

Post 3/14/67

Guild Cuts Ties to CIA Conduits

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The American Newspaper Guild said yesterday that it will immediately sever all ties with three foundations that were reported to be conduits for Central Intelligence Agency funds.

But the Guild said it would seek to continue its international affairs program through support from other private sources that are free from CIA taint as well as through open government aid.

A statement by the Guild's 15-member International Executive Board said the group "does not delude itself into thinking that things can go on as before, as though nothing had happened."

It said a Guild inquiry into the ultimate source of \$1,004,000 that the union has received since 1960 to conduct its overseas activities has "shed no light" on the CIA's involvement.

But the board felt that "it is inconceivable that the trustees for the three foundations—as well as two others whose financial aid ended by 1964—"don't know the answer to this question."

Unresponsive replies from the trustees, the board said, "continues to leave a shadow over our international affairs program and does nothing to relieve the misgivings, doubts and suspicions generated by the entire affair."

The three CIA-linked foundations with whom the Guild will no longer deal are the Warden Trust of Cleveland, the Chesapeake Foundation of Baltimore and the Broad-High Foundation of Columbus, Ohio. The two that had previously funded the Guild's activities abroad are the Granary Fund of Boston and

the Andrew Hamilton Fund of Philadelphia.

A spokesman for the Internal Revenue Service confirmed that none of the five foundations files the public tax reports generally required from such tax-exempt private organizations. The Guild noted that the reason for their exemptions "is not a matter of public record."

The reason that the union initially enlisted aid from these obscure foundations, according to the Guild, "is lost in the sea of names and faces who befriended the Guild" at the time that it embarked on its international program.

The Guild's 2,500-word report on the CIA affair followed a special session held by the board here on Saturday and Sunday. Earlier, the Guild's secretary-treasurer, Charles A. Perlik Jr., had written to the five foundations seeking information about their background.

It was unclear why the Guild's officers failed to conduct a full investigation after one of the five foundations — Andrew Hamilton — was revealed in August, 1964, through testimony before a House subcommittee headed by Rep. Wright Patman (D-Tex.) to be a CIA conduit.

"Perhaps, the officers told the board, they should have, but they didn't," the statement said.

The Guild's overseas work has been channeled through the International Federation of Journalists in Brussels and the International American Federation of Working Newspapermen's Organizations in Panama City.

The board said the work should continue through the creation of a quasi-public independent body, financed by Congress, to which private groups could apply for aid in overseas projects.