trips from passport applications or other sources. American Motors Corp. provides the Government with travel schedules of its foreign sales officials. William S. Pickett, a vice president, indicates.

Despite occasional advance planning with the CIA, however, most companies say overseas travelers' contact with the agency generally comes in "debriefing" interviews with agents following a trip.

The CIA appears to deal with some businessmen on a continuing basis. "I have regular contact with the CIA," says William Boyd Jr., an international vice president of Pittsburgh National Bank. "They call up and ask if we have anything in our files of a statistical nature on industries abroad, and we end up by giving them a lot of printed material." He adds, however, that it is always material that could be picked up easily in the foreign country and doesn't represent data about client companies.

Casual Arrangements

More often, businessmen's dealings with the CIA are on a casual, irregular or even one-shot basis. Where information-gathering by overseas travelers is involved, companies would prefer to keep things that way, fearing more fixed arrangements are likely to land the company in hot water abroad sometime.

A vice-president of a giant international company says that a few times a CIA agent has approached an employee and said: "You travel a lot—how about supplying us with regular reports?" The company says it always turns down that kind of request.

Companies sometimes are puzzled by the sort of information sought by the CIA. "Some of these things they could get out of newspapers," says a spokesman for an oil company that has at times been asked its views on the economic stability of a foreign country.

An executive of a Chicago drug manufacturer reports that about two years ago he was interviewed by the CIA after a trip to England, a nation that would seem to hold few secrets for the U.S. "They wanted my impressions from talking with businessmen—how they viewed business prospects, whether the pound looked strong, whether they liked Americans," says the executive. "I gave them no profound information that they couldn't have gotten from any bank doing business there or any embassy."

Looking at Movies

According to Kaiser Jeep, the CIA was particularly interested in looking at movies the firm had made on its promotional venture behind the Iron Curtain, even though the films consisted primarily of shots of Jeep sales displays in the countries visited. Kaiser shipped the movies to Washington as requested, but a Kaiser official observes: "We never did figure out what was so important about the movies. We were showing them all across the U.S."