

'Improper Activities' in 1960

U.S. Admits Rusk Apologized to Lee

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With a flush of embarrassment, the State Department acknowledged yesterday that Secretary Dean Rusk apologized to the Singapore government in 1961 for "improper activities" by American officials there the year before.

On Tuesday, United States officials categorically denied the same charges by Singapore's Prime Minister, Lee Kuan Yew, of counter-intelligence and attempted bribery.

Lee indignantly displayed the apologetic letter from Rusk to support his accusation that the incident occurred in the waning days of the Eisen-

hower Administration. The State Department, in a turn-about, agreed there was such a letter, but said that it and the incident were unknown to the Department officials who authorized the original denial.

Lee made a broadside attack upon the United States on Tuesday. It was regarded as an attempt to demonstrate dramatically that Singapore, which was split off from the Malaysian Federation three weeks ago, is determined to

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British take Lee's outburst over Singapore base with studied coolness.

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avoid attachment to either United States or Communist Chinese alignment, although a great British military base is on Singapore's territory.

His most dramatic charge was that in 1960 a Bangkok-based agent of the Central Intelligence Agency was caught trying to buy information from a Singapore intelligence officer.

Lee said he offered to have the incident "hushed up" if the United States would supply \$33 million for economic development. He said the United States countered with an offer to give the dynamic young Lee and his People's Action Party \$3 million to be silent. Lee told newsmen he rejected that as an "insult." He said he had tape recordings and other evidence to support his accusations.

Lee originally linked the bribe offer to President Kennedy. Later he said the offer was made just before Mr. Kennedy took office in January, 1961. "I will say this for President Kennedy," Lee commented: "He said no, his Government would give me the money if I wanted it, publicly, but not because I had him by the throat."

Lee's accusations were

promptly denied first by Ambassador James D. Bell at Kuala Lumpur, the federal capital of Malaysia. Later Tuesday, State Department Press Officer Robert J. McCloskey formally denied "all aspects" of the allegation.

Produces Rusk Letter

Furious over the denials, Lee fired his second barrel yesterday, hitting the United States squarely in its hierarchy. He called in newsmen and produced a letter from Rusk dated April 15, 1961. It said:

"Dear Mr. Prime Minister: "I am deeply distressed to learn that certain officials of the United States Government have been found by your Government to have been engaged in improper activities in Singapore.

"I want you to know that I regret very much that this unfortunate incident has occurred to mar the friendly relations that exist between our governments.

"The new Administration takes a very serious view of this matter and intends to review the activities of these officials for disciplinary action.

"Sincerely yours, Dean Rusk."

The Prime Minister charged that the United States was "stupidly denying the undeniable."

"They are very foolish people," said Lee; "If they continue with their denials, I will have to disclose further details which may sound like James Bond—lurid and grotesque."

"It will do them no good and our future relations no good," he said.

Lee said he would disclose the name of the American intermediary "who tried to bribe me." He was described by Lee as "a high ranking member of the U.S. Government" and Lee said that "a lot of people will be embarrassed if I reveal his identity." He also threatened to play over Singapore Radio tape recordings he said were made of the CIA attempt to buy information.

Rush of Activity

Even before Lee fired his second shot yesterday, there was a rush of activity inside the Administration. It produced a new statement by McCloskey that "those who

were consulted on this matter, yesterday were not fully aware of the background of an incident that occurred four and a half years ago."

McCloskey said that Rusk "did write a letter to Prime Minister Lee in which he expressed this Government's regret over the incident." McCloskey declined to say whether any officials were disciplined, nor would he discuss the incident further.

Other sources said that the original State Department denial of the affair was based on advice from the CIA and assurances from officials in State, without discussing the matter personally with Rusk, who did recall the letter and the incident.

Communist propagandists are bound to try to capitalize on the windfall damage to American credibility in the denial-confirmation sequence, and the injury to the image of the CIA, a favorite propaganda target.