

# White House Report on CIA Hit by Former NSA Officials

3/20/63  
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Fifty former officers and staff members of the U.S. National Student Association charged today that the White House report on covert funding of private groups by the Central Intelligence Agency "fails to raise any of the ethical issues involved."

Their statement was released only a day after President Johnson announced his endorsement of the recommendations on CIA financing offered by a specially appointed three-man Cabinet-level commission.

The committee proposed — and Johnson approved — a ban

Nicholas deB. Katzenbach, CIA Director Richard Helms and Secretary of Health Education and Welfare John W. Gardner.

NSA was the only private group mentioned in the carefully worded commission report which said that "no useful detailing any other CIA programs of assistance to private American voluntary organizations."

Taking issue with that approach, the former NSA officials said today:

"The official reaction to these disclosures is either to support the actions of the past or sweep them under the table.

"We are pleased that the Katzenbach report has called for ending the relationships between the CIA and many organizations.

"But this is a poor substitute for a full disclosure as to the nature and extent of the relationships established and fails to raise any of the ethical issues involved.

"We believe the public has a right to know more than the Katzenbach report has told, and we believe that many of the actions of the past do not deserve to be continued even if they are overt and publicly financed and administered."

The statement also called for:

1. "A full and impartial investigation into the facts and ramifications of this affair."

2. Sharp restrictions on future CIA activities "under the effective scrutiny of legislative and executive authority."

3. Public disclosure laws governing foundations, many of

which were used by the CIA as conduits to transfer funds to the private groups.

4. Action by "all other organizations still involved to sever their secret relationships with government agencies."

All those signing the statement said that although they were active in NSA during the 15-year period in which it received CIA funds, they were not aware of the source of the money.

"We object to having an organizational commitment to the CIA forced upon us without the knowledge and consent of the representative bodies of NSA," they said.

## Tragedy of Situation

"The tragedy of this situation is that neither public nor private institutions were willing and able to support legitimate activities at home and abroad. . . .

"Anticommunism is not a substitute for affirmative faith in the institutions of democracy. Covert action is not a substitute for creative public thought and work. Democratic institutions must not be built through undemocratic means."

Johnson announced yesterday he is creating a special committee headed by Secretary of State Dean Rusk to consider how the government can openly financially assist worthy organizations which have overseas activities.

McCarthy has pending in the Senate a plan for such financing.

The Katzenbach committee's findings, accepted by Johnson,

See CIA, Page A-6

CIA

## Rusk Heads Study Of Financing Ideas

Continued From Page A-1  
declared "no federal agency shall provide any covert financial assistance or support, direct or indirect, to any of the nation's educational or private voluntary organizations."

The committee said the number of private organizations secretly assisted by the CIA is only a small fraction of the more than 1,000 U.S. groups with overseas activities.

Sen. Eugene McCarthy, D-Minn., a frequent critic of the CIA, said in an Associated Press interview CIA interference with the policy decisions of subsidized organizations apparently has been held to a minimum.

But McCarthy said organizations which have received no CIA assistance might want to say so to avoid possible suspicion abroad.

The committee recommended the government set up a public-private mechanism to provide public funds openly for overseas activities or organizations which are judged deserving of public support in the national interest.

McCarthy said that proposal left open the question of financing. He indicated he will press his proposal to set up a fund based on contributions by private foundations.

The committee said many of the activities—such as those of NSA—that had been subsidized by the CIA were of great importance. However, it concluded:

"The time has surley come for the government to help support such activity in a mature, open manner."

The Katzenbach committee estimated that most if not all existing secret subsidy programs can be liquidated by Dec. 31.

None of these programs, it to the new policy against secret financial aid.

"At the same time, where the security of the nation may be at stake," it went on, "it is impossible for this committee to state categorically now that there will never be a contingency in which overriding national security interests may require an exception."

It urged that any exceptions be strictly limited and determined on a case by case basis with the specific approval of senior Cabinet officers and a high level review committee.

"In no event," it said, "should any future exception be approved which involves any educational, philanthropic or cultural organization."

Ramparts magazine, which last month exposed CIA financing of students and other groups, says in its April issue the CIA is using foreign student associations to turn members into spies against their homelands.

The magazine calls the campaign a major one of "recruiting and, when necessary, blackmailing foreign students who are studying in this country."

Six fulltime CIA agents move from campus to campus, the article says, posing as Defense Department representatives and offering a combination of threats and cash payments "up to \$10,000 a year" to "engage in subversion against the student's government."