

TOP SECRET

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# CIA OPERATIONS CENTER

ORGIASIA FOUNDATION

## NEWS ANALYSIS SERVICE

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INTELLIGENCE-FOUNDACTIONS

TOKYO, MAY 11, REUTER - MORE THAN 50 JAPANESE JUDGES AND PROSECUTORS RECEIVED CASH ASSISTANCE FOR FOREIGN TRAVEL FROM A U.S. FOUNDATION SUSPECTED OF HAVING LINKS WITH THE CENTRAL INTELLIGENCE AGENCY, JUSTICE MINISTER USAKU INABA SAID TODAY. HE TOLD THE UPPER HOUSE OF THE JAPANESE PARLIAMENT THE SUBSIDIES WERE HIGHLY UNPLEASANT AND SAID THE GOVERNMENT WOULD NOT ALLOW JUDICIAL OFFICIALS TO ACCEPT MONEY FROM THE ASIA FOUNDATION IN FUTURE.

THE JAPANESE SUPREME COURT SAID SUMS RANGING FROM 500 TO 700 DOLLARS HAD BEEN PAID TO 14 ASSISTANT JUDGES STUDYING IN THE U.S. BETWEEN 1955 AND 1975. THE FOUNDATION ALSO AIDED FOREIGN TRAVEL FOR 37 PROSECUTORS AND FOUR JUSTICE MINISTRY OFFICIALS.

LINKS BETWEEN THE SAN FRANCISCO-BASED ASIA FOUNDATION AND THE CIA WERE ALLEGED BY JAPANESE COMMUNIST PARLIAMENTARIAN ATEUSHI HASHIMOTO.

REUTER 1441

Comment:

RAMPARTS  
OCTOBER 1971

David  
p - Reston, James  
Orig Council on Foreign Relations  
STAT  
CIA and DeLoe Allen

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Horowitz

# The Making of America's China Policy

by David Horowitz

IT WAS A FRUSTRATING DAY for James Reston, vice-president of the *New York Times* and minister without portfolio for America's journalistic mandarin. Landing in Peking on July 12 with the thought of perhaps claiming new diplomatic territory as well as scoring a journalistic coup; he was told by the head of the information service of China's foreign ministry that Henry Kissinger had just left Peking and, it would shortly be announced, President Nixon would visit the People's Republic of China next spring. It was at this moment ("or so it now seems," Reston later wrote) that he experienced the first stab of pain in his side that would land him in the hospital for an emergency appendectomy the next day.

Before leaving New York, Reston had received a letter from Dr. Oliver McCoy, president of the China Medical Board, an institution John D. Rockefeller had created to run the medical college he had built there in 1916 and which was nationalized by the Communist government thirty-five years later. Dr. McCoy told Reston that if he should happen to notice a "large group of buildings with green tiled roofs not far from the southeast corner to inquire what those were." The old medical college had now become the Anti-Imperialist hospital, and it was in this unlikely setting that Reston had the consolation of at least being the first member of the American establishment to receive acupuncture treatments in the new China.

If such ironies dogged Reston's trip, they were also present in the larger drama that had been played out two days earlier amidst sumptuous 17-course dinners. For Henry Kissinger—the man who masterminded Nixon's new diplomacy in China and scooped James Reston—had once been the foreign policy advisor of the President's arch-rival for control of the Republican Party, Nelson Rockefeller. He was a strange *alter ego* to bear the tidings of American "friendship" which was being offered after twenty years of unrelenting official hostility by President Richard Nixon. And Richard Nixon was himself an unlikely president to be

making the offer. For this was the man who, in the words of Reston's *Times*, had "led the political clamor of the China lobby to ostracize the Chinese Communists from the community of 'peace-loving' nations" two decades ago and had earned spurs in the McCarthy purges by baiting the China experts who were then urging no greater accommodation to the revolutionary government than that for which Kissinger's secret mission had now set the stage.

These unexpected juxtapositions and ironic turns at the surface of policy are no mere coincidences. By their very incongruity, they suggest the presence of deeper continuities underlying Nixon's new approach toward the mainland. For despite sharp tactical lurches and even unforeseen veerings off course, there are few areas where the significant patterns of policy and personnel have been more stable in their way than in the field of China affairs. Nixon's new gesture, which looks almost impulsive and shrewdly tied to such political events as the 1972 election, has in fact been a bipartisan strategic planning assumption for a long time now among those who have always determined America's posture toward China. The *Times* itself pinpoints 1966 as the moment when Nixon realized that "no future American policy in Asia could succeed unless it came 'urgently to grips with the reality of China.'" All that was left to the White House quarterback was to choose the right political moment: "And just as his popularity at home dipped to a new low, with the Vietnam controversy swirling anew all around him and the North Vietnamese pressing for a quick and final deal to drive him out of Saigon before the end of 1971, Mr. Nixon lobbed the long one."

## [CHINA AND THE AMERICAN EMPIRE]

SINCE THE CLOSING OF THE CONTINENTAL frontier at the end of the 19th century, China has occupied a special place in the self-conception of an American world role. Many historians have even designated America's subsequent global expansion as the pursuit

20 May 1971

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CIA 2.04.2 Research  
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# CIA Operates at

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By Bill Evers

It used to be generally thought that the leading institutions of American society had separate proper spheres of activity. The tradition of separation of church and state and the conflict between town and gown were aspects of this institutional "separation of powers."

But with increased fusion of governmental activity with industrial activity during the Progressive era and the New Deal and the rise of the military-industrial complex after the Second World War, the actions of the major institutions of American society came to be joined and coordinated at the top levels of their hierarchical structures.

This new institutional configuration found its apologists in academia, who found the modern Leviathan to be an inevitable fact of life and considered it at the same time to be the best of all possible worlds.

Nonetheless, the inhabitants of the Multiversity, or in Clark Kerr's phrase, "the federal grant university," continued to have certain antiquated self-conceptions of their activities.

In 1966 when the news media broke stories which detailed the cooperation between the CIA and Michigan State University, panic broke out in academia.

## Stanford Agitation

Stanford was no exception. The lead story in the *Stanford Daily* of May 3, 1966, began: "Armed with pickets declaring 'The Winds of Freedom Get Hotter All the Time,' 'The University and the CIA Have No Common Business,' and 'Come to the Inner City--Find the CIA,' approximately 35 students and faculty members gathered outside the office of Associate Provost for Research Hubert Jeffner shortly after 1 p.m. yesterday. The group distributed statements protesting the Electrical Engineering Department's contract with the Central Intelligence Agency."

Professor William Rambo's CIA contract came with him when he moved from Harvard to Stanford. He was working on electromagnetic propagation, one of whose uses is over-the-horizon radar. In order to conceal from the University community the subject matter and the funding agency for Rambo's contract, in the words of Professor Pierre Noyes of SLAC, "the President of the University, and one or two others in the Administration who had appropriate security clearance had been informed of the CIA sponsorship, and had arranged a dummy entry on the [University] budget to cover the contract, whose significance could not be traced outside of this closed circle."

## Second Contract

In an interview with the *Daily* in the spring of 1966, President Wallace Sterling said that there were two CIA contracts at Stanford. The second was bibliography research. It was financed by

# Stanford

a CIA front. Sterling told the *Daily* that the contract "came from a cover which we had no reason at the time to think was a cover for the CIA." More precise information as to the nature of this research project and the names of the researchers has not yet been uncovered.

At that time, according to what CIA employee Kennedy Lunt "Ken" Wilson told his fellow Stanford students in casual conversations, there were a total of five or six persons working for the CIA and going to school at Stanford, with a similar contingent at UC Berkeley.

Independent confirmation that CIA employees attend Stanford comes from a student contemporary of Wilson's, Garry Quinn, who was an employee of the Department of Defense International Security Agency while attending Stanford, and who told fellow students about a CIA employee who was studying at Stanford financed jointly by grants from the government and the Ford Foundation. In recent years, Vice Provost Robert Rosenzweig has told me on two separate occasions that there are CIA employees at Stanford.

Wilson, electrical engineering major and CIA employee, worked separately from Professor William Rambo, who held the CIA contract the students and professors were protesting on Inner Quad. Wilson took courses in engineering and economic systems and in radio science. He obtained an M.S. from the University in 1966, but stayed on through academic years 1966-67 and 1967-68. While he was here he lived off campus at 2439 Burnham in Palo Alto, and pursued academic subjects which aided his regular CIA work of reviewing foreign technical journals. Wilson now lives in Falls Church, Virginia (a suburb of Washington, D.C.), at 7415 Venice Street.

## Teaching Stint

During academic year 1966-67, Wilson was for a short while a teaching assistant for Engineering 235, taught by Professor Bruce Lusignan. As a "result, the "Acknowledgements" page in the final report of the Advanced System for Communication and Education in National Development project, issued in June 1967, states: "The members of Engineering 235 wish to thank Dr. Bruce Lusignan, Dr. William Bollay, Dr. Jean Mayers, Hunt Small, Al Horley, and Ken Wilson for their interest, guidance, and tactful direction throughout the ASCEND project."

Wilson was originally teaching the section on "Political and Economic Factors and Programming" of Engineering 235, which is the regular "project course" of the School of Engineering. That year, the course topic was communication and education in Brazil, India, and Indonesia. Wilson, however, was section

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Clausen, A.W.  
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Henderson, Ray  
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Lundborg, Louis B.

# B of A Denies Any Ties With the CIA

By Lindsay Arthur

Customers and stockholders today have the assurances of A.W. Clausen, president, and Louis B. Lundborg, chairman, that Bank of America has no ties with the Central Intelligence Agency.

They have assurances, also, that the largest bank would not engage deliberately in black marketing of foreign currencies.

These two points mirror the fact that discussion ranged far beyond the agenda at an annual meeting yesterday of the bank's parent BankAmerica Corp. in Masonic Memorial Auditorium.

The questions came from young men opposed to U.S. involvement in Indochina and critical of some foreign financing.

One of the critics, Ray Henderson of Los Angeles, wanted to know if the bank was aware that the Asian Foundation supports the CIA.

### Promote Trade

Lundborg said the bank works with the Asian Foundation in promoting trade and understanding. Clausen added:

"The bank makes development investments all over the world. It has no association with the CIA."

The issue of black marketing was raised in discussion about a European bank in which Bank of America owns an interest that is going business in the Congo.

Clausen said the case is in the courts. He observed: "Bank of America does not

engage in black marketing deliberately."

Others among the young critics questioned whether the bank is profiting from financing shipments to Indochina.

Clausen insisted the decision as to disengagement there is one for the government, not the bank. This issue was raised by Edward Scanlon and James Lowery, also of Los Angeles. They represented the Center for New Corporate Priorities.

Then there was the problem of minority employment and advancement.

### Supports Blacks

Carlton B. Goodlett, black physician-publisher, failed in an effort to have Assemblyman Willie L. Brown and Miss Aileen Hernandez, both black, elected BankAmerica directors. Miss Hernandez is president of the National Organization for Women. There were 533 shares voted for Brown and 661 for Miss Hernandez.

Clausen said the bank's minority employment has doubled to 7900 in six years. He added: "Bank of America with its heart believes that it is wrong to discriminate. We are not perfect, but we are striving."

During the two hour and 10 minute session, attended by more than 800 persons, the stockholders elected management's slate of 17 directors and retained Ernst and Ernst as independent auditors.

An effort to provide for cu-



LOUIS B. LUNDBORG  
Answers critics

mulative voting failed. Cumulative voting permits a stockholder to vote all of his shares for one, two or more board candidates instead of an entire slate.

### Right Vote

Philip Adams, San Francisco attorney, offered the cumulative voting proposal on behalf of Lewis D. and John J. Gilbert, New York management critics.

Adams said the stockholders lost this right two years ago when the bank formed the holding company, BankAmerica Corp.

Replying for management, Samuel B. Stewart Jr., vice chairman, said the right was not used when available.

"The board of directors should be an integral part of the management team," Stewart said, "A director who could not be trusted might leak important information."

Following adjournment, Walter E. Hoadley, the bank's executive vice president and chief economist, engaged the young critics in a "rap" session.

*ph*

# State Dept. to Ask Congress For Asia Foundation Funds

By Warren Unna  
Washington Post Staff Writer

The Agency for International Development and the State Department's Bureau of Educational and Cultural Affairs are about to ask Congress for funds to support the Asia Foundation, a philanthropic organization based in San Francisco but operating in 13 Asian countries.

The total money requested, some \$3.1 million, is expected to meet about half the Foundation's budget and help replace funds it had been receiving through Central Intelligence Agency "conduit" organizations.

The foundation acknowledged last Spring that it had been receiving CIA money but announced that it would accept no more from such sources. However, a week ago, India announced it had asked the foundation to wind up its activities there because the whole matter had become "too embarrassing."

AID and State Department officials explained that they are now going to ask Congress to pick up CIA's tab because they consider the Asia Foundation is and has been doing valuable educational and cultural work abroad and think this should be continued with above-board, openly acknowledged U.S. Government help.

These officials have been sounding out Senators and Congressmen on the idea last week and were encouraged. Accordingly, AID Administrator William S. Gaud is expected to spell out the matter when he goes to Congress this week.

According to present plans, AID will request \$2 million in general support for the Asia Foundation and another \$500,000 for a book distribution program that had long been under consideration. The requests will be made under Title 9 of the Foreign Aid act, which is concerned with the overseas development of democratic and political institutions. Previously, AID had made two moderate-size project contracts with the Asia Foundation.

In addition, State's Educational and Cultural Affairs Bureau is expected to seek Congressional approval for a \$600,000 grant for educational and cultural projects.

The Asia Foundation had been operating on an \$8 million annual budget but this lately had been scaled down and \$4 million now is planned for its programs. Part of its financing comes from private contributions from individuals and institutions, many of them in the San Francisco area.

The Asia Foundation began life as the Committee for a Free Asia at the end of World War II, but then underwent extensive reorganization and started anew.

It employs some 120 Americans in its San Francisco office and in Korea, Japan, Hong Kong, Taiwan, the Philippines, Malaysia, Singapore, Laos, Pakistan, Vietnam, Ceylon, Afghanistan and India, where its close-out date has yet to be set.

Asia Foundation personnel through the years, have worked closely with local educational and governmental groups and gained their respect. Cambodia's prickly chief of state, Prince Norodom Sihanouk, allowed the Asia Foundation to remain in his country long after he had broken diplomatic relations with the United States and kicked out its embassy.

But because of the rumors of CIA backing Indonesia, Burma, and later Cambodia, asked the foundation to leave even before the CIA link was established.

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Chavan, Y. B.

### India To Uproot CIA-Aided Unit

New Delhi, Feb. 24 (Reuters). The American-sponsored Asia Foundation has been asked to wind up its activities in India because of links with the United States Central Intelligence Agency, Y. B. Chavan, Home Minister, told Parliament today.

Chavan said that as the foundation received money from the CIA the Indian Government had asked it to stop functioning.

No foreign agency was allowed to operate freely in India, he said.

The Asia Foundation, with headquarters in San Francisco, was formed in 1951 as an organization to help non-Government bodies in Asia in matters of social welfare, culture, education and labor relations.

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PROVIDENCE, R.I.  
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 M- 67,050  
 S-204,809

## India Expels Foundation With CIA Link

© N.Y. Times News Service

New Delhi — The government disclosed yesterday that the Asia Foundation has been ordered to wind up its programs in India as a result of its acknowledgement that it had accepted funds made available by the U.S. Central Intelligence Agency.

The foundation, a private philanthropic organization based in San Francisco, operates in 14 countries between Afghanistan and Japan. The program in India is the only one that has been terminated as a result of the disclosures of its CIA links.

Last March the foundation's board of directors confirmed newspaper reports that it had accepted funds from foundations and trusts — so-called "conduits" — supported by the intelligence agency. It stressed at the time that it would not

Continued on Page 12, Col. 3

## India Expels Foundation With CIA Link

Continued From Page One  
 accept funds from the CIA in the future.

Leftwing parties in India exploited the foundation's connection to the CIA to condemn American "subversion" of Indian institutions.

The government then reacted by restricting all new programs of the foundation, pending a Cabinet decision on what its future in India should be. At the time the 30 proposals for new projects to the government had a total value of \$400,000.

None of these proposals was considered thereafter. The authorities even refused to issue licenses to the foundation for books it distributed to Indian libraries.

Three weeks ago the Cabinet met on the issue and rejected various proposals to tighten controls on the foundation's program here, deciding instead on the extreme step of bringing it to an end.

Its decision was communicated Wednesday to Richard Heggie, the foundation's representative here, and announced yesterday in Parliament by the Minister of State for External Affairs, B. R. Bhagat.

Grants already approved by the government, officials said, can still be spent. It will be some time next year before the last of these has been exhausted.

"In the overall context of the Indo-American relations," one official declared, "the more one removes minor irritants the better it is. The poor Asia Foundation has to suffer."

The foundation came into existence in 1954 but did not get started in India until 1962. Within the next few years, however, Mr. Heggie said, the India program would have become the biggest one the foundation had anywhere.

The program tried to concentrate, the representative said, on fostering closer links between institutions and elements in Indian society that have not always been in communication — the universities, and government agencies, for instance.



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2 SCHOLARSHIPS

SEP 27 1967

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Winners Were To Study In U.S.; CIA Link Blamed

By JAMES S. KEAT

(New Delhi Bureau of The Sun)

New Delhi, Sept. 26—The Indian Government has blocked the departure of two winners of journalism scholarships to American universities because they are financed by the Asia Foundation, which has admitted receiving some funds from the Central Intelligence Agency.

One of the two journalists, a junior editor on a Government magazine, was to attend Harvard as an associate Neiman Fellow; the other, a reporter on a Hindi language newspaper here, was to attend the Columbia University School of Journalism.

Called Cabinet Decree

They were selected by a committee of eminent Indian journalists, including the editors of three leading newspapers.

Authoritative sources said the Indian Cabinet itself has decreed that no further projects financed directly or indirectly by the Asia Foundation be approved here, even in cases such as the scholarships, where it does not administer the program.

The lone exception since the ban was imposed, following disclosures of CIA links with some American foundations, was last-minute approval of travel grants to six prominent Indian scholars to attend a world conference last August.

In that case, a reliable source said the full Cabinet approved the travel just a few hours before the scholars took off for the Twenty-Seventh International Conference of Orientalists at the University of Michigan. The previous session of the conference three years ago was held here under Indian Government sponsorship and the one before that in Moscow.

Other proposed activities of the foundation, which allots about \$460,000 a year to India, have been marking time in Government pigeonholes since last spring.

Other Funds Not Blocked

Qualified sources said there has been no evidence that the Government is holding up projects of other American foundations, however, the Ford and Rockefeller foundations are deeply involved in a variety of

P. Keat, James S.  
CIA 2.04.2 Foundations  
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been accused of CIA links. The Asia Foundation, based in California, has been active here since 1962. It is primarily interested in the social sciences.

Only two Indian organizations have returned parts of their grants following the uproar here over charges that the CIA had used private foundations as conduits for funds to foreign groups.

Two other groups have asked that grants already approved be held up pending new Government permission. More than a dozen Indian groups have continued to accept Asia Foundation funds since last spring.

All grants to Indians by overseas foundations have been cleared in the past by the Foreign Ministry. The Government is believed reexamining the approval procedure in order to tighten its controls over these

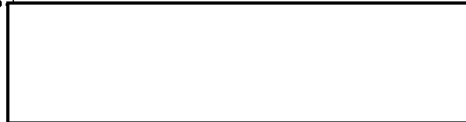
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Dacca, The Pakistan Observer, 2 May 1967, p.1



### CIA engineered Athens coup?

LONDON, April 30.—The United States Central Intelligence Agency has been accused of playing a role behind the scenes in the military take-over in Greece, reports APP.

The claim was made at the annual conference at Blackpool of the Draughtsmen and Allied Technicians Association. A Union executive said that for the first time in Europe, there was a link in the chain of events in which military coups took place in a number of African states and in which the Government of British Guinea was toppled.

When the facts of the present take-over in Greece would become known, he was sure it would be found that the CIA had a hand in establishing this regime in Europe, as it had done elsewhere.

He said that the situation in Greece coupled with the already existing situation in Spain and Portugal, presented a serious threat to democrats in Europe.

Meanwhile after Court House Street scuffles here yesterday a Magistrate ordered 38 people to be held in custody for one week in connection with Friday night's invasion of the Greek embassy by left-wing demonstrators. He also made an order for their fingerprints to be taken so that identities could be made.

Three men and one woman, whose fingerprints had already been taken, were released on bail.

The 42 who appeared—30 men and 12 women—were accused with causing an affray, using threatening behaviours.

### India refunds \$ 10,000 CIA fund

WASHINGTON, Apr. 30.—The Press Institute of India in New Delhi has returned 10,000 dollars to the "Asian Foundation" with headquarters in San Francisco, reports PPA.

After the scandal in connection with the CIA's bribing of various American organisations, it has been established that the "Asian Foundation" received money for its services from the agency.

*Orin Asia Foundation**CIA 2-04.2 foundation*

## THE WAR

## Do-Gooders with a Difference

Youthful protest over Viet Nam has ranged from mobbing Cabinet officers to burning draft cards. Yet for many young Americans who are profoundly repelled by the prospect of fighting the war, the alternative has been to serve the cause of peace in Viet Nam. That, at least, is the philosophy followed by the 250 members of International Voluntary Services (I.V.S.), a private Peace Corps whose members—including many unabashed Vietniks—are among the most dedicated workers for social and economic progress in that unhappy land.

Founded in 1953 (eight years before the Peace Corps), I.V.S. currently counts 135 staffers in Viet Nam, stationed from Danang to the Delta, as well as 96 members in Laos. Of that number, 24 are girls and 25 are conscientious objectors for whom I.V.S. service takes the place of duty in the armed forces. Others are young men who—rejected by the armed forces—joined I.V.S. in order to serve in Viet Nam in some worthwhile capacity. With an average age of 24½ and college backgrounds ranging from etymology to economics, the I.V.S.ers are do-gooders with a difference: though all are teachers in a sense, they are also skilled laborers who feel that their callused hands and total independence of the U.S. Government are the most telling arguments for America's ultimate aims in Viet Nam.

**Out of the Clouds.** Covering the boot-trapped countryside in every kind of conveyance from Lambrettas to Land Rovers, they dig sewers and teach hygiene, plant crops and harvest friendship, build schools and instruct Vietnamese in carpentry or masonry in the process. Often they have to overcome U.S. red tape and age-old Vietnamese traditions along the way. One I.V.S.er, 28-year-old Paul Lukitsch of Milwaukee, discovered a U.S. AID-provided wheat thresher that the Vietnamese, ignorant of its workings, had not even uncrated. After "liberating" the machine, Lukitsch modified it for rice harvesting in the Delta, and reduced the threshing time of 1,000 bundles of rice from two days to 2½ hours. "We now have an unbelievable list of farmers who want to use it," he says proudly.

Even the I.V.S. girls are busier with handiwork than homework. Blonde, leggy Sondra Williams, 27, a Texas Tech graduate who was an NBC secretary and served two years in the Philippines with the Peace Corps before joining I.V.S., teaches sewing and cooking at Ban Me Thuot, 160 miles northeast of Saigon, once made a crash landing in a Communist-held paddyfield when the helicopter in which she was bumming a lift lost power. "I don't think any of us over here have our head in the clouds," she says. "Maybe before we came we did."

**Strength & Stamina.** Despite firsthand exposure to Viet Cong terrorism, many I.V.S.ers retain their distaste for the war.

"We're nothing more than sugar-coating for the genocide that's going on here," argues David Gitelson, 25, a U.C.L.A. graduate and ex-G.I. now stationed in the Delta. A lanky loner who lopes around in sandals and faded Levi's, Gitelson carries his worldly possessions with him in a wheat sack, is known to the Vietnamese as "my ngheo"—the poor American. U.S. officials consider him the most effective American of all the thousands involved in Delta pacification. Says one: "All he has is strength, stamina and awkwardness. I wish we had more like him."

Another in the same mold is Jay Worrall, 23, a Virginia-born physics grad from Earlham College who marched on London's Trafalgar Square with Folk Singer Joan Baez in a 1965 antiwar demonstration. Last week Worrall, in striped shirt and sweat-stained Levi's, was humming a different tune as he sweated in the dust of Phu Cuong, twelve miles northwest of Saigon, building homes for Vietnamese refugees. An adept at the ancient art of cumshaw and cajolery, Worrall overcomes the perennial shortages of materials by canvassing battlefields in a borrowed "deuce-and-a-half" (2½-ton army truck) and scavenging useful debris like 105-mm. ammo boxes, which he pounds into A-frames for his buildings.

**Ability to Hurt.** Though the Saigon government contributes \$150,000 a year to support I.V.S., its basic funding—about \$1.5 million annually—comes from the U.S. AID. From this, the two-year volunteers receive \$80 a month—less than the salary of an Army private—plus a small clothing and vacation allowance. After negotiations with the Asia Foundation for \$2,000 to build a summer school and buy books for the Vietnamese, I.V.S.ers voted down the grant when it was disclosed that the foundation had received funds from CIA.

Pragmatism, in the volunteers' eyes, is still second to idealism.

Considering that I.V.S.ers operate mainly in Red-infested provinces, they have been singularly fortunate in losing only two lives at Communist hands so far. One I.V.S.er, Peter Hunting, 24, was murdered from ambush by the Viet Cong in 1965. Another, Fred Cheydleur, 20, a Quaker from Philadelphia, was gunned down last week by Red guerrillas in the Laotian jungle. An expert logger, stonemason and mechanic, Cheydleur was a muscular (5 ft. 11 in., 195 lbs.), compulsively hard-working youth who became a pacifist, according to one of his teachers, "when he discovered his own ability to hurt other boys all too easily." Said Radio Moscow of Cheydleur's death: "An agent of the American CIA has been executed in Laos."

*CIA 2.04.2 Foundations  
P. Turner, Wallace  
Bannigan, John  
URGI Asia Foundation*

LOUISVILLE, KY.  
COURIER-JOURNAL

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S - 333,011  
MAR 25 1967

# Asia Foundation Says It Received CIA Funds

By WALLACE TURNER  
© New York Times News Service

SAN FRANCISCO—The Asia Foundation, a private American philanthropic organization, said this week that it had received money indirectly from the Central Intelligence Agency.

The foundation's trustees issued a press release that said:

"The trustees wish to state that in the past they have . . . knowingly received contributions from private foundations and trusts which have been recently named as having transmitted Central Intelligence Agency funds to private American organizations."

The foundation's assistant public affairs officer, John Bannigan, explained that the signers of the release—the trustees—had all known that the foundation was accepting money from the federal government.

He said he did not know whether they had been aware that the federal money had come from the C.I.A.

Bannigan also said in an interview that the foundation would no longer accept hidden federal subsidies.

According to the trustees' statement, "all contributions to the foundation, from

whatever source, were accepted on the condition that the expenditure of such funds was to be left to the discretion of the trustees without any interference and that the funds be used solely for the foundation's declared purposes."

The foundation, according to its statement of purposes, works primarily in education. It supports Asian schools and libraries, student centers, science fairs, agricultural extension, social and economic research, and gives travel grants to permit Asians to attend international conferences.

Some persons prominent in recent U.S. diplomatic history are members of the board of trustees of the foundation. Among these are Edwin O. Reischauer, former ambassador to Japan; Arthur H. Dean, who has held many State Department assignments; and Ellsworth Bunker, recently named ambassador to South Vietnam.

The present chairman of the board is Russell G. Smith, retired vice president of the Bank of America. The president of the foundation is Dr. Haydn Williams, former assistant secretary of defense.

Barry Bingham, editor and publisher of The Courier-Journal and The Louisville Times, is also on the foundation's board.

*Orig. Asia Foundation  
CIA 2-04.2 foundation*

# Asia Foundation Clears the Air

THE highly respected Asia Foundation of San Francisco, in a candid and forthright statement, reveals it has received from private organizations funds which are presumed to have originated with the Central Intelligence Agency.

Our reaction is "Well?"

The money was given for honorable and necessary purposes. It was received without conditions attached and on the foundation's own terms.

The foundation's aim is to strengthen non-Communist and neutral Asian people in maintaining their independent societies. It will, we are glad to say, continue to solicit private funds and "open grants" from appropriate federal departments concerned with international education and development.

There is no reason at all why it should not do so; nor is there reason to criticize the foundation because it was involved in the exaggerated flap over the CIA. Or to criticize the CIA.

The foundation's work has been in pursuance of a proper American policy of supporting our friends in Asia and resisting takeovers of sovereign governments through the classic Communist techniques of force and/or subversion.

The purposes of the foundation and similar organizations that received CIA funds are national purposes. As The Examiner has stated before, more overt governmental money sources should have been proffered, but it is playing cloak-and-dagger to assume that the many private organizations so helped were bought by the CIA and given explicit instructions. The record belies that.

The Asia Foundation's voluntary statement serves further to clear the air. We are confident its work among our Asian friends will continue within the circle of mutual trust and respect.

CIA 2.04.2 Asia Foundation  
ORGI Asia Foundation

M - 475,000

MAR 22 1967

# Asia Foundation Tells of CIA Aid

The Asia Foundation of San Francisco volunteered yesterday that it has received Central Intelligence Agency funds. It would not say how much.

The foundation spends about \$5 million a year on academic and cultural programs in non-Communist and neutral Asian countries.

A spokesman for the private, non-profit organization — whose trustees have included such distinguished men as the late Adlai Stevenson and San Francisco financier and diplomat, J.D. Zellerbach — said the announcement was being made "to clear the air."

Current members of the board of trustees include Ellsworth Bunker, U.S. Ambassador-designate to South Vietnam; Edwin G. Reischauer, former U.S. Ambassador to Japan; Stanford University President J. E. Wallace Sterling, and Grayson L. Kirk, president of Columbia University.

The formal announcement of the trustee's, after enumerating the goals of the foundation, said that it has sought and received private contributions and grants from corporations, foundations and individuals and that it has received donations of books from many state and local governments for its Book's for Asian Students Program.

### AID

The announcement continued:

"The trustees wish to state that in the past they have also knowingly received contributions from private foundations and trusts which have been recently named as having transmitted Central Intelligence Agency funds to private American organizations.

"The trustees' independent decision to accept funds

from these foundations and trusts in no way affected the foundation's policies and programs.

"All contributions to the foundation, from whatever source, were accepted on the condition that the expenditure of such funds was to be left to the discretion of the trustees without any interference and that the funds be used solely for the foundation's declared purposes."

### SOURCES

The trustees said they would continue to seek "increasing contributions" from private sources and would continue to ask for Federal grants from "departments of the Federal Government concerned with international education and development."

Foundation President Haydn Williams, a former Harvard professor and one-time high level Pentagon official, could not be reached to explain the statement.

While the trustees "knowingly received contributions," did they also know that the donors were funnels for the CIA?

"They knew it was from the Government," said a spokesman. "They knew it was Federal money. And they accepted it on their own terms."

### DONORS

The spokesman refused to identify the donors, or tell how many donors there were.

"The trustees have not released that," said the spokesman. "They stand by the statement and that's it."

He did, however, say that the Asia Foundation has given "\$60,000 to \$70,000 over the last dozen years" to the National Students Association.

The current national furor over CIA support of private organizations was set in motion by the disclosure last month that the Federal intelligence agency had funneled millions of dollars into the student organization through private foundations.

The Asia Foundation also has given \$22,000 over a period of several years to the

International Federation of Journalists, with which the American Newspaper Guild of CIA funds to work with is affiliated, said the spokesman.

The newspaper workers' union has been the recipient of CIA funds for work with foreign journalists, but has voted to refuse further contributions from foundations and trusts working with the CIA.

The spokesman said the Asia Foundation's gifts were from "various specific requests," such as the payment of travel expenses of some Asian newspapermen to a conference of the Federation of Journalists in Brussels.

### ORIGIN

The Asia Foundation had its origin with a group of prominent San Franciscans in 1951 as the "Committee for Free Asia." Among other activities, it supported Radio Free Asia, which was shut down in 1953.

The Committee for Free Asia, designed to fight communism, became The Asia Foundation in 1951 and changed its goal to a program of strengthening the development of non-Communist and neutral countries in the academic, professional and cultural areas.

One of the activities of the foundation is to support about 250 Asian students in studies in American universities.

### AIM

Another purpose of The Asia Foundation is to promote in the United States "a better understanding of the peoples, cultures, values, and histories of Asian countries."

There has been criticism from time to time in Asia that the foundation was meddling in local political affairs, or was an instrument of the CIA.

"This rumor and accusation has been around Asia for years," said the spokesman. "Part of it is Peeking and part of it is Moscow."



Front Page    Edit Page    Other Page

SAN FRANCISCO, CAL.  
EXAMINER - E  
275,000  
EXAMINER & CHRONICLE  
S - 750,000  
MAR 23 1967

# Asia Foundation

## Clears the Air

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SAN FRANCISCO, CAL.

EXAMINER - E

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EXAMINER & CHRONICLE

\$ - 750,000

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# Asia Foundation Expects Red Furor Over CIA Story

Communist propaganda mills no doubt will make much over the Asia Foundation's voluntary statement that it may have indirectly received funds from the Central Intelligence Agency, a foundation spokesman said here today.

But, said the official, the possible CIA connection was revealed to reassure Asian governments there is nothing secret about the foundation's programs.

The San Francisco headquartered Asia Foundation supports educational and cultural programs in 14 Asian nations. It now spends about \$5 million a year on such programs.

The foundation's trustees disclosed yesterday in a formal statement that it has received funds that presumably originated with the CIA.

The Asia Foundation's trustees issued a statement yesterday disclosing it has received contributions that presumably originated with the CIA.

## TRUSTEES

But it insisted this "in no way affected the Foundation's policies and programs" for the strengthening of Asian societies, United States-Asian relations and American understanding of Asian peoples.

Trustees of the Foundation, whose offices are at 550 Kearny St., include:

Russell C. Smith, board chairman; Haydn Williams, president; Turner H. McBaine, secretary; Robbins Milbank, treasurer, and Stanley C. Allyn, Robert B. Anderson, Barry Bingham, Ellsworth Bunker, Arthur H. Dean, Mortimer Fleischback-

er Jr., R. Allen Griffin, Carol P. Haskins, Charles J. Hill, Grayson L. Kirk, Walter H. Mallory, Mrs. Maurice T. Moore, Lucian W. Pye, Edwin O. Reischauer and J. E. Wallace Sterling.

Their statement was issued "to clarify the policies and position of The Asia Foundation in view of the recent discussion of relations between the United States Government and private American organizations."

It said in part:

"The Asia Foundation, founded in 1954 in San Francisco, by a group of private American citizens, has been engaged since its inception in encouraging and assisting the educational, social and cultural development of Asian societies and in furthering understanding and cooperation between the peoples of Asia and the United States.

"The Foundation is a non-profit, private philanthropic corporation, governed by an independent Board of Trustees of American citizens.

"The Trustees wish to state that the full responsibility for the Foundation's policies, finances and programs rests exclusively with the members of the Board. In addition to its present members, the Board has included such prominent Americans as Paul Hoffman, Henry M. Wriston, Adlai Stevenson, Charles R. Glyth, Robert Blum, Eric Johnston, Roger Lapham, A. Crawford Greene, Mrs. Henry Potter Russell, T. S. Peterson, Brayton Wilbur and J. D. Zellerbach.

## PRIVATE GRANTS

"To carry on its work the Foundation has sought and

received private contributions and grants from American corporations, foundations and individuals. It has also received donations from state and local governments, colleges, universities, bookstores, service clubs and publishing houses for the Foundation's Books for Asian Students Program.

"The Trustees wish to state that in the past they have also knowingly received contributions from private foundations and trusts which have been recently named as having transmitted Central Intelligence Agency funds to private American organizations.

"The Trustees' independent decision to accept funds from these foundations and trusts in no way affected the Foundation's policies and programs.

"All contributions to the Foundation, from whatever source, were accepted on the condition that the expenditure of such funds was to be left to the discretion of the Trustees without any interference and that the funds be used solely for the Foundation's declared purposes.

## NEED FUNDS

"The Trustees, confident in the worth and integrity of the Foundation's programs, are determined to seek continuing financial support for its

work. They will ask for increasing contributions from American foundations, corporations and from voluntary individual giving. The Trustees have sought and will continue to seek open grants for its programs from Departments of the Federal Government concerned with international education and development."

The statement added that American and Asian staff members of the Foundation "have not been used or influenced in any way, directly or indirectly, by any contributor to the Foundation," and said:

"The Trustees wish to make it clear that the Foundation has not imposed its philosophy or any requirements on any individual or organization receiving Foundation assistance. It has not in any way used its associations with any individual or institution to exert influence, procure information, or to achieve political gain.

"The Trustees state that this has never been and will not be the purpose of the Foundation."

MAR 22 1967

Pers. Turner, Wallace  
Foundation

# ASIA FOUNDATION GOT C. I. A. FUNDS

## Trustees Deny Influence— Bar Future Hidden Aid

By WALLACE TURNER  
Special to The New York Times

SAN FRANCISCO, March 21 — The Asia Foundation, a private American philanthropic organization, said today that it had received money indirectly from the Central Intelligence Agency.

The foundation's trustees issued a press release in which it was said:

"The trustees wish to state that in the past they have also knowingly received contributions from private foundations and trusts which have been recently named as having transmitted Central Intelligence Agency funds to private American organizations."

The foundation's assistant public affairs officer, John Bannigan, explained that the signers of the release — the trustees — had all known that the foundation was accepting money from the Federal Government.

He said he did not know whether they had been aware that the Federal money had come from the C.I.A. Mr. Bannigan said he was not aware of any explanation of why Federal money had come to the foundation through channels that concealed its source.

The press spokesman declined to reveal the sum of the subsidy from the intelligence agency. But he added, in an interview, that the foundation would no longer accept hidden Federal subsidies.

### Outside Influence Denied

The press release said that "all contributions to the foundation, from whatever source, were accepted on the condition that the expenditure of such funds was to be left to the discretion of the trustees without any interference and that the funds be used solely for the foundation's declared purposes."

The statement described the foundation as ready to seek "open grants" for its programs from the "departments of the Federal Government concerned with international education and development."

The statement insisted that foundation personnel "have not been used or influenced in any way, directly or indirectly, by any contributor to the foundation."

The foundation, according to its statement of purposes, works primarily in education. It supports Asian schools and libraries, student centers, science fairs, agricultural extension, social and economic research, and gives travel grants to permit Asians to attend international conferences.

### Prominent Trustees

Some persons prominent in recent diplomatic history of the United States are members of the board of trustees of the foundation. Among these are Edwin O. Reischauer, former Ambassador to Japan; Arthur H. Dean, who has held many State Department assignments; and Ellsworth Bunker, recently named Ambassador to South Vietnam.

The late Adlai E. Stevenson, United States Representative to the United Nations, was a trustee, as were Paul Hoffman, once president of the Ford Foundation, and the late J. D. Zellerbach, who was Ambassador to Italy.

The present chairman of the board is Russell G. Smith, retired vice president of the Bank of America. The president of the foundation is Dr. Haydn Williams, former assistant secretary of defense.

The other trustees whose names appeared on the press release today were as follows: Robert B. Anderson, former Secretary of the Treasury; Barry Bingham, publisher of The Louisville Courier-Journal.

Mortimer Fleishhacker Jr., San Francisco businessman and philanthropist.

R. Allen Griffin, publisher of The Monterey, Calif., Peninsula Herald.

Caryl P. Haskins, president of The Carnegie Institute of Washington.

Charles J. Hitch, vice president of The University of California and formerly a fiscal officer in the Pentagon.

Grayson L. Kirk, president of Columbia University.

Walter H. Mallory, former executive director of the Council on Foreign Affairs.

Turner H. McBaine, San Francisco lawyer.

Robbins Milbank, a retired New York advertising man.

Mrs. Maurice T. Moore, chairman, Institute of International Education.

Lucian W. Pye, professor of political science, Massachusetts Institute of Technology.

J. E. Wallace Sterling, president of Stanford University. While Ambassador Bunker's name appeared as a signatory to the statement, he was described as "on leave."

Mr. Bannigan, the assistant public affairs officer, said he did not know what had prompted trustees to issue the statement. He said he presumed they wanted to clear the air and get the information on the record.

The statement released by the San Francisco based organization began as follows:

"In view of the recent discussion of relations between the United States Government and private American organizations, the trustees wish to make the following statement to clarify the policies and position of the Asia Foundation.

More than a month ago, Ramparts magazine, edited here, aroused a controversy about C.I.A. involvement with foundations by a report on the agency's relationship with the National Student Association.

CIA 2-04.2 Foundations

MAR 22 1967

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*Org. 1 Asia Foundation*

*CIA 2-04.2 foundations*

## CIA and Asia Foundation Are Linked

SAN FRANCISCO (UPI) The prestigious Asia Foundation, a private group which spends more than \$4 million annually in strengthening U.S.-Far East relations, has acknowledged it received financial support through the Central Intelligence Agency.

But a spokesman for the foundation yesterday stressed that the funds "in no way affected" its policies and programs.

Listed among the foundation trustees are such dignitaries as Ellsworth Bunker, U.S. ambassador-designate to Saigon; Edwin O. Reischauer, former U.S. ambassador to Japan, and Stanford University president J. E. Wallace Sterling.

The spokesman, a member of the foundation staff, said he did not know how much money the group had received through CIA channels.

The foundation said it has received contributions and grants from corporations, foundations, individuals, state and local governments, colleges and publishing firms.

It also said, "The trustees wish to state that in the past they have also knowingly received contributions from private foundations and trusts which have been recently named as having transmitted Central Intelligence Agency funds to private American organizations."

The spokesman said the foundation spends between \$4 million and \$5 million a year.

*Pers. Bunker, Ellsworth  
Pers. Reischauer, Edwin O.  
Pers. Sterling, J. E. Wallace*

*Asia Foundation*  
*Asia Foundation*

THE ASIA FOUNDATION  
550 Kearny Street  
San Francisco, California

IMMEDIATE RELEASE  
March 21, 1967

TRUSTEES' STATEMENT

In view of the recent discussion of relations between the United States Government and private American organizations, the Trustees wish to make the following statement to clarify the policies and position of The Asia Foundation.

The Asia Foundation, founded in 1954 in San Francisco, by a group of private American citizens, has been engaged since its inception in encouraging and assisting the educational, social and cultural development of Asian societies and in furthering understanding and cooperation between the peoples of Asia and the United States.

The Foundation is a non-profit, private philanthropic corporation, governed by an independent Board of Trustees of American citizens. The Trustees wish to state that the full responsibility for the Foundation's policies, finances and programs rests exclusively with the members of the Board. In addition to its present members, the Board has included such prominent Americans as Paul Hoffman, Henry M. Wriston, and the late Adlai Stevenson, Charles R. Blyth, Robert Blum, Eric Johnston, Roger Lapham, A. Crawford Greene, Mrs. Henry Potter Russell, T. S. Petersen, Brayton Wilbur and J. D. Zellerbach.

The purposes of the Foundation are:

1. To support Asian individuals and organizations striving to strengthen their own societies.

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6040 OLD DOMINION DRIVE  
MCLEAN, VIRGINIA 22101

Feb 24, 1967

U Thant

It seems quite possible that some of the money received in support of the 27th Congress of Orientalists to be held August 13-19 this summer, will come from the C. I. A.

If this is true, will you still go ahead with your plans to address this group?

I hope not.

Sincerely,

Robert T Gordon

NEW YORK

TELEPHONE: PLAZA 4-1234  
CABLE ADDRESS \* UNATIONS NEWYORK \* ADRESSE TELEGRAPHIQUE

EXECUTIVE OFFICE OF THE SECRETARY-GENERAL  
CABINET DU SECRETAIRE GENERAL

2 March 1967

Dear Mr. Fifield,

I have duly received your kind letter of 5 January.

I enclose a photocopy of a letter I have received today addressed to the Secretary-General. Do you wish to comment on it?

With kind regards,

Yours sincerely,

*C. V. Narasimhan*

C.V. Narasimhan  
Chef de Cabinet

Mr. Russell H. Fifield  
Secretary-General  
XXVII International Congress of Orientalists  
48 Lane Hall  
The University of Michigan  
Ann Arbor, Michigan 48104



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APR 8 1967

Around  
The World

# India's Press Institute to Return CIA-Linked Funds

NEW DELHI—The Press Institute of India has decided to return its \$10,000 grant from the Asia Foundation following the disclosure by the San Francisco-based organization that it had been receiving a small part of its own funds from a conduit of the Central Intelligence Agency.

Warren Unna of The Washington Post reported that the \$10,000 amounts to more than a third of the Institute's budget for the year.

"We realize that the Asia Foundation has said it will receive no more funds from this source (the CIA) but the money we have received is money it already has received and therefore suspect," Lakshman Tandon, the Institute's executive secretary, said.

ORF, Asia Foundation

# Asia Foundation to Meet on CIA Case

By ORR KELLY ✓  
Star Staff Writer

The Asia Foundation has called an emergency meeting of its board of trustees, which includes a number of present or former high government officials, to consider charges that it has been receiving and passing on Central Intelligence Agency money.

The San Francisco-based foundation, which has resident agents in 14 Asian countries, has supplied modest amounts of money in recent years to the

National Student Association and has supported programs of the American Newspaper Guild.

The NSA has admitted that its overseas operations were heavily financed by the CIA and Guild officials are investigating the possibility that it, too, has been running its international program largely with CIA money.

John A. Bannigan, acting director of public affairs for the Asia Foundation, said in a telephone interview from San Francisco that no statement on the foundation's sources of income would be made until the 24-member board of directors had met.

## Tax Records Indicate

Tax records of other foundations on file here, however, indicate that the Asia foundation received at least \$35,000 indirectly from the CIA in 1963 and 1964.

Bannigan said the foundation spends about \$5 million a year to provide "private American assistance to those Asian groups and individuals working for continuing social and economic improvement."

The foundation's president since 1964 has been Dr. Haydn Williams, who was deputy assistant secretary of defense for National Security Council affairs and plans from 1958 to 1961 and deputy assistant secretary for international security affairs in 1961.

He has also served as dean of the School of Business Administration at the University of Washington and as professor of international relations at the Fletcher School of Law and Diplomacy at Harvard.

Members of the board of directors, Bannigan said, include U.S. Ambassador-at-Large Ellsworth Bunker, Arthur Dean, former U.N. negotiator in Korea, and Thomas K. Finletter, former secretary of the air force.

The late Adlai E. Stevenson was also a member of the board until his appointment as ambassador to the United Nations, Bannigan said.

Members of the foundation's executive committee were scheduled to meet in an emergency session today and the full board will meet as soon as the members can be called together, he said.

## Available to Public

The record of the foundation's aid to other groups—in contrast to the records of its income—is available for public inspection at its San Francisco offices, Bannigan said. Its contributions to the NSA, he said, have been relatively small—in the neighborhood of \$5,000 to \$7,000 a year.

A spokesman for the American Newspaper Guild said the

Asia Foundation had given a relatively small amount of support directly to foreign groups with whom the Guild was working. This included publication in Japanese of the International Federation of Journalists' magazine and paying the fare of a Vietnamese newsman to a meeting of the IFJ in Berlin last year.

According to federal tax returns of the Benjamin Rosenthal Foundation of New York, the Asia Foundation received contributions of \$25,000 in 1963 and \$10,000 in 1964. These contributions appeared to correspond to funds received in those years by the Rosenthal Foundation from the Price, Edsel, Tower and San Miguel Funds, which have been identified as channels for CIA money.

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*Bygones are forgotten  
paper records  
copy Benjamin  
that recorded*

25X1

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*Org 1 Asia Foundation*  
*CIA 4-01,1 Asia Foundation*  
*Prs Sihanouk, Norodom*

**Around the World**

**CIA Front?**

TOKYO—Prince Norodom Sihanouk, Cambodia's chief of state, believes the Central Intelligence Agency is using the Asia Foundation, the only U.S. organization remaining in Cambodia. A monitored New China News Agency report quoted Sihanouk as saying his suspicions about the Asia Foundation, a private aid group, were substantiated by its "persistence" in remaining in Cambodia despite growing hostility from the government and people.

*Asia Foundation*

***U. S. Asia Foundation  
Ousted by Cambodia***

PHNOM PENH, Cambodia.

Prince Norodom Sihanouk, Cambodian chief of state, announced yesterday that he has ordered the closing of the Cambodian office of the Asia Foundation, a private American institution with headquarters in San Francisco.

The Prince praised the foundation for "generous aid and its contribution to the cultural development of my country," but charged that it lately had become involved in politics, pressing American policies, and endangered Cambodian neutrality.