By JUAN de ONIS

The Central Intelligence Agency used undercover financing and secret collaborators to form the National Student Associations' international activities into "an arm of United States foreign policy," Ramparts magazine said yesterday.

The magazine said in an article that international staff members of the association had passed along, often unwittingly, "reports on foreign student leaders" to the C.I.A.

"The information helped the C.I.A. in evaluating the political leanings of prospective political leaders in critical areas of the world," Ramparts said.

The article said, however, that the C.I.A.'s funding had begun tapering off last year when policy disagreements arose between the association and President Philip Sherburne, and agency officers were given a full national security check if they participated in undercover activities.

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Most Knew Nothing

According to Ramparts, few student officials who were aware of the C.I.A.'s relationship with agency officers were given a full national security check if they participated in undercover activities.

"The same staff member had gone to the Dominican Republic shortly after the American intervention there," the article said. "He brought back a report on his contacts with university students who had participated in the civil war on the side of the constitutionalists." The report was passed on to the C.I.A.

The student group was identified as having been "involved in military training of the International Student and Faculty Association of Boston, founded by Edward Rabb, a businessman prominent in liberal Democratic circles, had received $25,000 from an organization called the Tower Foundation, and turned over an annual sum to the International Development Foundation.

The International Development Foundation has been engaged in organizing anti-Communist peasant unions in Latin America, particularly in Chile, where it sponsors a confederation of rural worker unions.

Ramparts said the article was based on revelations attributed to Michael Wood, a former director of development in charge of fund raising for the association, Mr. Wood, according to the article, learned of the C.I.A. financing link from Philip Sherburne, president for 1963-66, now studying law at Harvard.

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The student association was founded in 1947. Three years later it became the International Student Conference, which appeared as a rival to the Communist-controlled International Union of Students. This began the association's active period of international activities. "N.S.A., with C.I.A.'s aid, was able to play a major role in networking with favorable peasant and national unions of students all over the world," Ramparts said.

$1.8-Million in Grants

The article indicated that the scale of this operation could be measured by the records of the International Student Conference. Between 1962 and 1964 the organization received $1,826,000 in grants from the Foundation for Youth and Student Affairs in New York and the San Antonio Foundation of Houston.

Between 1962 and 1965, Ramparts said, the student association received $256,482.32 from the Independent Foundation of Boston, which also provided a 15-year, rent-free lease by the student group's headquarters.

Independence also reportedly financed a $25,000 scholarship for former student officers serving as overseas representatives with the international conference.

The article noted six foundations as "C.I.A.-suspect." It named the Price Fund of New York Trust of Philadelphia, the Beacon Fund of Boston, the Wilder Fund of Dallas, the Eked Fund of San Francisco, and the Tower Foundation.