

Ex-Official of C.I.A. Lists Big Grants to Labor Aides

Tells of Secret Subsidies to A.F.L.-C.I.O. to Fight Red Union Abroad

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Special to The New York Times

WASHINGTON, May 7—A former California publisher who says he organized the Central Intelligence Agency's secret links to private groups here and abroad has listed prominent American labor leaders among the recipients of large cash subsidies for their anti-Communist activities.

The publisher, Thomas W. Braden, who headed the C.I.A.'s Division of International Organization from 1951 to 1954, said he personally gave \$50,000 to Walter and Victor Reuther of the United Automobile Workers. He has also described numerous secret subsidies for foreign operations by Jay Lovestone and Irving Brown, who manage international affairs for the A.F.L.-C.I.O.

Walter P. Reuther, in a statement responding to Mr. Braden's assertions, today that on "one occasion" his union had accepted C.I.A. funds to meet an emergency situation. He said also that Mr. Braden had tried to recruit his brother, Victor, as a C.I.A. agent but was turned down. Mr. Braden later denied that he had tried to recruit Victor Reuther as an agent.

The other union officials, as well as their leader, George Meany, who heads the A.F.L.-C.I.O., and Victor Reuther have all recently denounced or denied union links to the intelligence agency.

After Mr. Braden's assertions were distributed to newspapers, Mr. Lovestone, saying that he

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spoke also for Mr. Brown, described them as "completely untrue."

Victor Reuther, reached by The New York Times in Tokyo yesterday, said he found it difficult to comment before he saw the entire Braden statement, but he called a description of it "incredible" and "ridiculous." Mr. Brown has not been available for comment.

Mr. Braden described his activities with the C.I.A. in the current issue of The Saturday Evening Post and answered questions in a telephone interview.

He said he thought he was only confirming what had already been generally disclosed about C.I.A. operations. He did so, he said, to defend the agency against "wild and scurrilous" charges and to suggest to Americans the necessity and value of covert anti-Communist activities.

In developing his argument, he also asserted the following:

¶ The C.I.A. "placed" an "agent" in the Congress for Cultural Freedom, an organization of leading European and American intellectuals. "Another agent became an editor of Encounter," a London-based intellectual monthly once supported by the congress, he said. These "agents" suggested programs and projects to the C.I.A. and arranged for agency subsidies that were channeled through real or dummy foundations. Mr. Braden said.

¶ The C.I.A. gave cash "along with advice" to other labor leaders, to students, professors and generally to anyone who could help the United States "in its battle with Communist fronts."

¶ The C.I.A. organized seamen's unions in India and in the Baltic ports of Scandinavian countries; it created wholly controlled organizations, such as the International Committee of Women, and seized control of others, including the World Assembly of Youth, an inactive group based in Dakar that turned out to be in the hands of French intelligence agents.

¶ To circumvent severe financial or security restrictions of Congress and the rest of the United States Government, the C.I.A. secretly financed some quite innocent cultural activities, including a visit to France by the Boston Symphony Orchestra in 1952.

Denial by Editors

A spokesman for the orchestra said he doubted that anyone connected with it ever knew of the agency's support.

A co-editor of Encounter in London and two former editors of the magazine, now in New York, firmly denied Mr. Braden's allegations.

The executive director of the Congress for Cultural Freedom, Michael Josselson, said in Geneva that he was "aware of the matter"—apparently meaning the Braden statements—but could make no comment. The general assembly of the congress is meeting next week to discuss all questions relating to the C.I.A., he said, and will probably authorize some comment thereafter.

The channelling of more than \$1-million to the congress through various foundations was disclosed earlier this year, when newspapers and magazines unraveled an elaborate network of organizations and foundations used to dispense C.I.A. funds to anti-Communist programs abroad. Encounter magazine has also been linked to this network in the last year, but its editors have always implied that they knew nothing about it.

After The New York Times reported a year ago that the magazine had received indirect C.I.A. subsidies, Melvin J. Lasky, its co-editor, and Stephen Spender and Irving Kristol, former editors, wrote to The Times that "we are our own masters and are part of nobody's propaganda."

"Does The Times want the reader to infer that the editorial content or that the past or present editors of Encounter were in any way influenced by the C.I.A.?" they asked.

Mr. Braden refused to name the C.I.A. "agents" in the congress or the magazine, nor would he describe what kind of agents he meant. The agency, he said, used the term "agent" to describe both "witting" and

"unwitting" operatives. But his article in the Saturday Evening Post clearly implies that the persons involved were "agents" before they were "placed" in the congress and "became an editor" of Encounter.

Mr. Lasky, when reached by The Times in London, said that until learning of Mr. Braden's article he had never heard of him. He called the assertion "absolutely ridiculous" and "grievously mistaken."

Mr. Lasky said Mr. Braden may have had intimate knowledge of some of the other things of which he spoke in the Saturday Evening Post article but he doubted very much that he had direct experience with anything involving Encounter magazine.

Mr. Lasky pointed out that Mr. Braden's experience with the C.I.A. covered only the years 1950 to 1954—a time when Mr. Lasky had not yet joined Encounter.

Encounter was organized in 1953 by Mr. Kristol and Mr. Spender. Mr. Kristol left in 1958 and was replaced as co-editor by Mr. Lasky. In the last few years Mr. Spender has served as a contributing editor, but he resigned yesterday partly as a result of the C.I.A. controversy.

Mr. Kristol issued the following statement:

"I regard the article in the Saturday Evening Post, in so far as it cast doubt upon the integrity of all editors of Encounter, past and present, as irresponsible and defamatory. As for myself, I have never been, am not, and have no intention of ever becoming a C.I.A. agent. I have called the article to the attention of my attorneys, who are considering the legal aspects of the matter."

Mr. Kristol also indicated that he had never known anything about C.I.A. funds being indirectly channeled to Encounter.

Mr. Spender, a widely known poet, said that he "can't imagine anyone believing that I was a C.I.A. agent, and I am absolutely sure that Mr. Irving Kristol was in no way involved."

Mr. Spender said he very much regretted Mr. Lasky's even injecting his and Mr. Kristol's names into the matter.

Urges Editor to Quit

Apparently Mr. Spender and Mr. Lasky have been engaged in a private controversy as a result of the various disclosures of recent months, for Mr. Spender, in announcing his resignation from the magazine, called upon Mr. Lasky to quit.

The poet said he had resigned as contributing editor yesterday with the following statement:

"In view of the revelations that have been made and allegations which may still be made about past sources of Encounter funds, I feel that any editor who was knowingly or unknowingly involved in receiving these should resign. I have done so."

Mr. Braden has just sold his interest in The Oceanside (Calif.) Blade-Tribune, of which he was editor and publisher. He is a former president of California's Board of Education and has been active in other educational and political activities.

He was an intelligence officer in World War II and joined the C.I.A. in 1950 as a special assistant to Allen W. Dulles, then deputy director of the agency.

After Mr. Dulles became director, Mr. Braden says, he proposed the program of countering Communist subversion and propaganda abroad through secret subsidies to American and foreign organizations. He organized the program and directed it until 1954.

Mr. Braden refused to discuss the present organization or personnel of the agency. Apparently he was succeeded by Cord Meyer, the man who has been identified recently as director of international activities involving labor, educational and other private organizations.

Fund Sources Traced

Much of this operation became known after the disclosure earlier this year of C.I.A. links to the National Student Association. By tracing the sources of the student group's funds, reporters found that foundations operating as fronts for the C.I.A. were also channeling money to many other organizations, unions and institutions.

Most of the recipients denied any knowledge of the agency's involvement, and almost all insisted their independence had not been compromised.

There developed widespread demands, however, that the Government end all secret financing, lest it compromises the reputations of all private American groups.

President Johnson ordered an Administration study of the problem and approved on March 29 a policy statement promising that as soon as possible the Government would prohibit all covert financial assistance or support, direct or indirect, "to any of the nation's educational or private voluntary organizations."

It was inferred from this policy statement that the Government planned to continue secretly to support some international labor activities, especially in Asia, Africa and Latin America, and some foreign organizations.

The Congress for Cultural Freedom has recently cut all ties with C.I.A.-linked foundations on the Ford Foundation. Other ties and will depend instead groups, however, will presumably continue to be subsidized by the C.I.A. through new or as yet uncompromised channels. At the same time, however, a special Government committee, headed by Secretary of State Dean Rusk, was instructed to investigate the possibility of running an open subsidy program for as many activities as possible, perhaps through a public corporation.

Although it has acknowledged an unspecified number of covert operations with private organizations, the United States Government has confirmed only one specific project—the one involving the Na-

tional Student Association. Mr. Braden's assertions, therefore, represent the most authoritative statement yet made about the intelligence agency's links to the groups he mentions, and particularly to major labor unions.

Seeks to Spur Discussion

Besides defending the agency's activities and explaining the Communist challenges that inspired them, Mr. Braden said he wanted to prompt some candid discussion to counter the "enormous naïveté" of some "very intelligent people" who think the country can safely avoid secret operations.

In underdeveloped countries today, he said, anti-Communist cultural activities are probably less important than they were in Europe 15 years ago, but labor activities and perhaps other kinds are still very important. There is still an "argument" with the Soviet Union and with Communists, he said, and it would be "very stupid to think you can win this argument by playing innocent."

In the early 1950's, Mr. Braden said, it was essential for the United States to break the Communists' hold on labor unions in European ports. Delivery of American aid and military supplies was being delayed by strikes, sabotage, mysterious thefts and fires, he recalled.

In response, he said, American unions channeled money to anti-Communist workers abroad to defeat Communists in the labor movement and in the political area generally.

Mr. Lovestone, a former Communist, had "an enormous grasp of foreign intelligence operations" and stepped into this crisis with his assistant, Mr. Brown, according to Mr. Braden. With funds from the International Ladies Garment Workers Union, Mr. Braden recalled, the Lovestone-Brown team first organized Force Ouvrière, a French non-Communist union.

When they ran out of money, Mr. Braden said, they appealed to the intelligence agency, citing similar projects in Italy and other West European countries. The first subsidies to Mr. Lovestone and Mr. Brown were paid by intelligence agencies in the late 1940's, Mr. Braden said, and he personally made some of the payments after he arrived at the C.I.A. in 1950.

A Receipt for \$15,000

Still in his possession, the former official of the agency wrote, is a faded yellow piece of paper on which "Norris A. Grambo"—whom he identified as being Irving Brown—acknowledged receipt of \$15,000 from "Warren G. Haskins"—whom Mr. Braden identified as himself. That receipt was probably from 1953, Mr. Braden said, and the payment "was not the only one to Grambo."

Although Mr. Lovestone wanted the agency's money, Mr. Braden continued, he did not want to account for it precisely. He was said to have felt that the agency did not have to know anything more than the fact that support of unions in France and Italy was costing nearly \$2-million a year.

But Mr. Braden and his colleagues in the agency wanted to be consulted, he recalled, and they appealed to a "high and responsible" American labor leader, presumably one of Mr. Lovestone's superiors.

But this leader, whom Mr. Braden said he could not identify publicly, kept urging the Government to leave the Lovestone operation alone, the former C.I.A. official said. And, in retrospect, Mr. Braden believes he was probably right.

However, Mr. Lovestone and other prominent officials of the American Federation of Labor and Congress of Industrial Organizations have continued to deny all stories linking them to the intelligence agency.

Mr. Lovestone is now director of international affairs for the A.F.L.-C.I.O. Everything Mr. Braden said is "completely untrue," he asserted in a brief comment last Friday. He said he was speaking for himself, for Mr. Brown and for the union in denying that any of them had ever accepted the agency's money.

"I've never received any such money," Mr. Lovestone said. He said that he did not recall ever having met Mr. Braden and that Mr. Brown had not met him either.

Meany Voiced Opposition

Mr. Lovestone said Mr. Brown was not available for comment.

The denials were consistent with the forceful statements against union links to the C.I.A. issued recently by Mr. Meany, the president of the A.F.L.-C.I.O. After circumstantial evidence pointed last February to a pattern of secret subsidies to several unions with foreign operations, Mr. Meany declared that he opposed the acceptance of the agency money by all unions. Asked why, he replied:

"I suppose it's just my natural ingrained opposition to spy activities. I think the C.I.A. has a job to do, but it can do it without using or subsidizing the labor movement."

Mr. Meany promised at that time to look into the allegations but has not made his findings public. He is expected to be asked about them at a news conference scheduled for tomorrow. He has repeatedly denied any A.F.L.-C.I.O. involvement with the C.I.A.

When Mr. Braden was asked why he thought the labor leaders continued to deny any connection with the agency, he said he thought it was because they had taken a pledge of secrecy and were being faithful to their word.

But Mr. Braden showed pique with Victor Reuther, the director of international affairs for the United Automobile Workers.

Mr. Reuther and his brother,

Walter, have been rebelling against the policies of Mr. Meany and Mr. Lovestone in the United labor movement and, more recently, have threatened to withdraw from the A.F.L.-C.I.O.

Without directly denying that he ever cooperated with the intelligence agency, Victor Reuther has been using the charge of "involvement" with the agency as one of his complaints against Mr. Lovestone's operations.

Chides Victor Reuther

In view of his own past dealings with the agency, Mr. Braden said, "Victor Reuther ought to be ashamed of himself."

"At his request, I went to Detroit one morning," Mr. Braden recalled, placing the time as either in 1951 or 1952, "and gave Walter \$50,000 in 50-dollar bills. Victor spent the money, mostly in West Germany, to bolster labor unions there. He tried 'undercover techniques' to keep me from finding out how he spent it. But I had my own 'undercover techniques.'"

"In my opinion and that of my years in the C.I.A., he spent it with less than perfect wisdom, for the German unions he chose to help weren't seriously short of money and were already anti-Communists. The C.I.A. money Victor spent would have done much more good where unions were trying up ports at the order of Communist leaders."

When asked about this criticism, Mr. Braden said it was merely a personal opinion and not meant to be a "serious charge." He indicated that he was merely twitting Victor Reuther in return for Mr. Reuther's public complaints about other unions' use of the agency funds.

The payments to unions were generally direct and in cash, Mr. Braden said, because the Union's were not then the logical recipients of foundation grants. Many unions had international programs supported by their own funds, and the C.I.A. simply enlarged the scope of their operations through secret subsidies, he said.

He said the Detroit money transfer was the only direct payment to the Reuther brothers that he knew anything about.

Mr. Braden argued that the secret subsidies to all kinds of organizations were made necessary by the serious challenge of Communist-front groups on which the Soviet Union was thought to be spending about \$250-million a year.

Calls Secrecy Necessary

Secrecy was necessary, he said, to disguise the American interest in some foreign activities and to protect the "integrity" of the organizations. For that reason, he said, the intelligence agency was not "requiring" the recipients of its subsidies "to support every aspect of official American policy."

Mr. Braden said secrecy was needed also to circumvent Congress, who members would not have approved "a foreign tour by an artist who has or has had left-wing connections" and who would have fought over money to subsidize organizations in their home districts.

The performances of the Boston Symphony Orchestra in Paris in 1952—under auspices of the Congress for Cultural Freedom—were financed by the C.I.A., Mr. Braden said, because the subsidies had to be secret. Public Government grants, he explained, would have required security clearance for each of the more than 100 musicians, and it seemed unlikely to him under the exaggerated standards applied at that time that all would have qualified.

"Can you imagine the F.B.I. in those days clearing a third violinist with some dubious associations in Europe?" Mr. Braden asked.

He said he thought most conventional cultural events were transferred after 1954 to the sponsorship of the State Department and the United States Information Agency.

Thomas D. Perri Jr., then assistant manager of the orchestra and now the manager, said he doubted that anyone connected with the symphony had the slightest idea of the funding by the agency. He knew nothing about any Government money behind the trip in 1952, adding that the orchestra had been led to believe at the time that its expenses were being paid by Julius Fleischmann of Cincinnati, a member of the Fleischmann gin and yeast family.

A Plea for Secret Action

Mr. Braden concluded his magazine article with a plea that new forms of secret activity be devised to meet new problems.

"So long as the Soviet Union attacks deviously we shall need weapons to fight back, and a government locked in a power struggle cannot acknowledge all the programs it must carry out to cope with its enemies," he wrote.

"The weapons we need now cannot, alas, be the same ones that we first used in the 1950's. But the new weapons should be capable of the same affirmative response as the ones we forged 17 years ago, when it seemed that the Communists, unchecked, would win the allegiance of most of the world."

The magazine article is entitled "I'm Glad the C.I.A. Is 'Immoral!'"

The C.I.A., adhering to its customary practice, said it had no comment on the article.

Originally the Post article was embargoed for use in newspapers Tuesday morning. The New York Times interviewed Mr. Braden by telephone on Friday and had planned to use his comments together with excerpts from the article on Tuesday. However, The Los Angeles Times printed its own interview with Mr. Braden in its Sunday editions.