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HOW PATMAN EXPOSE DIED

STATINTL

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WASHINGTON, Feb. 25—"The J. M. Kaplan Fund has been operating as a conduit for channeling CIA funds," Rep. Wright Patman, D-Tex., told a hearing conducted more than two years ago by his House committee on small business.

When Patman uttered these words on Aug. 31, 1964, he was trying to evoke public testimony from security-conscious officials of the Internal Revenue Service. They refused to confirm his information about a tie-up between the Central Intelligence Agency and the Kaplan Fund or to testify publicly about eight mysterious foundations that had contributed to it.

Patman's statements created a short-lived sensation that died in a closed-door meeting between the committee and the IRS officials. The topic was dropped in subsequent hearings; government sources clammed up. Nothing remained but Patman's charge and the names of eight of the 17,000 private foundations in the United States.

ORGANIZATIONS REMAIN MYSTERIOUS

Those eight organizations remain mysterious, two and a half years after Patman first opened the public records on CIA's use of private foundations as camouflaged conveyor belts for funds that have helped at least 50 private organizations that work in the foreign field.

The crack Patman inflicted in CIA's cover has broken wide open in the past two weeks. Following disclosure that CIA had passed about \$4 million over a 15-year period to the National Student Assn., it has come to light that CIA money has helped pay for programs sponsored by students, educators and scholars, journalists, labor unions and apparently by a few church groups.

It is impossible to estimate accurately the total amount CIA has moved through foundation channels to support selected ventures. Estimates are that \$4 million has been moved in a decade and a half to NSA, that another \$1 million was conveyed through the American Newspaper Guild in two years.

Only fragments of the puzzle appear in the discreetly-worded reports which foundations are supposed to file yearly on IRS form 990-A. The portion of these forms available to the public provides for itemization of donations paid out, but not of funds received. In some cases, the source of funds are available in the Patman committee's records.

FORMS HAVE BEEN UNAVAILABLE

Some 990-A forms have been unavailable for a variety of reasons. Among them are the reports of 18 "foundations" and "trusts" which have no apparent reason for being except as CIA fronts.

On the other side of the paper curtain at IRS, the disillusioned officers of the National Student Assn. told what they knew: that NSA had been substantially helped by three private foundations they called CIA intermediaries, as well as by the faceless San Jacinto Foundation of Houston.

They named the Sidney and Esther Rabb foundation and the Independence Foundation, both of Boston, and the Foundation for Youth and Student Affairs of New York. Officers of the three groups kept their silence.

Their names led to searches of 990-A forms and Patman's files that opened new doors to more and more groups. Sometimes, there was direct evidence of assistance from the 18 funds believed to be prime dispensers of CIA funds. In other cases, monies were so commingled that positive identification was impossible.

LIST OF THE FOUNDATIONS

Following is a partial listing of the foundations, with sources of funds where available, each followed by significant beneficiaries whose names show in available records:

Independence Foundation, Boston, (held mortgage on NSA headquarters):

National Student Assn. (\$256,483—1960-1965).
 International Student Conference, Leyden, Holland.
 World Assembly of Youth, Brussels.
 U. S. Youth and Students Council, New York.
 Independent Research Service Educational Foundation, New York (\$145,000—1962-63).
 International Marketing Institute, Boston (\$101,000—1963-1964).

American Friends of the Middle East (\$35,000—1964)
 Foundation for Youth and Student Affairs, New York reported \$1,527,488 in 1965 donations to 26 groups; sources unlisted. A partial list of 1965 recipients follows):

National Student Assn. (\$405,791).
 World Assembly of Youth (\$314,577).
 International Student Conference (\$273,248).
 U.S. Youth Council (\$151,478).
 International Union of Socialist Youth (\$99,533).
 Oficina Replacionadara Movimientos Estudiantiles Universitarias (\$72,718).

American Newspaper Guild, Washington (received

\$200,000 in 1960-1963 from the Granary Fund; \$90,000 in 1964 from Andrew Hamilton Fund; \$704,000 in 1965-1966 from Chesapeake and Broad-High Foundations and Warren Trust).

Inter-American Federation of Working Newspapermen, Panama, and International Federation of Journalists, Brussels (shared \$1,004,000—1960-1964).

Sidney and Esther Rabb Foundation Boston:
 National Students Assn. (\$6,000—1964).
 International Development Fund (\$25,000—1964).
 David Hosephone and Winfield Baird Foundation, New York (received \$465,800 from Kentfield Fund, Borden Trust, Price Fund, Edsel Fund 1961-1964):

American Friends of the Middle East (\$150,000—1963-1964).

African American Institute (\$150,000—1961-1964).
 International Development Foundation (\$50,000—1964).

Union of Bishops of the Orthodox Church Outside Russia (\$38,000—1962).

M. D. Anderson Foundation, Houston (received \$655,000 from seven of the CIA "fronts" 1958-1964).

American Fund for Free Jurists (\$655,000—1958-1964).
 J. M. Kaplan Fund, New York (received \$1,169,950 from 11 presumed CIA "front foundations" 1961-1964).

Institute of International Labor Research \$923,950—1961-1964).

Congress for Cultural Freedom, London (\$103,000—1964).

Congres Pour la Liberte de la Culture, Paris (\$54,000—1964):

Hobiltzelle Foundation, Dallas (reported \$275,000 in "anonymous donations"—1961-1963, \$10,000 from Price Fund—1961, \$63,700 from Borden Trust and Tower Fund—1964).

Congress for Cultural Freedom (\$150,000—1960-1961).
 Congres Pour la Liberte de la Culture (\$198,700—1961-64).

American Friends of the Middle East (\$170,000—1963-'65).

Fund for International Social and Economic Education (\$160,000—1963-65).

Radio Free Europe (\$40,000—1964).
 Berliner Verein (newspaper) (\$200,000—1963-64).

Benjamin Rosenthal Foundation, New York (received \$205,000 from Price, Edsel, Tower and San Miguel Funds 1960-63):

Asia Foundation (\$35,000—1963-64).
 Vernon Fund, Washington, D. C. (\$65,000—1961-63).

Vernon Fund, Washington (no reports from this fund available since its formation in 1958; it is reported

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