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ASIA FOUNDATION GOT C. I. A. FUNDS

Trustees Deny Influence— Bar Future Hidden Aid

By WALLACE TURNER
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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.