

# Foundation Cited As Conduit of CIA To Finance NSA

2/16/67

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A private foundation named as a conduit for Central Intelligence Agency funds has given more than \$1.6 million to the National Student Association since 1959 without filing public tax records.

The Foundation for Youth and Student Affairs, identified by top officers of NSA as a CIA "front," still maintains a relationship with the student organization. The current grant amounts to \$26,786.

An analysis of NSA's tax records for the past seven years by The Washington Post revealed that Foundation for Youth and Student Affairs contributed \$292,753 to the student group in 1965—the year that NSA decided to sever its link with the intelligence agency.

The youth foundation was founded in 1952 "to help national and international youth organizations carry out their programs and activities." This was the year that the National Students Association negotiated its subsidy agreement with the CIA.

The Foundation's headquarters are at 1 E. 54th st. in New York City. Its 14th floor offices are not listed in the building directory.

Arthur Amory Houghton Jr., the Foundation's president, issued a statement yesterday noting that "at the moment, some of the actions of FYSA are being questioned."

"I do not intend to answer these allegations," Houghton said. "... If, at any time, I have cooperated with our Government as a citizen on matters affecting the national interest, that is my own affair."

Houghton is president of Steuben Glass, Inc., and a director of its parent company, the Corning Glass Works in Corning, N.Y. He is pres-

ident of the Metropolitan Museum of Art, a trustee of the Rockefeller Foundation and a director of the United States Steel Corp.

His cousin, Amory Houghton Jr., is board chairman of the Corning Glass Works and Foundation for Youth and Student Affairs. Amory's father served for three years as Ambassador to France in the Eisenhower Administration.

The National Student Association's tax records revealed that the foundation Houghton heads contributed more than \$200,000 a year to NSA between Sept. 30, 1961, and Sept. 30, 1966. The high point came in 1965 with a grant of \$374,462.

In addition the Houghton foundation is a major contributor to the U.S. Youth Council of New York, the World Assembly of Youth of Brussels and the International Student Conference of Leyden, the Netherlands. The latter

two groups are deeply engaged in student Cold War politics and compete directly with rival Communist-dominated youth groups who have headquarters in Prague, Czechoslovakia, and Warsaw, Poland.

The Houghton-run foundation's current grant to the Na-

tional Student Association pays the \$4000 annual salary of the group's vice president for international affairs, Richard Stearns. In addition, the grant covers that salary of Stearns' secretary and expenses for Stearns' foreign travel.

It was not immediately clear how much of the grant came from the CIA or the Houghton family fortune.

There are no public tax records currently available for the Foundation. An Internal Revenue Service official said that the Foundation does not file the yearly tax exemption form 990A generally required of such private foundations.

Section 501 of the Internal Revenue Code of 1954 states that if an organization is "supported in whole or in part by funds [provided] by the United States Government", or other governmental units, it does not have to file such an annual form.

The foundation's executive secretary, Harry Lunn, said yesterday that his group filed a tax-exemption form for 1965 that listed its disbursements but not its contributors. He said the Houghton family was the major contributor to the Foundation. An IRS spokesman said the Foundation's 1965 forms would not be immediately available for public inspection.

All inquiries bearing on the Foundation's relationship to CIA were referred to Houghton's office at Steuben Glass, where an aide said Houghton would only accept written questions.

Lunn served as president of the National Student Association during the 1954-55 academic year. Later, he worked for the Defense Department as a research analyst. He joined the Foundation in 1965 after working on the political desk of the American Embassy in Paris and for the Agency for International Development, where he was assigned to the Alliance for Progress.

In the period between 1959 and 1965, the Foundation provided NSA with an annual administrative grant of about \$120,000; funded the organization's magazine, The American Student; underwrote foreign student participation at NSA's annual Congresses, and subsidized various technical assistance projects.

The Foundation also regularly helped meet any year-end operating deficit incurred by the National Student Association.