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REVEALS C.I.A. ROLE: Dr. John A. Hannah, foreign aid director, disclosed use of program as a cover for intelligence work in Laos.

Official Confirms Aid Unit Conceals C.I.A. Role in Laos

WASHINGTON, June 7 (AP)—Dr. John A. Hannah, director of the Agency for International Development, acknowledged today that the United States aid program was being used as a cover for operations of the Central Intelligence Agency in Laos.

He said President Nixon might propose divorcing such intelligence work from overseas economic assistance in the future in proposals on foreign-aid reform to be sent to Congress.

"Well, I just have to admit that that is true," Mr. Hannah said when asked if his agency's economic aid "is being used as a cover for C.I.A. operations in Laos." He was questioned on the Metromedia radio news program "Profile."

Mr. Hannah made it clear that he disapproved of the C.I.A.'s use of his agency. He said Laos was the only country in which this was being done and that it stemmed from a 1962 decision that such activity was in the national interest.

Central Intelligence Agency provision of logistical support for the neutralist Government in Vientiane was reported in the past, and Senator J. W. Fulbright, the Arkansas Democrat who is chairman of the Foreign Relations Committee, has accused the C.I.A. of exceeding its authority in supporting United States military activities in Laos.

Mr. Nixon described United States aid to Laos in a statement March 6 but did not mention any Central Intelligence Agency role.

It is unusual for an executive-branch official to acknowledge publicly that his organization is being used for undercover work abroad.