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DISCLOSE HOW
CIA BAILED OUT
COLLEGE FIRMA

A university of Chicago graduate student denied yesterday a Washington [D. C.] newspaper's allegations that some of his fellow students managed a cooperative book store, running up debts which eventually cost the CIA \$140,000. Gerald Hyman, 24, of 5519 University av., a former director of the cooperative, said that the heavy debt was accrued while the store was being managed by the National Student association [N. S. A.], and not by the University of Chicago students.

Charges Are Detailed

The Washington Star alleged that the students who managed the cooperative took the agency and the N. S. A. for the money in the following manner:

The students, working thru their student government, decided to form a cooperative bookstore to provide lower prices on textbooks for college students. They tried to expand the store nation-wide and ran into debt. They moved into Loop offices, rented expensive business machines, and quickly ran over their heads in debt.

Seeks an Expansion

The newspaper said the N. S. A. was seeking to expand its campus services and bought the cooperative for \$15,000 cash. When they discovered possibility of a huge financial loss, the N. S. A. officers turned to the CIA, which provided \$140,000 to pay off the debts, the newspaper said.

"The University of Chicago students were not responsible for the debts," Hyman said.

He said the cooperative was in debt for "a couple thousand dollars" in May, 1963, when the directors voted to transfer the cooperative to the N. S. A.

"We figured the N. S. A. had enough capital to buy the books we needed," he said. "The heavy debt ran up when the N. S. A. made commitments for books, bought the furnishings, rented the business machines, and expanded the cooperative to other campuses. It definitely was not mismanagement on our part."

Under the N. S. A. direction, said Hyman, two other book stores were opened thru the cooperative, one at the University of Illinois and the other at the University of Michigan.

"Went Too Fast"

Hyman said the business failed because "the cooperative wanted to go too far too fast." Money was being spent for machinery and books without any indication there would be sufficient sales, he said.

"We had no idea that N. S. A. was getting money from the CIA," Hyman said. "Nobody wanted to take anybody for anything. All we set out to do was establish a nonprofit business which would enable students to buy books less expensively than they could at a regular book store."

During a semi-annual N. S. A. board meeting in 1964, the N. S. A. president explained that he had undertaken some suggested fund raising to pay the \$140,000 debt, the Washington newspaper said.

Lists His Support

He listed the support he had gotten from foundations—all CIA-backed—but the amount he listed was still \$25,000 short of the total needed.

The N. S. A. supervisory board members, who allegedly did not know of their organization's CIA involvement, questioned him as to how he got the final \$25,000. It was all very simple, he explained. One day, while on a train from Philadelphia to Boston, he struck up a conversation with a wealthy Greek rug merchant.

By the time the train reached Boston, the rug merchant was so impressed with N. S. A.'s work that he wrote out a check for \$25,000, the president said.

Nobody questioned the explanation.

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