

Reuther Concedes Union on One Occasion Took \$50,000 From Agency

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DETROIT, May 7—The United Automobile Workers Union was used by the Central Intelligence Agency to funnel money into the European labor movement, Walter P. Reuther said today.

Mr. Reuther, the union president, said in a statement that the union on one occasion

Text of the Walter Reuther statement is on Page 37.

passed on money and that the C.I.A. tried to recruit his brother, Victor, as an agent.

Victor Reuther, now the director of international affairs for the auto union, has criticized the American labor movement for working with the C. I. A.

Walter Reuther's statement was in answer to an article in the May 20 issue of The Saturday Evening Post by Thomas W. Braden, a former C.I.A. officer. Mr. Braden defended the use of the agency's money to infiltrate various organizations.

He also wrote:

"Victor Reuther ought to be ashamed of himself. At his request I went to Detroit one morning and gave Walter \$50,000 in \$50 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

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REUTHER REVEALS UNION TIE TO C.I.A.

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my peers 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-Communist. The C.I.A. money Victor spent would have done much more good where unions were tying up ports at the order of Communist leaders."

Walter Reuther's statement did not dispute the amount of money, but it put the date of the conduit operation at 1952, during the Korean war.

It also said the Government, not the union, had requested the operation and that the union regretted using the money.

Mr. Reuther said Mr. Braden's reference to the auto union was "incomplete and misleading."

The European labor movement in the postwar period was weak, short on money and thus "especially vulnerable to Communist subversion," he said.

"In this emergency situation, 15 years ago, the U.A.W. did agree reluctantly on one occasion to the request to transmit Government funds to supplement the inadequate funds being made available by the United States labor movement."

He said the money was added to trade union funds to intensify education and organizational programs. "The content of the programs was in no way affected or altered," he said.

Walter Reuther said that subsequently Victor Reuther, who was then European representative of the Congress of Industrial Organizations, "was contacted by Mr. Braden at the U.S. Embassy in Paris and asked to become an agent for



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ANSWERS CHARGES: Victor Reuther, left, and his brother, Walter P. Reuther, president of the United Automobile Workers, who were charged with funneling money to the European labor movement via the C. I. A. The union president termed charges incomplete and misleading.

the C.I.A., using as a 'front' his position" with the C.I.O.

"Victor Reuther emphatically rejected Mr. Braden's request," the statement said. Nonetheless, it continued, the decision was considered so important that it was reviewed by Philip Murray, then president of the C.I.O., who agreed that the request should be rejected.

Mr. Murray also agreed with "our decision not again to transmit Government funds, regardless of the need or urgency," the statement said.

In 1962, the union created the Free World Labor Defense Fund. Since then it has "relied exclusively on this fund for the financing of its international activities," Mr. Reuther's statement said.

A union spokesman said that, after the one episode with the intelligence agency, the union

used its own funds for international activities, even before the special fund was organized.

Braden Denies Charge

In New York, where he was attending his first meeting as a trustee of the Carnegie Endowment for International Peace, Mr. Braden denied that he had ever tried to "recruit" Victor Reuther as an agent.

"Mr. Victor Reuther behaved as a responsible and patriotic American citizen in helping his Government combat Communism in labor unions abroad," he said.

"Mr. Reuther was never at any time asked to become an agent of the C.I.A., as far as I know. Mr. Reuther was asked to help his country. And he did it. And I think all Americans ought to be proud that he did it," he said.

Statement by Reuther on Link to C.I.A.

DETROIT, May 7—Following is the text of a statement by Walter P. Reuther, President of the United Automobile Workers, in answer to assertions by Thomas W. Braden that the Union received \$50,000 in Central Intelligence Agency funds:

Mr. Braden's reference to the U.A.W. is incomplete and misleading.

Following the end of the war the American labor movement made a great effort to assist in the rebuilding of the free labor movement in Europe, which had been destroyed as the first victims of Hitler's tyranny and brutality.

The labor movement of Europe in the postwar period was weak and without resources and was therefore especially vulnerable to Communist subversion.

In this emergency situation, 15 years ago the U.A.W. did agree reluctantly on one occasion to the request to transmit Government funds to supplement the inadequate funds being made available by the United States labor movement. These monies were merely added to the trade union funds to intensify the education and organizational programs then under way in Europe. The content of the program was in no way affected or altered.

Following this incident Mr. Victor Reuther, who was then serving as European representative of the national C.I.O., was contacted by Mr. Braden at the United States Embassy in Paris and asked to become an agent for the C.I.A. using as a "front" his position as European representative of the C.I.O.

Victor Reuther emphatically rejected Mr. Braden's request. This matter was considered of such importance that it was reviewed with

Philip Murray, then president of the national C.I.O., and for whom Victor Reuther was working. Mr. Murray agreed with Victor Reuther's decision.

He also agreed both with what we had done previously in the emergency situation and with our decision not again to transmit Government funds, regardless of the need or urgency. He shared U.A.W.'s deep concern with the challenge in Europe and our determination to do everything possible to resist Communist subversion but on a basis that would not compromise the basic integrity and independence of the American labor movement.

The U.A.W. has in the past and shall continue in the fu-

ture to follow a policy of fiercely defending its independence and integrity. To strengthen this determination, the U.A.W., by convention action, created a Free World Labor Defense Fund and the U.A.W. has relied exclusively on this fund for financing of its international activities.

The C.I.A. has a difficult and crucial role to play in helping defend the security of our nation. In our judgment, it can best serve this country and its free institutions, both private and public, by conducting its affairs in a manner that does not compromise the integrity nor put in jeopardy the independence of groups such as the labor movement and student organizations.