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28 July 1976

DCI,

The Newspaper Guild, affiliated with AFL-CIO, is a "white collar" union. You will remember it under its old name, American Newspaper Guild, which was founded in 1933 and changed its name in 1972. It engages in all of the usual union activities including organizing, collective bargaining, and propaganda. You may also remember that the Guild recently emerged as the winner over the independent Washington Newspaper Union in the NLRB election to determine which organization should be the bargaining agent for Washington Post employees.

Suggest that no response is necessary to the Guild's transmittal of their annual convention resolution.

[Redacted Signature]

Andrew T. Falkiewicz

STAT

THE NEWSPAPER GUILD

1125 FIFTEENTH STREET, N.W., ROOM 835, WASHINGTON, D.C. 20005 202/296-2990

July 21, 1976

George Bush, Director
Central Intelligence Agency
McLean, Virginia

Dear Mr. Bush:

The enclosed resolution concerning CIA use of journalists was passed unanimously by The Newspaper Guild's recent convention in Washington, D.C.

Since then, the CIA has said that no reporter affiliated with a U.S. newspaper would be "hired" for any purpose by the agency. Unresolved, however, is the matter of naming those news executives without whose co-operation the initial transgressions could not so easily have been made.

The Newspaper Guild represents 40,000 news and commercial department employes of newspapers, news services, magazines and related media in the United States, Canada and Puerto Rico.

Sincerely,



Charles A. Perlik, Jr.
President

CAP:hlc
opeiu2af1-cio
Enc.



Affiliated with American Federation of Labor and Congress of Industrial Organizations, Canadian Labour Congress, International Federation of Journalists

INTERNATIONAL CHAIRPERSON: BARNEY PETERSON, San Francisco-Oakland

PRESIDENT: CHARLES A. PERLIK, JR.

JOHN J. BREED, Boston
LOUIS M. CALVERT, San Jose
HARRY S. CULVER, Wire Service Guild

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DAVID M. MULCAHY, New York
DOROTHY M. SAIN, Cleveland

REGIONAL VICE PRESIDENTS

EUGENE B. JONES, Greater Philadelphia (Region 4 Vacant)
WARREN E. HOWARD, Washington-Baltimore
BETSY WADE, New York
JIM ROBINSON, Toronto
ROGER L. STONEBANKS, Victoria

CIA USE OF THE NEWS MEDIA

The Central Intelligence Agency's use--and abuse--of the press may not be the most heinous of its activities, but it is certainly one of those most subversive of a free and respected press.

Recent reports of the House and Senate Intelligence committees and the Rockefeller Commission have verified the CIA's use of U.S. reporters, news executives and news organizations for clandestine purposes. This practice undermines the integrity of the press and encourages distrust of all reporters.

The CIA has announced it will not enter into any future paid or contractual relationships with any accredited news correspondent and will end existing relationships "as soon as feasible." But it has declined to end the use of freelancers and stringers, despite official requests from organizations such as the Fund for Investigative Journalism.

The CIA's use of journalists as informants, if not agents, has resulted in a hue and cry for the disclosure of those journalists' names. But there has been little outcry for the names of the news executives largely responsible for these relationships with the CIA, despite revelations that have implicated high officials of such companies as the New York Times and CBS in cooperative arrangements with the agency.

One source quoted by columnist Nat Hentoff as a person involved in the recruitment of reporters for the CIA said that, in his experience, "in every case in which we had a special arrangement with a reporter, management knew about it."

The incongruity of the situation was highlighted by CBS newsman Daniel Schorr, who said that "to focus on the names of newsmen and employees and not the institutional arrangements (and)...the high executives, still unknown, who made it possible" is "a red herring that serves the bosses very well."

The Convention joins other news organizations in demanding that the CIA halt immediately the use of all journalists, including freelancers and stringers, as informants, and deplores the use of press credentials by CIA agents. It recommends that, at the same time, the Convention demand that the CIA disclose the names of all news organizations and executives who bear the responsibility of having cooperated in such an improper use of newsmen, as a means of inhibiting any future inclination to permit misuse of the press.

Adopted by the 43rd Annual Convention
of The Newspaper Guild, in session,
June 28-July 2, 1976, Shoreham Americana
Hotel, Washington, D.C.

Send a copy to A/DCI/PA

THE NEWSPAPER GUILD

MAR 23 3 05 PM '78

1125 FIFTEENTH STREET, N.W., ROOM B35, WASHINGTON, D. C. 20005 202/296-2990

March 22, 1978

Gene Wilson
Information and Privacy Act
Coordinator
Central Intelligence Agency
Washington, D. C. 20505

Dear Mr. Wilson:

This is a request under the Freedom of Information Act as amended (5 U.S.C. 552).

A/DCI/PA
OS
DDO

I am writing as president of The Newspaper Guild to request a copy of any and all documents in your files on The Newspaper Guild, including any under its former name, the American Newspaper Guild.

If you determine that any portions of these documents are exempt from release under the Act, please inform me what exemption you believe covers the material you withhold. Since the Act provides that "reasonably segregable" portions of a file shall be released even if other parts of the file are withheld as exempt, I am requesting that you provide us promptly with such portions, whatever else may be withheld.

Please notify us of any search fees or reproduction fees you may charge us under this request. *Waive fees,*

Sincerely,

Charles A. Perlik, Jr.
Charles A. Perlik, Jr.
President

CAP:sps
opeiu2afl-cio



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Affiliated with American Federation of Labor and Congress of Industrial Organizations, Canadian Labour Congress, International Federation of Journalists

INTERNATIONAL CHAIRPERSON: HARRY S. CULVER, *Wire Service Guild*

PRESIDENT: CHARLES A. PERLIK, JR.

VICE PRESIDENTS AT LARGE
ELWOOD B. BIGELOW, *Portland* DAVID M. MULCAHY, *New York*
LOUIS M. CALVERT, *San Jose* DOROTHY M. SAIN, *Cleveland*
ROBERT C. HOLT, JR., *St. Louis* FLOYD TUCKER, *San Francisco-Oakland*

REGIONAL VICE PRESIDENTS
RICHARD V. SABATINI, *Greater Philadelphia* CARLA BECK, *Great Falls*
FAYE McCracken, *Memphis* BETSY WADE, *New York*
JOHN M. LOWE, *Toronto*
ROGER L. STONEBANKS, *Victoria*

ANPA CHAIRMAN — Harold W. Andersen

News media credibility needs attention

"Newspapers today are doing the best job they've ever done—but when even our friends lecture us on the subject of fairness, we'd better listen."

So believes Harold W. Andersen, incoming chairman of the American Newspaper Publishers Association. Andersen, 50, president of the Omaha World-Herald Company, succeeds Davis Taylor, publisher of the *Boston Globe*, as head of the ANPA, whose 1,100 members represent more than 90 per cent of the daily newspaper circulation in the United States.

Asked his opinion as to problems facing the nation's newspapers, Andersen replied:

"Any list, of course, would have to include increasing costs, especially newsprint costs, and in some cases an unrealistic union attitude toward modern printing methods by which we can offset some of these escalating costs."

But along with these problems, with which publishers traditionally have contended, Andersen said the people who run the nation's newspapers should give more personal attention to the matter of credibility.

Balance and fairness

"We must work harder at convincing the public that we believe in balance and fairness in reporting," said Andersen, 40th elected head of ANPA since its founding in 1887.

A Phi Beta Kappa graduate of the University of Nebraska, where he was editor of the campus newspaper, Andersen spent his first 15 newspaper years as a reporter and editor.

He is a trustee of the Freedom of Information Center at the University of Missouri, Columbia, a member of the Nebraska Press-Bar Committee of Free Press and Fair Trial, member of the Associated Press nominating committee, and chairman of the ANPA postal committee.

Andersen noted that Vermont Royster, former editor of the *Wall Street Journal*, recently devoted a column in the *Journal* to the subject of fairness. Royster quoted Senator Sam Ervin as saying we must engender in the public mind "the confidence that the media are fair as well as free."

Royster called Senator Ervin's remarks "a splendid sermon" and concluded: "The question is, how much of the congregation is listening?"

Credibility threatened

Andersen said: "I'd suggest that all of us in the news business—specifically including newspaper and news magazine publishers and presidents of press services and broadcasting companies—had better listen when friends of the 1st Amendment like Sam Ervin and Vermont Royster feel compelled to preach to us on the subject of fairness."

Andersen said he believes the news media "because the actions of a Dan



Harold W. Andersen

Rather or the slant in Time magazine's columns have a tendency to diminish the credibility of all news media in some people's eyes."

He said he believes that newspapers are doing the best job ever and that more people are praising the press for its investigative job on Watergate than are criticizing that job as unfair.

"Everything from investigative reporting as in the Watergate disclosures, to reader service features like the *World-Herald's* Action Editor—never before have we worked so hard or so effectively to serve the public.

"I also believe that newspapers are working diligently and more successfully to assure fairness and balance and to give access to a variety of viewpoints.

"I don't believe we have done a good enough job of explaining our efforts toward fairness and balance. Most newspapers are fairer and better balanced in their news columns than they are generally given credit for.

some that are unintentional but nonetheless damaging, of cases where we simply haven't been fair and objective.

"We see too many examples where giving the other side consists of two or three paragraphs well down toward the middle or end of the story.

"Or we print a story which really doesn't have a pressing time element and we report that the person accused couldn't be reached for comment. Why not sometimes wait until the accused is available for comment?"

Andersen said the press is in an unusual period.

"We're right there in the spotlight with the actors in the Watergate drama," he said. "The public is looking hard at us perhaps harder than ever before, and we are looking harder at ourselves."

"Out of this process, we have the opportunity to emerge better off than before—with both press and public convinced of the continuing importance of digging, determined reporting and, hopefully, with press and at least most of the public convinced that this kind of reporting can be balanced and objective."

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Examples of unfairness
"However, we all see examples, including

continued

6 March 1969

*Economics**Explaining the capitalist publisher*

By ERIK BERT

The editorial writer of the Guild Reporter, organ of the American Newspaper Guild, related in the Feb. 14 issue that he found it impossible to write a parody about Lord Thomson, head of the Thomson publishing empire in Britain.

It is difficult to understand why the editor wanted to write a parody about Lord Thomson. He asks:

"How can you parody a man who tells an interviewer . . . that 'I think I'd mortgage my soul' to buy New York Times?"

What's so strange about that? What U.S. publisher would not mortgage his soul to buy the New York Times? In fact, what U.S. publisher's soul is not already mortgaged to the Almighty Dollar?

...Or, take the New York Times reporters who are in the task force whose job it is to subvert individuals in the socialist countries. To whom do their souls belong? To

Mrs. Arthur Hays Sulzberger, owner of the Times, and her wealth of \$200 million to \$300 million; to the CIA: or are they just devout adherents of imperialism?

Or, take the officers of the American Newspaper Guild. To whom had they sold their souls when they took more than one million dollars from the CIA for activities in Latin America, Africa, and Asia? In Latin America, Africa, and Asia?

Enough of Souls. Let's get back to Lord Thomson.

The Guild Reporter editor is distressed to find that Lord Thomson said he was buying U.S. newspapers because "That's where the money is"; that owning a television station was "as good as a government license to print money."

What is so strange about that? Newspaper Guild negotiators know when they enter contract talks with the boss that he is interested in the newspaper because "that's where the money is."

The Guild Reporter editor sums up his discontent:

"Thomson . . . represents almost the reductio ad absurdum of that breed of publisher whose creed is the profit sheet and whose anthem, the ring of the cash register."

But Thomson is not a special breed of publisher. He is the publisher under capitalism, a capitalist publisher. That is not said in any derogatory sense. Under capitalism, publishing is capitalist; under socialism, publishing is socialist.

What kind of creed—other than the "profit sheet"—does the GR editor expect Lord Thomson, or any other commercial publisher, to espouse? What kind of anthem—other than the "ring of the cash register"—does the GR editor expect the publisher to sing? "This land is your land . . . from California to the New York Island," perhaps?

Lord Thomson doesn't deserve a parody. He needs understanding, as do all his brothers in sin, as an exploiter.

STAT

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**BUFFALO, N.Y.
NEWS**

D - 279,780

AUG 2 1967

Newspaper Guild Criticized On Appeal for Federal Funds

Special to Buffalo Evening News

MONTREAL, Aug. 2—Last week's decision by the American Newspaper Guild (AFL - CIO, CLC) to seek funds for its international affairs program from U. S. government sources came under fire here Tuesday by an affiliate of the Confederation of National Trade Unions (CNTU).

The ANG, at its international convention in Ottawa, voted 263-134 "to obtain a contractual relationship whereby government funds would be available to finance ANG international activities." It added: "The preferred relationship would be for a contract with the Agency for International Development (AID)."

The guild represents some

28,000 news media employs in the U. S., Canada and Puerto Rico.

The CNTU affiliate—formed to represent movie and TV employes—said of the ANG move: "Up to now, the people and English-language newspapers of this country have not reacted to this concrete interference by a foreign government in Canadian union affairs."

Most opposition within the ANG to the acceptance of government funds stemmed from the disclosure last February that much of the money supporting the union's international affairs program reached it through foundations which reportedly were conduits for funds from the U. S. Central Intelligence Agency.

JUL 29 1957

NEWSPAPER GUILD SEEKS A.I.D. FUNDS

Severance of C.I.A. Links
Stirs Debate in Ottawa

OTTAWA, July 28 (AP)—Delegates to the American Newspaper Guild convention criticized alternately the Central Intelligence Agency and each other last night before voting 2 to 1 to seek a link with another United States Government agency. The key vote was 263-134.

The volume and the heat of the exchanges exceeded anything in the week-long convention, which ended today.

The guild represents 35,000 news media employees in the United States, Canada and Puerto Rico.

It was reported six months ago to have been accepting aid for its international affairs program from foundations supported by the C.I.A. The guild investigated and found the foundations' explanations unsatisfactory, and severed its links with them.

The delegates were asked last night to authorize their officers to seek new fund sources for the international program, particularly from the United States Agency for International Development.

A Hot Debate

The proposal touched off an uproar.

David Schick of Philadelphia compared the criticism of the United States Government and the State Department with Communist attacks at the United Nations on the United States.

Debate centered on a minority committee report recommending that no Government funds be used for the international program.

Irving Kreisman of Madison, Wis., said first reports of a C.I.A.-guild link "burst like a bomb." He advocated dropping the program unless funds could be found from private sources.

A Toronto delegate said the C.I.A. association raised a conflict between citizenship and membership in an international union.

J. V. Reistrup of the Wash-

ing-Baltimore Newspaper Guild said the real issue "is whether the American Newspaper Guild is to be an arm of the foreign policy of the United States."

He said the work of the Agency for International Development was to carry out the foreign policy of the United States.

The guild's resolutions committee, he added, was told this week by the men who ran the original program—Richard Davis and John Sloan—that the two suspected "from the beginning" that the money came from the C.I.A. They had waited for the C.I.A. to exert pressure, but this never came.

Daniel McLaughlin, a regional vice president from North Jersey, said many delegates were "destroying characters and reputations" of guild leaders with their "innuendos and half-truths."

DETROIT LOCAL HITS GUILD LINK TO C.I.A.

Special to The New York Times

DETROIT, July 19 — The Newspaper Guild of Detroit has instructed its delegates to the American Newspaper Guild's annual convention in Ottawa next week to back resolutions criticizing the national officers for accepting money from the Central Intelligence Agency.

The national guild accepted \$1-million for its international activities program, the Detroit local said, from five foundations identified as conduits for the intelligence agency.

The Detroit Guild set up a committee to investigate the matter. But the committee reported that "our best efforts, repeatedly made, have failed to elicit specific answers to specific questions from the American Newspaper Guild regarding the extensive financing of the A.N.G.'s international affairs program."

"The questions were largely ignored or answered vaguely and not responsively," the report said. "This had the aspects of a runaround."

The Detroit delegates were instructed to criticize the national officers next week for not suspecting the C.I.A. as the source of funds, not protecting the union from valid criticism and not answering the Detroit Guild's specific questions.

A guild plan to accept private or open Government funds to continue its international activities program also was criticized. The Detroit local said only funds from labor sources should be accepted.

erally succeeded in avoiding such confrontations is what the consensus theories are really all about. Perhaps the next chapter of U.S. history will be a new and unlovely departure.

DOUBT ABOUT THE WORLD

One of the reasons the U.S. offers for its military interventions around the globe is the preservation of freedom. A glance at the newspapers suggests something less than success. Do these incidents prove intervention was always uncalled for? Not necessarily. They do demonstrate that freedom doesn't sprout simply because the Communists were kept out and that the United States ought to make its claims with a little more modesty:

In Guatemala, "some 35 persons have been assassinated by rightist paramilitary gangs since April 1," according to the *New York Times* of May 11. One of the officials of the Guatemala City government was kidnapped and tortured; the home of another was machine-gunned twice. Fifty trade union leaders, professional men and students are marked for death in right-wing publications. The Guatemalan bishops have issued a pastoral letter

protesting the "growing" they say, "there are more widows and orphans, innocent victims of mysterious struggles and... torn violently from the... by unidentified kidnappers, or they are brutally murdered, their bodies appearing later with signs of torture and mutilation."

In South Korea, observers hailed the recent election of President Chung Hee Park as relatively free. Immediately after the election, three candidates who ran against Park were arrested.

In the Dominican Republic, there is more "evidence of mounting terrorism," according to the *Christian Science Monitor* (May 13). Two members of the party of Juan Bosch were recently found shot to death. One of them was a Santo Domingo city councilor.

In South Vietnam, Marshal Ky frankly admitted that the military would move against any victor in the coming presidential election who was not to his liking. (Ky himself is, of course, a candidate.) "If he is a Communist or if he is a neutralist, I am going to fight him militarily. In any democratic country you have the right to disagree with the views of others," Ky explained. Press censorship, he added, would continue during the election campaign.

In Greece... well, sorry about that.



NATIONAL AFFAIRS

TO TELL OR NOT TO TELL

Several episodes in recent months have raised the eternal problem of good ends and bad means.

Not many people, even among the right-wing clique that has belatedly rallied to his support, are much distressed that Senator Thomas J. Dodd of Connecticut has been exposed as a rather shabby politician who has been able to live beyond his means by diverting the proceeds of political fund-raising dinners to his private use. But many who have no sympathy for Dodd are distressed by the fact that his operations became public knowledge only because four former employees copied thousands of letters and documents in his files and turned the copies over to columnists Drew Pearson and Jack Anderson. The good end that these ex-employees had in view cannot justify their theft of his papers, it is argued. The ex-employees counter with the arguments that they had no hope of private gain and that when they became convinced of Dodd's misconduct, their highest duty was not to him but the public which was paying their salaries.

My own view is that they were right in what they did. Each of these episodes has to be considered in its specific factual context. A congressional employee who has evidence of wrongdoing by a member of Congress has an especially difficult time knowing how to proceed. By contrast, an employee in private business can always com-

plain to the local district attorney. The latter, if we assume that he is honest, will then conduct a criminal investigation in the regular way without expecting the employee to steal documents to prove the case or otherwise compromise himself. Similarly, a federal employee in one of the executive departments can, as a last resort, report wrongdoing to a member of Congress.

But a congressional employee does not have these clear options. If he complains to the Justice Department, he has to take into account the realistic possibility that the Department may be reluctant to investigate a member of Congress. That is particularly true when, as in the Dodd case, the offending senator is a member of the Administration party and a close personal and political friend of the President. (Dodd, it will be recalled, was the only prominent New England politician to support Johnson against John Kennedy at the 1960 convention.) I do not wish to confuse the case by seeming to hint that Lyndon Johnson's Justice Department would not have investigated Senator Dodd. I am pointing out that the ex-employees could quite reasonably fear that the Justice Department would not act.

The ex-employees, unlike bureaucrats in the executive agencies, could not turn to members of Congress and hope for a sympathetic hearing. Everyone knows that

members of the House and Senate are notoriously reluctant to investigate the affairs of a colleague.

Under these circumstances, the accusers turned to the press. It was the logical place for them to go. One of the functions of a free press is to serve as a check and a watchdog on official power. For more than thirty years, Drew Pearson has acted as a kind of unofficial ombudsman ventilating scandals and exposing wrongs. He gets much of his information from government and congressional employees who know he is fearless in printing information that powerful people would like to keep hidden.

My experience as a reporter in Washington suggests to me that most scandals would never be uncovered except by irregular methods. Someone usually has to breach a confidence of some sort to get a case started; the motives vary from pure patriotism and indignation at corruption to vengeance or the desire to sell information for money. The motives are different, but the method is usually somewhat irregular. If the sources of information in most scandals had to abide by the scrupulous due process procedures required of prosecutors and policemen in preparing a case for trial, few scandals would get exposed.

It is not beyond human ingenuity to devise an institution that would make such irregular methods unnecessary, at least for congressional employees. Congress could establish an independent commission, made up perhaps of three or five retired judges, which would have its own staff to receive complaints and conduct inquiries. Employees and ordinary citizens would have confidence in an institution that was outside the congressional power structure. At the same time, congressmen would be spared the embarrassment of investigating one another.

Congress, however, resists delegating any authority over its own members and their conduct to an outside body. It clings instead to the older tradition of parliament as a law unto itself. But this is not sound procedure because Congress is unique among parliaments. The House of Commons and the French National Assembly (at least in pre-Gaullist days) delegated executive power to a committee of its own members, i.e., the cabinet. But under the American constitution where the executive and legislative powers are supposed to be compartmentalized, Congress has developed an elaborate and powerful committee system to oversee, investigate and control the spending of the executive. Under the congressional system, committee chairmen and senior members have an ability to affect the spending of government money, the granting of contracts, and the placing of government installations that is not matched by members of any other parliament. That is why conflicts of interest, imputations of corruption, and codes of conduct are much more the subject of interest in Washington than they are in London. And that is why, in my opinion, Congress ought to protect itself by delegating authority to an outside body.

The several controversies over the role of the Central

Intelligence Agency in financing private organizations also raise this problem of means and ends. As the *Commonweal* commented editorially when the CIA's subsidies to the student organizations were disclosed earlier this year, it is a serious indictment of democratic institutions that no candid, above-board method had been developed to finance these activities. Yet it does not seem to me that the Truman and Eisenhower administrations had much choice except to use the CIA if Communist activities among students, intellectuals, and labor unions were to be countered effectively in the late '40s and early '50s. This was the period when Senator Joe McCarthy, with the help of Roy Cohn and David Schine, was busy investigating the Voice of America and United States Information Service libraries abroad. Even worse, it was a time when Senator Pat McCarran was chairman of the Senate Appropriations Subcommittee controlling the State Department budget.

The McCarrans and McCarthy would not tolerate the Government's spending public funds to support a student festival, a socialist trade union, or a highbrow magazine under non-Communist control such as *Encounter*. If the United States was to hold its own in the cold war, the policymakers had no alternative except to use the CIA, or some comparable clandestine agency. Moreover, the CIA displayed remarkably sound political judgment in investing in private organizations. It recognized that liberals and radicals, not reactionaries, offer the more effective competition to Communists. (I am not suggesting that the CIA never subsidizes reactionaries, but I am saying that an agency that underwrites free trade unions or a magazine of the quality of *Encounter* deserves some credit for political sophistication.) I fail to share the indignation that seems to be so widespread about the CIA's activities. I do not see, for example, how the American Newspaper Guild has been compromised because it joined in a government-financed program to train trade union leaders and newspapermen from Latin America. Where the money comes from is not always the controlling consideration. Stephen Spender was not tainted while editing *Encounter* by the fact that the money for the magazine came, unbeknownst to him, from the CIA. After all, private philanthropists sometimes make their fortunes in morally dubious ways. It would seem more to the point to ask for what purpose the money was to be spent than where it came from.

I suspect that the editors of *Ramparts*, who first broke the CIA story, share my viewpoint. They are not really so disturbed that the student organizations and the trade unions are going to be subverted from their normal objectives--there is no evidence that they have been. But *Ramparts* is disturbed because these institutions spent the CIA money for an added objective of which the editors of *Ramparts* disapprove: to combat Communist influence abroad and to advance the interests of American foreign policy.

WILLIAM V. SHANNON

2 June 1967; 309

MAY 9 1937

Labor Law Violators With Government Work Said to Be Under Study

AFL-CIO Says Johnson Asked Justice Agency to Investigate If Orders Should Be Halted

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—AFL-CIO President George Meany reported to the labor federation's executive council that President Johnson has asked the Justice Department to investigate whether the Government ought to stop doing business with concerns that persistently violate Federal labor laws.

An AFL-CIO spokesman said a committee of union leaders headed by Mr. Meany received a "very sympathetic hearing from the President" at a White House meeting on the issue in late March. Mr. Johnson "asked the Attorney General to look into the situation" and report back, said the federation spokesman, reporting on the closed meeting of the executive council yesterday.

The Justice Department declined to comment on the AFL-CIO report.

The council at its winter meeting last February adopted a resolution calling on the Administration to stop awarding Government contracts to what it termed "lawbreakers." The council noted that the Government, under an Executive order, can cancel Federal contracts of concerns that practice racial discrimination in employment practices, and it asked that the same sanction be applied to contractors who discriminate against employees who engage in union activities.

Obvious Target

The obvious target of the AFL-CIO move is J. P. Stevens & Co., the big textile maker and a large Government contractor, which the National Labor Relations Board twice has found guilty of what the NLRB called "massive" violations of labor laws. J. P. Stevens is appealing the NLRB decisions in the courts. Two other cases against J. P. Stevens are awaiting board rulings.

In its meeting with Mr. Johnson, the union committee also discussed possible Government action to limit or halt the use of tax-exempt industrial revenue bonds to finance private factory-building, the AFL-CIO spokesman reported. The AFL-CIO contends that state-or municipal-bond financing of such corporate moves encourages factory relocations that cost many workers their jobs and often move jobs from a heavily unionized area to a largely nonunion region. In addition, the practice results in loss of Federal tax revenue and constitutes a "loophole" in the tax laws, the labor federation's officials contend.

Treasury Secretary Fowler and other ranking Treasury officials have sharply criticized industrial-bond financing of private-plant construction. It is generally expected that the President's tax-reform message to Congress, due sometime later this year, will propose restricting or removing the tax-exempt status of industrial revenue bonds.

Resignation Accepted

In other action yesterday, the AFL-CIO executive council accepted the resignation of George Burdon, former president of the United Rubber Workers Union, who was defeated in his reelection bid last year. Mr. Burdon's seat on the 29-man council is expected to be filled at a subsequent meeting this week, perhaps today. Current speculation on Mr. Burdon's successor centers on Max Greenberg, president of the Retail, Wholesale and Department Store Union.

Mr. Meany spent nearly all of a half-hour news conference yesterday reiterating earlier denials that the AFL-CIO ever acted as a funnel for Central Intelligence Agency funds to fight Communist influence in labor unions abroad. "As far as I know," said Mr. Meany, "the AFL during my term as secretary-treasurer and president, and the AFL-CIO during my term as president, have never received any CIA money directly or indirectly for any activity."

Mr. Meany reported that the executive council had decided to provide "interim financing" for international activities of the American Newspaper Guild, an AFL-CIO affiliate. The guild recently severed its relationships with private foundations that it suspected were conduits for CIA money. To make up for the lost foundation grants, the AFL-CIO will provide the guild with \$27,900 to carry out international programs for journalists abroad at least until Aug. 1, Mr. Meany said. The guild, he said, will look for other methods of financing its overseas activities.

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The CIA American Labor

GEORGE MORRIS'S new book, "The CIA and American Labor" was released last Friday by International Publishers (paper \$1.25). Morris, who has been for many years the labor editor of *The Worker*, has more than three decades of experience as reporter and commentator on the American labor movement.

Below are excerpts from a chapter of Morris's book, which we feel will be of particular interest to our readers.

★
AS THE NSA exposure was featured in blazing headlines, Victor Reuther told the press, "there is a lot bigger story in the CIA's financial and other connections with the AFL-CIO than with students. . . . I did my best to try to lift the lid on it. And some day it will come out" (*New York Post*, Feb. 16, 1967). Within days many of these connections were revealed. The following is a summary of the revelations concerning the trade unions and the CIA as they were reported during the last two weeks of February 1967. In general, these facts substantiate or enlarge upon charges previously made, and which are analyzed and discussed in this book.

With two CIA agents in charge of its international affairs department, the American Federation of State, County and Municipal Employees (AFL-CIO) received at least \$60,000 annually to finance its work, in Latin America, from perhaps as early as 1958 until 1964. In that last year Jerry Wurf defeated the incumbent president of the union, Arnold Zander, ousted the two CIA men and cut relations with the agency. As Zander himself revealed (*Washington Post*, Feb. 23), the union's international department was for six years a cover for CIA operations in British Guiana (now Guyana) and had an active hand in the campaign of rioting and sabotage against the Jagan government. The AFSCME also spent CIA money in the name of the Public Services International, an ICFTU affiliate with headquarters in London, as Zander claimed, for the "organization approved for

workers all over the world, "especially in Latin America and Africa." Apparently, those CIA-financed activities had priority over the organization of millions of public workers not in unions in this country.

The ICFTU's International Federation of Petroleum and Chemical Workers, with headquarters in Denver, was used similarly as a cover for CIA activity. It was headed by O. A. Knight until 1965, when he retired from the presidencies of both the International Federation and the International Oil, Chemical and Atomic Workers (AFL-CIO). An AFL-CIO vice-president until his retirement, Knight had long been involved in Latin American committees and projects of the federation. During Knight's tenure, it was disclosed, the ICFTU's affiliate received a monthly subsidy of \$25,000 from a CIA conduit, the Andrew Hamilton Foundation, with a Philadelphia address. Other foundations fronting for the CIA channeled more hundreds of thousands of dollars to Knight's organization (*Washington Post*, Feb. 23).

★
THE AMERICAN Newspaper Guild, one of the AFL-CIO's smallest unions, appeared to be the recipient of the largest sums from CIA dummy foundations. Charles Perlik, secretary-treasurer of the Guild, admitted receiving \$1,004,000 within three years from several funds identified as CIA channels. The organization whose work was financed by the CIA is known as the Inter-American Federation of Working Newspapermen's Organizations of which Perlik is co-chairman. Like many others caught in the CIA's web, Perlik professed surprise when the source of the funds was exposed. And like others, he claimed that irrespective of the source of the funds, the work of the Guild — mainly in Latin America, but also in Asia and Africa, through the parent International Federation of Journalists in Brussels — was "independent" and in no way influenced by the CIA.

Following the exposures, as a wave of anger spread in the Guild's chapters, the Guild Reporter (Feb. 24) carried a long report by ANG international affairs director Richard P. Davis. He assured the members that their money was untouched, because all salaries and expenditures of his department were covered by "foundation grants." This, of course, means CIA grants.

Another union that showed extraordinary interest in world activities is the Retail Clerks International Association; its president, James Suffridge, is a vice-president of the AFL-CIO and a very close friend of Meany. Suffridge, too, professed surprise at the disclosure that the same Granary Fund which funneled CIA funds to NSA, the Newspaper Guild and other organizations, gave the RCIA \$38,000 in 1965 — to mention one item that came to light. The RCIA, one of America's most bureaucratically run unions, had two of its officials among the corps of AFL-CIO advisers who came to guide the Guyanese to "freedom." Among them was George P. O'Keefe, head of the international affairs department of Suffridge's union. The RCIA used the ICFTU's International Federation of Clerical and Technical Employees as its instrument for operations in other lands.

Still another trade secretariat of the ICFTU, the International Association of Food and Allied Workers Associations, with headquarters in Geneva, was used as a cover for CIA agents, according to Juul E. Poulson, general secretary of that body (*New York Times*, Feb. 23). Poulson confirmed Victor Reuther's charge of nine months earlier (which was denied by the AFL-CIO Executive Council in August 1966) that eight men in Panama and one in Colombia posed as representatives of his organization, although they were unknown in headquarters. These men, added Poulson, were taking orders from Andrew C. McLellan, AFL-CIO director of Latin-American affairs, working under Lovestone

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LORAIN, OHIO
JOURNAL

E. 31,467

MAR 14 1967

Newspaper Guild Cuts CIA Ties

Washington Post

WASHINGTON — The American Newspaper Guild says that it will immediately sever all ties with three foundations that were reported to be conduits for Central Intelligence Agency funds. The Guild said it would seek to continue its international affairs program through support from other private sources that are free from CIA taint as well as through open government aid.

E. 19,641

S. 19,001

MAR 14 1967

Guild Cuts CIA Links, Wants New Aid Agency

Times Post News Service
 (Washington Post)

WASHINGTON — The American Newspaper Guild said yesterday that it would immediately sever all ties with three foundations reported to be conduits for Central Intelligence Agency funds.

The guild said it would seek to continue its international affairs program through support from other private sources that are free from CIA taint as well as through open government aid.

A statement by the guild's 15-member International Executive Board said the group "does not delude itself into thinking that things can go on as before, as though nothing had happened."

It said a guild inquiry into the ultimate source of \$1,004,000 that the union had received since 1960 to conduct its overseas activities had "shed no light" on the CIA's involvement.

But the board felt that "it is inconceivable that the trustees for the three foundations—as well as two others whose financial aid ended by 1961—don't know the answer to this question."

Unresponsive replies from the trustees, the board said, "continues to leave a shadow over our international affairs program and does nothing to relieve the misgivings, doubts and suspicions generated by the entire affair."

The three CIA-linked foundations with whom the guild will no longer deal are the Warden Trust of Cleveland, the Chesapeake Foundation of Baltimore and the Broad High Foundation of Columbus, Ohio. The two that had previously funded the guild's activities abroad are the Ganary Fund of Boston and the Andrew Hamilton Fund of Philadelphia.

The guild's overseas work has been channeled through the International Federation of Journalists in Brussels and the International American Federation of Working Newspapermen's organizations in Panama City.

The board said the work should continue through the creation of a quasi-public independent body, financed by Congress, to which private groups could apply for aid in overseas work.

● Guild Irresponsibly Smeared By CIA Story, Leader Claims

Rosenstock Defends Programs To Help Foreign Journalists

By Tony Brenna

Arthur Rosenstock, president of the American Newspaper Guild, declared himself to be "shocked and amazed" at the implications being drawn from the allegation that the Guild has been engaged in a broad international program since 1960 through a subsidy of nearly \$1-million supplied by the Central Intelligence Agency.

Rosenstock told E&P the whole story was now being used "to blacken the name of the Guild which has done a fine job with its international program," and was providing a "field-day for muck-rakers and character assassins."

He took particular exception to columns written by Pete Hamill in the *New York Post* — the newspaper where Rosenstock works as a librarian — and by Jimmy Breslin in the *World Journal Tribune*.

(Hamill wrote: "Arthur Rosenstock, president of the Guild, says that he knows nothing of the CIA's involvement. If that is true, he should resign immediately . . ." Breslin charged the Guild with having "been caught running the most outright red-light house the newspaper business ever has seen.")

"Such comments typify the irresponsible conclusions that are being drawn from this still unproven allegation of CIA money being used to finance our overseas operations," said Rosenstock. "Let me tell you — and I can't say it strongly enough — as president of the Guild I can say categorically that there was no indication that the foundation grants for Latin American programs and other overseas operations came from the CIA. And, what's more, anyone who tries to suggest that such money was used to influence, to control or to make us influence foreign newsmen, is utterly wrong . . ."

The Guild's president continued: "I have attended many overseas congresses and meetings. Their sole and entire purpose was to help teach foreign journalists the fundamentals of their crafts and to help them form unions to better their working conditions. It is ridiculous to suggest otherwise.

"When we set up our international program in 1960 we had plenty of experience of political activity within our own union. We threw the Commies out of the Guild nationally in 1945 and out of the New York Guild in 1947.

"I would agree that in setting up our international program we did not want to see communist influences take over journalistic activity in Latin America. The Communist-controlled International Organization of Journalists was spending tens of millions of dollars on a world-wide basis to gain control of newspaper unions and workers in emergent nations.

"Sure, we needed finance, but we weren't going to any federal spy agency for it . . . the Guild through its officers in Washington wrote to Funds and received support. As far as I know those funds supported our program on a no-strings-attached basis. That's why I'm shocked and amazed by the implications which are now being drawn . . ."

From Washington, Charles A. Perlick Jr., Guild secretary-treasurer, told E&P: "In the international labor movement, one of the subjects always being discussed is how to get money to finance operations. When we decided to expand our international program we drew up a list of funds likely to be of help, then wrote to them stating our case. There was no indication at that time, nor since, that the funds now being described as CIA conduits were interested in

anything other than providing finance."

Earlier, a statement from the Guild's executive officers said: "Initial assistance was sought and received from the AFL-CIO and from the Solidarity Fund of the International Confederation of Free Trade Unions. Letters requesting assistance were addressed to approximately 50 American funds and foundations.

"Through January 31, 1967, financial assistance totaling \$1,004,000.00 has been received by the Guild, and used solely for its international affairs program, from the labor movement (\$10,000) and from five foundations, the Granary Fund of Boston (\$200,000), the Andrew Hamilton Fund of Philadelphia (\$90,000), the Broad-High Foundation of Columbus, O. (\$343,000), the Chesapeake Foundation of Baltimore (\$828,000) and the Warden Trust of Cleveland (\$33,000). The first two terminated their assistance in 1963 and 1964, respectively; the others have made grants within the past year . . .

"The Guild has no knowledge that any of the money came from the Central Intelligence Agency or any other U.S. or other government source. The Guild has never used its international affairs program as a forum to deliver anything but its trade union message. No one has sought to have it do otherwise."

The Guild's statement (issued Feb. 18) also said that the union was inquiring into the published allegations and would "immediately terminate its association with any foundation found to be linked to the CIA, and, if necessary, will seek alternative sources of financial assistance to carry on its overseas program through free and democratic trade union processes."

First step in the investigation, said Perlick, would be direct inquiries to the "funds in question." He did not know how long the probe would take. Asked if the Guild would go directly to the CIA if the information was not obtainable directly from the Funds, Perlick

said, "I really don't know at this stage; anyway, who ever got anything out of the CIA?"

Guild headquarters was critical of a story published in the *Philadelphia Inquirer* which quoted William J. Farson, executive vicepresident, as saying that there was a possibility that the money might have been intended to influence foreign journalists to pro-American points of view. This report was described by Guild officers as "inaccurate," and "unfortunately, given wide coverage in Europe."

Farson, a former Philadelphia newspaper employe, was also reported as saying: "I can tell you this, if any foundation ever tried to influence our work, we would not accept contributions from them. In any case, these reports make it practically impossible for us to continue our international work. Anything we proposed now would be suspect. The only thing left to do is to pull out."

In Officers' Reports

Guild spokesman, in conversation with E&P, did not indicate that so far there had been widespread condemnation among the union's membership of the Guild's alleged utilization of government money. They described a protesting telegram from *New York Times* Guild members as having "a mere three signatures." They said there had been no official communication from *New York News* members who were reported to be starting a petition requiring national officers to call a general membership meeting to explain the Guild's asserted links. The petition, which was posted on the newsroom bulletin board, declared that the allegation had "misdemeaned the reputation of American journalism throughout the world."

The telegram from Times staffers charged Guild officers with violating the union constitution by failing to list the foundation grants in general accounts audits in the *Guild Reporter*, the union newspaper.

Perlick said the officers had interpreted the constitution as not requiring them to list the grants in general audits. The grants were included in officers' reports to the ANG convention, through regular reports to quarterly meetings of the International Executive board, and through periodic stories in the *Guild Reporter* which went to all members.

(Continued)

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MEMPHIS, TENN.
COMMERCIAL APPEAL

M - 216,995

S - 268,515

MAR 1 1967

The Guest Writer

The Eager Victim

(From The Washington Post)

Now it turns out that the American Newspaper Guild has been taking money from the Central Intelligence Agency, to the measure of nearly one million dollars in the past six years. The Guild has been hungrily taking covert Government money to teach our benighted and oppressed brothers beyond the seas about the virtues of a free and independent press that is un beholden to any political paymaster. It is this element of moral imbecility that now constitutes a deep threat to the future of the American labor movement.

It is quite bad enough for the CIA to corrupt minor organizations like the National Student Association. But the CIA's invasion of the labor movement and the press is an evil on quite another scale. The CIA's eagerness to put the Guild on its pay roll is only further evidence of an obvious danger. But the more profoundly disquieting side of the affair is the eagerness with which the Guild accepted the money. It has been the willing accomplice to its own seduction.

American journalism needs a strong, idealistic, fiercely independent union. But the Guild's emergence as a secret partner of secret government only indicates the decay that has overtaken it. Mr. Perlik, the Guild's secretary-treasurer, laments that the publication of this relationship will destroy the union's usefulness abroad. He might better spend his time considering its effect upon the union's usefulness in this country, among its own members.

E - 169,645
S - 191,102

FEB 19 1967

Will Pull Out Of NSA, Oberlin Chapter Warns

Special To The Beacon Journal

The Oberlin College chapter of the National Student Association (NSA) threatened Saturday to pull out of the NSA.

Alan Wachtel, Oberlin's NSA chairman, said he was dismayed on learning that the NSA's supervisory board had admitted NSA officers and paid staff members were often used by the Central Intelligence Agency (CIA) in direct intelligence-gathering activities abroad.

The board also disclosed that CIA funds had accounted for up to 80 per cent of NSA's \$900,000 budget rather than 25 per cent as earlier claimed.

"WE'RE demanding a full explanation from our national office," said Wachtel, 20, a junior from Great Neck, L. I., N. Y. "If we don't get one, we'll disaffiliate."

In announcing its position, Oberlin's group became the first of more than 300 autonomous campus units to threaten splitting off from the NSA.

The Oberlin NSA chapter also issued this statement deploring "the congressional blindness which assumes CIA interaction leaves American students untouched — merely subsidized."

"We want to know who authorized the CIA funding of the NSA — and who authorized the apparently substantial amounts to the AFL-CIO. We ask all public organizations to re-evaluate their sources of funds," the statement said.

IN WASHINGTON, meanwhile, officers of the American Newspaper Guild said the Guild would terminate its relations

with any foundation linked to the CIA and seek financial aid from other sources for the Guild's international affairs operations.

Guild officers declared that the Guild had never used its international affairs program "as a forum to deliver anything but its trade union message. No one has sought to have it do otherwise."

Guild officials have admitted that they had received up to \$900,000 in grants since 1965 from the Chesapeake Foundation, the Warden Trust, and the Broad-High Foundation to finance such activities as conferences on newspaper union organization work and journalism seminars overseas. The money allegedly was provided to the foundations by the CIA.

ARTHUR ROSENSTOCK, president of the Guild, said "there was no indication that the foundation grants for Latin American programs and other overseas operations came from the CIA.

"Nobody tried to tell us how to use the money, or tried to control us," he added.

The Johnson Administration's investigation of covert activities by the CIA will extend far beyond the agency's infiltration of student organizations.

The presidential panel will also inquire into the CIA's involvement with American labor unions, charitable foundations, ostensibly independent international organizations, and other institutions.

THE PANEL will explore CIA infiltration of intellectual circles and may explore the

possible infiltration of church groups.

The Baird Foundation of New York, for example, has passed on at least \$350,000 of CIA money since 1961. One of Baird's principal beneficiaries in that period has been the Synod of Bishops of the Russian Church Outside Russia. Baird has given the synod \$132,500 since 1961.

Still another area of possible infiltration has been the world press. Besides unexplained "press" payments of nearly \$250,000 by the International Development Foundation in 1963, there have been other large payments through funds linked to the CIA.

The Independence Foundation of Boston, for example, has received funds from the CIA and has reported in its 1962 financial statement the expenditure of \$42,900 "through foundation agents, covering editing, publishing and distribution of publications in Latin America dealing with and explaining the U. S. 'free enterprise' economic system . . ."

Org. 1 Amer. Newspaper Guild

Good Faith Seen Marking Guild In CIA Case

PANAMA, March 21 (AP)—Leaders of the Inter-American Federation of Working Newspapermen's Organizations say they are convinced that the American Newspaper Guild accepted in "good faith" funds from foundations later disclosed as supported by the U.S. Central Intelligence Agency.

The Guild reportedly used the funds to aid programs of the Inter-American Federation, which says it represents 60,000 newspaper employes in 24 countries. Among other things, the Federation finances inter-American seminars for newspaper unionists.

The Federation executive committee unanimously adopted the resolution yesterday, with North American members abstaining.

APR 1 1957

Approved For Release 2004/10/13 : CIA-RDP88-01315R000100240001-0

Press Aide Sees Secrecy Threat In United States

MONTEGO, BAY, Jamaica, March 31 (UPI)—George Beebe of the Miami, Fla., Herald told the inter-American Press Association's Press Freedom Committee yesterday that "threats of government and judicially directed secrecy still cloud our horizons" in the United States.

Beebe, vice-chairman of the committee, was referring especially to the possibility of restrictions on court and crime reporting. The restrictions have been proposed by the American Bar Association.

Beebe also attacked the fact that the American Newspaper Guild had accepted funds from the Central Intelligence Agency.

Julio de Mesquita Filho, president of the Association, offered to go personally to the summit conference in Uruguay next month to plead for help in getting 39 newsmen released from Cuban jails.

Approved For Release 2004/10/13 : CIA-RDP88-01315R000100240001-0

Front SJN/ Other

CIA-RDP88-01315R000100240001-0

CHICAGO, ILLINOIS
TRIBUNEM - 840,746
S - 1,178,515

MAR 30 1967

Other beneficiaries of secret CIA payments included the American Newspaper guild [AFL-CIO], the American Council for the International Commission of Jurists, the International Student conference, the National Education association, the Retail Clerks International association [AFL-CIO], and the National Council of Churches.

It may be doubted that any of these organizations can claim truthfully to speak for all their members. It may be doubted also that all their members favor the acceptance of government subsidies, whether they are secret or provided in "in a mature, open manner."

Much of the money spent on the secret CIA subsidies has been wasted. The CIA has indicated that it will pour no more money down the same rathole. Other agencies of the federal government ought to be as sensible.

USELESS SUBSIDIES

President Johnson has ordered the central intelligence agency to stop the gravy train by means of which millions of dollars were paid secretly to private organizations in the fields of labor, education, journalism, law, and religion. The President announced, however, that he will name a special committee to study how the government can subsidize such organizations "in a mature, open manner."

The purpose of an intelligence agency is to gather information about a nation's enemies so that national policies may be guided accordingly. Most activities of such an agency necessarily are conducted in secret; if an agent is exposed he loses his usefulness.

The same rule applies to the private organizations which the CIA has been subsidizing. As soon as the payoffs became known the director of the CIA, Richard Helms, told a Senate committee that the financial support was being withdrawn. It is hard to see now why the federal government, having been caught with its pants down, would wish to continue in the embarrassing condition by indorsing further subsidies of the same kind.

For example, what possible benefit to the security of the United States could be obtained from further payments to the National Students association, the first of the private groups to be unveiled as a CIA payroller. This is a leftist outfit which at international meetings claims to represent all American college students. In fact, only 16 per cent of the schools eligible to affiliate with N. S. A. have chosen to do so.

The organization cannot even truthfully claim to represent the students at colleges whose student governments are affiliated with it, because most of the students probably are unaware of the affiliation. When the N. S. A. condemned the United States for "aggression" in southeast Asia and demanded a halt to all military action in Viet Nam the statements did not represent the opinions of most, or even many, American collegians.

Press Independence

The Washington Baltimore Newspaper Guild has rightly demanded an investigation into the financing of the Guild's foreign programs by the CIA or any other governmental agency. It is to be hoped that it will press the fight to the highest level until it has gained assurance that the integrity and independence of the Guild will not again be impaired by such secret subsidies.

It is to be regretted that the unit did not condemn public and open support of its domestic programs by the Government.

It would be difficult to imagine anything more dangerous to a free press than the covert contributions of government to newspapers, newspapermen or newspaper organizations or unions. The power to secretly support journalistic groups is a governmental power to exalt its friends and destroy its critics. No government can be entrusted with that sort of power in a free society that values its freedom.

The open contributions of government to press groups is also pernicious and mischievous. Newspapermen constitute a fourth estate which makes its chief contributions to society by reporting the transactions of government and objectively commenting upon them. The reports of newspapermen will not be believed and the criticisms will not be valued if funds of government are finding their way into journalistic coffers. The close cooperation of government and journalists is to be mistrusted. Newspapermen, in the words of the Jewish leader, Shemayah, ought to "love work, hate domination and seek no undue intimacy with the ruling power."

Curb Sought on Covert Financing

Newspaper Guild Demands Probe Of CIA Aid to Overseas Program

Members of the Washington-Baltimore Newspaper Guild last night demanded an investigation into financing by the CIA or by any other Government agency of the Guild's international programs.

The Guild unit urged that none of the international Guild's officers since 1960 be permitted to sit on the union's investigating committee.

Guild members also called for a ban on any Government financing—covert or overt—of the union's activities abroad. They also called for a ban on any covert Government financing of domestic programs, but not on financing that was open.

The steps reflected dissatisfaction with the stand taken by the American Newspaper Guild's international executive board in the face of the Guild's receipt of some \$1 million from five foundations identified as CIA conduits.

The international board has severed all ties with the foundation, but has at the same time recommended that it be permitted to seek Government financing, if necessary, to continue its international affairs program without disruption.

The issue will come up before the Guild convention in July. The international executive board has declared that it "still has not conclusive proof

that CIA funds were channeled to it through the foundations."

By a 42 to 36 vote, the local also called on the international union's three top officers to answer questions designed to determine whether the union knowingly received CIA funds. Charles A. Perlik Jr., the ANG's secretary-treasurer, said last night the officers would not respond. "The questions have already been answered," he said.

D.C. Unit Renews Demand For Probe of Guild-CIA Link

The Washington-Baltimore Newspaper Guild has formally renewed its demand for an independent investigation of the alleged links between its parent organization, the American Newspaper Guild, and the Central Intelligence Agency.

The action, taken at a membership meeting last night, came as a rebuff to the international union's executive board, which earlier conducted its own investigation and said no further probe was needed.

The local union also rejected an appeal from Charles A. Perlik Jr., secretary-treasurer of the American Newspaper Guild, who told the more than 100 persons present that the union officers "have done what we think the circumstances require."

The Guild CIA link was first reported in Feb. 18 newspaper stories which said the union has received approximately \$1 million since 1960 from foundations identified as conduits for the intelligence agency.

Funds to International Program
All the questioned funds went

into the guild's international program, which included extensive financial support of the Inter-American Federation of Working Newspapermen's Organizations of Panama and the International Federation of Journalists of Brussels, Belgium.

The Washington-Baltimore unit called for a full investigation of the arrangement by an independent committee composed of Guild members who have not served in any union leadership posts since 1960. Two other local units offered similar suggestions.

But on March 11 and 12, the Guild's International Executive Board held a special meeting and directed its officers to "sever immediately all connections, financial or otherwise," with the foundations in question.

"No Conclusive Proof"

The board said inquiries to the foundations about the source of their money had produced "no conclusive proof that CIA funds were channeled to it through the foundations."

Finally, the board said it "saw

no further service that a special committee . . . could render."

At last night's meeting, however, area newspaper employees and others represented by the unit decided to carry the issue to the Guild's annual meeting, to be held July 24-28 in Ottawa.

Stephen Rosenfeld, a Washington Post editorial writer, introduced a resolution calling on the convention to "receive or order, whichever is then appropriate, a full investigation and a full report by a body which does not include any elected Guild officers. . . ."

Main Debate Issue

Virtually all debate during the two-hour meeting was over a clause in the resolution prohibiting Guild receipt of government funds, not only for international programs but also for "other programs"—presumably referring to domestic projects.

By a vote of 42 to 36, the Guildsmen voted to eliminate the reference to "other programs." The full resolution was then adopted by an overwhelming voice vote.

CBS Tries to Explain CIA Stain

By FRED GILMAN

MONDAY WAS shake-away-the-CIA day for the Newspaper Guild and the Columbia Broadcasting System.

The Guild's international executive board announced that the union, an AFL-CIO affiliate, was severing its ties to five foundations alleged to be conduits for the Central Intelligence Agency.

CBS said it was suspending its free spot announcements for Radio Free Europe because the advertisements did not make it clear that the organization was an arm of the CIA.

The Guild's board acted after the foundations refused to divulge the sources of their income.

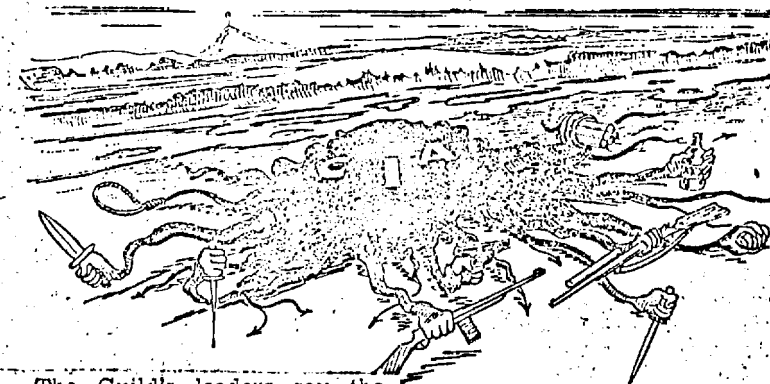
The Guild had sent them letters requesting this information shortly after it was revealed, on Feb. 17, that the union had been the recipient of over \$1 million from these foundations during the past six years.

The union first took the position that it would sever ties with any organization "found linked to the CIA." But the leadership, remaining in the spotlight and receiving protests from union members, decided to sever the ties even though the foundations' refusals did not constitute proof of a CIA link.

Arthur Rosenstock, president of the Guild, told this reporter that the union "had no alternative but to sever the ties when we couldn't get declarative answers."

The five funds and foundations which are conduits for the CIA are the Granary Fund of Boston, the Andrew Hamilton Fund of Philadelphia — Broad-High Foundation of Columbus, Ohio; the Chesapeake Foundation of Baltimore, and the Warden Trust of Cleveland.

The last three, which have supplied 65 percent of the \$1 million total to the Guild in the last two years, refused to divulge the source of their income when it was first alleged that they fed CIA money to various organizations, including the Guild.



The Guild's leaders say the Guild stopped receiving money from the Granary Fund and the Andrew Hamilton Fund in 1964.

Broad-High, Chesapeake, and Warden have given \$650,006 to the Guild in the past two years.

All the money, say Guild leaders, was used to finance the Guild's international operations, mainly in Latin America.

The declaration by CBS that it was discontinuing the free spot ads for Radio Free Europe came during a TV news special: "In the Pay of the CIA: An American Dilemma."

Despite the fact that the link between Radio Free Europe and the CIA has been frequently reported, and then revealed last month in the disclosures of CIA dummy funds and their recipients, the National Broadcasting Company and the American Broadcasting Company refuse to follow the lead of CBS.

Two NBC spokesmen with whom I spoke professed surprise at the CBS move. Of the CIA-Radio Free Europe tie one spokesman said, "I did not know it." She said she was surprised by the report by Hughes Rudd, CBS Munich correspondent, that Radio Free Europe gets most of its \$14 million a year from the CIA.

"I did not realize that the majority came from the CIA," she said.

COLD WAR MONSTER

Radio Free Europe, begun in 1950, is a Cold War monster created to sow dissension in the socialist countries. Many Hungarian "freedom fighters" have charged that the station misled them in 1956 into thinking their security would be assured in the U.S. if they defected.

Money to finance the station, located in Munich, is supposed to come solely from the public.

"In theory, all the budget comes from donations," said Hughes Rudd on Monday's CBS special, "but that budget amounts to some \$14 million a year, which is asking a lot, even for big-hearted anti-communists."

The NBC spokesman avoided answering whether or not broadcasting the ads constituted a misrepresentation in that the CIA's involvement with Radio Free Europe is never mentioned.

She said, however, she was sure the question "will be evaluated by NBC's executives."

Another spokesman for the network, assistant to the director of the Standards and Practices Department, said that NBC's standards code applied only to paid commercials, but that everything NBC puts on the air is supposed to conform to a code

Continued

MAR 18 1967

Guild Severs Links With 'CIA Funds'

WASHINGTON

Reacting to recent disclosures, the American Newspaper Guild has moved to end the possibility that Central Intelligence Agency money is being fed to the union for financing of its Latin American and other overseas educational programs.

The guild announced Monday (March 13) that it was completely severing its relationship with foundations believed to be conduits for funds from the CIA. The decision followed a two-day board meeting here.

Since 1960, the guild has received \$1,004,000 for its international programs from five funds. All five funds refused to disclose to the guild their sources of income. An executive board statement noted that the Guild still had no absolute proof that the foundations were linked to the CIA, but it was severing the relationships because the funds refused to disclose details of their affairs.

News Guild Cuts Ties To Alleged Channels Of CIA

Washington, March 13 (AP)—The American Newspaper Guild announced tonight it is severing its ties with the foundations which have financed its international program with funds reported to have been supplied secretly by the Central Intelligence Agency.

But the Guild's international executive board said this "vital program" cannot be abandoned and it will seek money to support it from private or open Government sources, until the Guild's convention can act on the question.

Meeting In July

The union of newspaper workers said that it has insufficient funds to continue the program on an interim basis until the Guild convention in July and without help the program may have to be ended. It added that acceptance of any money will be subject to approval by the board.

The board, meanwhile, authorized its three top officers to seek funds from the AFL-CIO, from any recognized trade union affiliated or not affiliated with the CIO, from the American Institute for Free Labor Development or from overt Government sources.

The board told the Guild's top officers to join in the appeal being made for a "congressionally established, quasi-public independent body, financed by congressionally authorized and appropriated funds" to which private organizations could apply for support of their international activities.

The board, which met here over the weekend, said the Guild still has no conclusive proof that CIA funds—nearly \$1,000,000 in the last seven years—were channeled to it through the foundations. And it emphasized that the foundation grants were made at the Guild's initiative and were fully reported.

"There were no strings attached" and "no guild officer or member involved in the international program has done anything other than carry out the

Guild's trade-union mission," the statement said.

The board said the three foundations which have supported its program since 1964 refused to say whether they have received any CIA funds or otherwise to "make an accounting of their operations on the ground that they are confidential."

These foundations, the Guild said, are the Broad-High Foundation of Columbus, Ohio, the Chesapeake Foundation of Baltimore, and the Warden Trust of Cleveland.

The Guild said an attorney Hamilton Fund of Philadelphia, who responded for the Andrew which ended its aid to the Guild in 1946, said he was unable to supply the information requested because the fund had gone out of existence several years ago.

The Guild said a fifth foundation, the Granary Fund of Boston, which ended its aid to the Guild in 1963, said only that its clients wish to remain unnamed and that the fund has filed "required records" available to the public.

NEWS GUILD CUTS TIES WITH FUNDS

Acts on Groups Believed to
Be Conduits for C.I.A.

By NEIL SHEEHAN

Special to The New York Times

WASHINGTON, March 13—

The American Newspaper Guild announced today that it was completely severing its relationship with foundations believed to be conduits for funds from the Central Intelligence Agency.

A statement by the international executive board of the guild said that the decision to accept no further funds from the foundations was taken at a two-day meeting of the board at the guild's headquarters here Saturday and Sunday.

Since 1960, the guild has received \$1,004,000 for its international programs from five foundations, two of which have been identified as channels for funds from the intelligence agency and three others that are believed to serve as conduits.

The bulk of the money was spent to finance the guild's Latin-American program, which is conducted through the Inter-American Federation of Working Newspapermen's Organizations.

The program consists largely of journalism seminars and courses in trade union organization for Latin-American journalists.

Some of the funds were also used to support similar activities in Asia and Africa through the International Federation of Journalists in Brussels.

Officers Directed to Act

The board's statement said it had directed the guild's three senior officers—Arthur Rosenstock, president; William J. Farson, executive vice president, and Charles A. Perlik Jr., secretary-treasurer—"to sever immediately all connections, financial or otherwise, with the Broad-High Foundation, the Chesapeake Foundation and the Warden Trust."

These are the three foundations that have supplied the guild with funds for its overseas programs since 1965. All three are believed to be conduits for the intelligence agency.

The statement said that no action had to be taken in regard to the two other foundations—the Granary Fund of Boston and the Andrew Hamilton Fund of Philadelphia—since the guild has not received any money from these foundations since 1964 and has no present relationship with them.

The Andrew Hamilton Fund was identified as a fund channel for the intelligence agency at Congressional hearings in 1964. The Granary Fund receives almost all of its income from other foundations that have been identified privately by Government officials as fronts for the intelligence agency.

The statement said the decision to sever the relationship was taken after four of the foundations had refused to disclose to the guild their sources of income or contributions to other organizations.

The fifth foundation, the Granary Fund, replied to guild inquiries later and also refused to disclose this information, a guild announcement accompanying the statement by the executive board said.

"It is inconceivable that trustees don't know the answer to this question," the statement said. "But for whatever reason, they have chosen not to disclose it to us."

"This, the board declares, continues to leave a shadow over our international affairs program and does nothing to relieve the misgivings, doubts and suspicions generated by the entire affair."

Protests Are Recalled

Shortly after it was disclosed on Feb. 17 that the guild had received money from foundations connected with the intelligence agency, Mr. Farson and other senior officers of the guild announced that the guild would sever the relationship with the foundations if they refused to disclose their sources of income.

The executive board's action, however, also followed a series of protests from individual members of the guild and guild chapters and locals.

The New York Times chapter of the guild sent guild officers a petition signed by 127 employees of The Times. The petition asked for a full investigation of the guild's relationship with the foundations.

The Washington, D. C., local of the guild ratified in early March a resolution by its executive committee calling for the creation of a special investigating committee to look into the relationship.

The executive board said today that it did not intend to appoint such a committee since it "saw no further service that a special committee . . . could render" now that the board's own investigation had been completed.

Thirty-two members of the Daily News chapter in New York signed a petition asking for an emergency national meeting of the Guild to discuss the matter and demanding the resignations of the senior officers, if a satisfactory explanation was not given.

Locals in Detroit, Minneapolis, St. Paul, Stockton, Calif., and Vancouver, British Columbia, also requested investigations. And a number of individual guild members are known to have written protest letters to the Washington headquarters.

The statement by the executive board said the guild still had no absolute proof that the five foundations were linked to the intelligence agency, but that it was severing the relationship because the foundations had refused to disclose their affairs.

CIA 2-04.2 foundations

ST. LOUIS, MO
 POST-DISPATCH
 Approved For Release 2004/10/13 : CIA-RDP88-01315R000100240001-0

E - 349,503
 S - 566,562

MAR 14 1967

Newspaper Guild Refuses Funds Believed to Be From CIA

© 1967, New York Times News Service
 WASHINGTON, March 14 — The American Newspaper Guild announced yesterday that it was severing its relationship with foundations believed to be conduits for Central Intelligence Agency funds.

A statement by the international executive board of the guild said that the decision to accept no further funds from the foundations was made at a two-day meeting of the board Saturday and Sunday.

Since 1960 the guild has received \$1,004,000 for its international programs from five foundations, two of which have been identified as channels for CIA funds and three that are believed to serve as conduits.

Guild's Program

The bulk of the money was spent to finance the guild's Latin American program, which consists largely of journalism seminars and courses in trade union organization for Latin American newspapermen.

Some of the funds were used to support similar activities in Asia and Africa.

The board's statement said it had directed the guild's top officers "to sever immediately all connections, financial or otherwise, with the Broad-High Foundation, the Chesapeake Foundation and the Warden Trust."

The three foundations had supplied the guild with funds for its overseas programs since 1965. All three are believed to be conduits for CIA funds.

The statement said that no action was taken in regard to the two other foundations—the Grannary Fund of Boston and the Andrew Hamilton Fund of Philadelphia—because the guild had not received money from these foundations since 1964.

Silent on Sources

The statement said the decision to sever the relationships was made after the foundations refused to disclose their sources of income and contributions to other organizations.

The guild's executive board said, however, that its overseas program could not be abandoned. It said it would seek money to support it from private or open Government sources, until the guild's convention could act on the question.

The guild said that it had in

sufficient funds to continue the overseas program on an interim basis until the guild convention in July and without help the program might have to be ended.

The board, meanwhile authorized its three top officers to seek funds from the AFL-CIO, any recognized trade union affiliated or not affiliated with the AFL-CIO, from the American Institute for Free Labor Development or from overt Government sources.

CBS Refuses to Carry Ads By Radio Free Europe

NEW YORK, March 14 (AP) —The Columbia Broadcasting System disclosed last night that it had refused to carry advertisements for Radio Free Europe since Feb. 15 because the ads did not make it clear the organization was partly supported by the Central Intelligence Agency.

Commentator Mike Wallace, in revealing the suspension of the announcements on the news special "In the Pay of the CIA: An American Dilemma," said:

"If you respond to the many appeals for Radio Free Europe, on television, in magazines and even on busses and subways, you become part of a CIA cover."

Newspaper Guild Cuts Ties to CIA Conduits

By Andrew J. Glass
Washington Post Staff Writer

The American Newspaper Guild said yesterday that it will immediately sever all ties with three foundations that were reported to be conduits for Central Intelligence Agency funds.

But the Guild said it would seek to continue its international affairs program through support from other private sources that are free from CIA taint as well as through open government aid.

A statement by the Guild's 15-member International Executive Board said the group "does not delude itself into thinking that things can go on as before, as though nothing had happened."

It said a Guild inquiry into the ultimate source of \$1,004,000 that the union has received since 1960 to conduct its overseas activities has "shed no light" on the CIA's involvement.

But the board felt that "it is inconceivable that the trustees for the three foundations—as well as two others whose financial aid ended by 1964—"don't know the answer to this question."

Unresponsive replies from the trustees, the board said, "continues to leave a shadow over our international affairs program and does nothing to relieve the misgivings, doubts and suspicions generated by the entire affair."

The three CIA-linked foundations with whom the Guild will no longer deal are the Warden Trust of Cleveland, the Chesapeake Foundation of

Baltimore and the Broad-High Foundation of Columbus, Ohio. The two that had previously funded the Guild's activities abroad are the Granary Fund of Boston and the Andrew Hamilton Fund of Philadelphia.

The Guild's 2,500-word report on the CIA affair followed a special session held by the board here on Saturday and Sunday. Earlier, the Guild's secretary-treasurer, Charles A. Perlik Jr., had written to the five foundations seeking information about their background.

It was unclear why the Guild's officers failed to conduct a full investigation after one of the five foundations — Andrew Hamilton — was revealed in August, 1964, through testimony before a House subcommittee headed by Rep. Wright Patman (D-Tex.) to be a CIA conduit.

The Guild's overseas work has been channeled through the International Federation of Journalists in Brussels and the International American Federation of Working Newspapermen's Organizations in Panama City.

The board said the work should continue through the creation of a quasi-public independent body, financed by Congress, to which private groups could apply for aid in overseas projects.

CBS Cuts Radio Ads For Omitting CIA Link

NEW YORK, March 13 (AP) — The Columbia Broadcasting System disclosed tonight that it has refused to carry advertisements for Radio Free Europe since Feb. 15 because the ads did not make it clear the organization was partly supported by the Central Intelligence Agency.

Commentator Mike Wallace, in revealing the suspension of the announcements on the news special "In the Pay of the CIA: An American Dilemma," said:

"If you respond to the many appeals for Radio Free Europe on television, in magazines and even on buses and subways, you become part of a CIA cover."

The National Broadcasting Corporation said it would continue to carry the ads so long as they are supported by the Advertising Council.

CIA 2-04.2 Foundations

March 1967
**Guild to Cut
Ties With Fund
Foundations**

By CLARK MOLLENHOFF
Minneapolis Tribune
Staff Correspondent

WASHINGTON, D.C. —
The American Newspaper Guild announced Monday that it will terminate immediately its relations with three foundations that have refused to state if they were conduits for Central Intelligence Agency (CIA) funds.

The Guild's International Executive Board announced that it will seek other funds from private or "overt" government sources to continue supporting its international affairs programs.

THE NEW funds to be obtained on an interim basis must be approved by the Guild's International Executive Board. No final action on financing through other private or open government sources will be final, but will be subject to approval at the Guild's convention in July.

The board stated that its international programs have been highly successful, and have not been contaminated by any of the CIA funds that may have flowed through certain tax-exempt foundations.

The guild said there is "overwhelming sentiment" for the newspaper Guild's international programs, and declared that the Guild cannot afford "to abandon this vital program."

To find alternate methods of financing the Guild's international programs, the board directed its top officers to join in an appeal for a "congressionally - established, quasi - public independent body, financed by congressionally - authorized and appropriated funds."

As the Guild announced it was cutting its financial ties with certain foundations, it stated that it "still has no conclusive proof that CIA funds were channeled to it through the foundations."

THE BOARD reported that the foundations have refused to tell the Guild whether they have received any CIA funds or in any other manner making an accounting of their operations on grounds that the sources are "confidential."

The foundations involved are the Broad - High Foundation of Columbus, Ohio; the Chesapeake Foundation of Baltimore, Md., and the Warten Trust of Cleveland, Ohio.

Guild Severing Ties to Funds Linked to CIA

The American Newspaper Guild is severing its ties with foundations which have financed its international program through funds reported to have been supplied by the Central Intelligence Agency.

But the guild's international executive board said yesterday that the "vital program" cannot be abandoned and that it will seek "other funds from private or 'overt' government sources" to enable its international work to continue.

The board appealed for a "congressionally established, quasi-public independent body, financed by congressionally authorized and appropriate funds," to which private organizations could apply for support of their international activities.

'No Conclusive Proof'

Guild officers said last month they had no knowledge that any of the money granted by foundations to its program—nearly \$1 million in the past seven years—came from the CIA.

A guild spokesman said yesterday that it "still has no conclusive proof that CIA funds were channeled to it through the foundations." It said the grants were made at the guild's initiative and that they were fully reported with "no strings attached."

The board, which met in Washington over the weekend, said guild officers involved in the international program did nothing "other than carry out the guild's trade-union mission."

The board said that in response to its inquiries, the three foundations which have supported its program since 1964 refused to say whether or not they had received CIA money or otherwise make an accounting of their operations.

Funds Identified

"This," the board said, "continues to leave a shadow over our international affairs program and does nothing to relieve the misgivings, doubts and suspicions generated by the entire affair."

The board identified the foundations as the Broad-High Foundatin of Columbus, Ohio, the Chesapeake Foundation of Baltimore and the Warden Trust of Cleveland.

The guild said that an attorney who responded for the Andrew Hamilton Fund of Philadelphia, which terminated aid to the guild in 1964, said he was unable to supply any information because the fund had gone out of existence several years ago.

A fifth foundation, the Granary Fund of Boston, which terminated its assistance in 1963, said only that its clients wish to remain unnamed, the guild reported.

FOR PUBLIC AFFAIRS STAFF

PROGRAM ABC News

STATION WMLB Radio
ABC Network

DATE March 13, 1967 8:55 PM

CITY Washington, DC

SEVERING TIES

BILL BUETELNER: "The American Newspaper Guild is one of the organizations that has been getting money over the years from the Central Intelligence Agency.

"The Guild's Executive Board tonight says the Guild was severing its ties with all the foundations that have supported its international program with money that might have come from the CIA.

"The American Newspaper Guild says it will go somewhere else to get the money it needs to keep that program going."

Front Page	Edit Page	Other Page
		4

MINNEAPOLIS, MINN.
TRIBUNE

M - 230,485
S - 666,874

MAR 11 1967

Local Officers Decry CIA Funding of Guild

Officers of the Newspaper Guild of the Twin Cities issued a statement Friday sharply criticizing the American Newspaper Guild's indirect acceptance of funds from the Central Intelligence Agency (CIA).

The executive board of the 600 - member Twin Cities local also called for investigation of the "circumstances" under which the union's International Executive Board (IEB) received more than \$1 million over six years from CIA-sponsored foundations.

Guild members at the New York Daily News, the New York Times and other newspapers also have issued statements critical of the accept-

ance of CIA funds. The Washington-Baltimore local's executive board has urged appointment of a special committee to investigate the matter, revealed in mid-February.

The Twin Cities Guild officers' statement said that "at best" the acceptance of CIA funds showed "a lack of thoroughness," and "at worst— if the CIA involvement was known — an inexcusable and purposeful concealment of facts from the membership."

The statement urged that Congress and the National Security Council move to restrict the CIA's role "and bar it fully and finally from the foreign policy field."

Front Page	Back Page	Other Page

GREEN BAY, WIS.
PRESS-GAZETTE

E. 40,271

S. 43,919

MAR 9 1957

The CIA Investments

At least, there is some humor in the information that is now coming out about recipients of that CIA tainted money. A lot of people are considerably embarrassed.

The American Newspaper Guild issued a stuffy statement explaining that it has been affiliated with international organizations since its beginning in 1933 but that its only objectives have been "better wages and working conditions for newspaper workers through free and democratic trade union processes." The statement denies that the Guild had any idea that some of the money came from the CIA.

Since similar denials continue to come in batches from many of

the organizations which received the funds through innocuous sounding foundations, we begin to wonder a little how the CIA justified the expenses. Even if it is conceded that subsidizing spokesmen for the American way is necessary in the world-wide fight with communism, it begins to look as if the money was often spent for nought.

A student delegate to the National Student Association put it well. "If the CIA has been funding the NSA, it's waste of taxpayers' money . . . At our last convention student delegates voted to abolish the draft, get out of Vietnam, and legalize marijuana."

Could this really be a counter-espionage plot?

IFJ Accepts Guild Denial On CIA 'Help'

WASHINGTON
The International Federation of Journalists (IFJ) is convinced that the American Newspaper Guild acted in good faith in providing foundation aid to the IFJ's professional and trade-union training program for newspapermen and that the program should be continued. (E&P, Feb. 25).

A statement to this effect was adopted unanimously at a special meeting of the IFJ Bureau (executive board) in Brussels Saturday, Feb. 25, attended by federation representatives from Great Britain, Belgium, West Germany, the Netherlands, Denmark, France and the United States. The text of the statement was released here by William J. Farson, executive vicepresident of the Guild and IFJ vicepresident for North America, upon his return from the meeting.

"The Bureau is convinced," the IFJ statement says, "that the ANG has acted in good faith throughout and in complete accordance with the constitution and resolutions of the IFJ."

The statement said the Bureau "affirms its belief in the necessity to continue the federation's program to improve the standards of journalism throughout the world" through professional and trade-union training of newspapermen.

The statement pointed out that the basic IFJ budget is met solely by the annual per capita payments of its affiliated organizations and that its training program is financed "by special donations from its affiliates and unconditional donations they collect from sources in their own countries."

The IFJ has 30 affiliates representing more than 50,000 members in 26 countries in Europe, Asia, Africa and North and South America. Henry J. Bradley of Great Britain is president. The special meeting of its Bureau was called following published reports that foundations that have made grants to the Guild for its international activities are "conduits" for Central Intelligence Agency money.

Guild officers have denied any knowledge that any of the foundation funds came from the CIA and announced that the Guild will accept no further donations from the foundation fund

Guild-CIA Ties Defended
Brussels, March 1 (AP)—The
International Federation of Jour-
nalists office here says it is con-
vinced that the American News-
paper Guild acted in good faith
in channeling possible disguised
Central Intelligence Agency con-
tributions to federation pro-
grams.

FOR PUBLIC AFFAIRS STAFF

PROGRAM The 7 O'clock Final

STATION WMAR-TV

DATE March 2, 1967 7:00-7:15 PM

CITY Washington, DC

MYSTERIOUS FOUNDATION

NEWSCASTER: "A downtown Baltimore law office houses the entire board of trustees of a mysterious foundation linked to the American Newspaper guild and Central Intelligence Agency.

"Internal Revenue Service files disclose the trustees of the Chesapeake Foundation are George W. Constable, Clayton W. Daneker, and Thomas S. Comber, III, members of the law firm Constable, Alexander and Daneker.

"The office is in the Maryland Trust Building.

"The Chesapeake Foundation has been cited as among five foundations that provided one million dollars to the newspaper Guild for its international operation."

World Journalists Support Guild in C.I.A. Controversy

BRUSSELS, Feb. 27 (Reuters)—The executive board of the International Federation of Journalists said Monday it was convinced that the American Newspaper Guild had not knowingly accepted contributions from the Central Intelligence Agency.

After hearing detailed explanations from a guild executive vice president, William J. Farson, the board issued a communiqué saying it was certain that the guild had acted "in good faith throughout and completely in accordance with the constitution and resolutions of the I.F.J."

The federation, with 50,000 members throughout the world, is the parent body of the guild.

FEB 27 1967

Pravda Says CIA Financed World Groups to Hurt Reds

Reuters
MOSCOW, Feb. 26—The Soviet Communist Party newspaper Pravda claimed today that the U.S. Central Intelligence Agency had financed non-Communist international

organizations to help them subvert Communist bodies.

The article by commentator Viktor Mayevsky appeared to be based entirely on material already published in the U.S. press.

Among the organizations cited as a recipient of CIA funds was the International Federation of Journalists.

Mayevsky said the American Newspaper Guild passed on CIA funds to the Federation which, he said, was engaged in subversion against "progressive" journalists and their organizations in all continents.

Youth Groups Mentioned

The article also noted reports that the CIA had provided funds for the non-Communist World Assembly of Youth and International Student Conference. Their Communist-dominated counterparts are the World Federation of Democratic Youth and Students.

Mayevsky charged that CIA money had been used to subvert the two Communist groups and the world youth festivals they organized.

He said that the American Society of African Culture, which had been identified as a recipient of the intelligence agency's money, "spread tales about the paradise Negroes have in the United States."

Richard Reston of the Los Angeles Times reported earlier from Moscow:

The Russians have their own special view of the Central Intelligence Agency and it reads a little like a James Bond novel.

This view began to take shape early last week when the official Soviet press sought to exploit the latest CIA controversy in a somewhat unpleasant manner.

During the first few days, of the disclosures from the United States, Moscow's central press simply told its read-

ers what was reported in American newspapers. Now it is adding its own commentary to the U.S. dispute over CIA financial penetration of student and other private organizations.

The paper, Soviet Russia, suggested that the CIA leadership is attempting to make all traveling Americans "Knights of the Cloak and Dagger." Soviet Russia is the official journal of the Communist Party Central Committee, the Kremlin's guiding policy organ.

"The CIA," it says, "endeavors to make almost everybody who leaves the U.S.A. fulfill its tasks—businessmen, tourists, scientists, students and artists."

Elsewhere in the Soviet press, the CIA dispute is treated as a crisis growing out of a "black market of bribery and lies."

What Russians Hear

While the American view of the CIA controversy is quite different, this latest go-around in the Soviet press, nevertheless, provides a classic example of what is reported to the Russian people when a domestic dispute such as the present one erupts in the United States.

"All progressive America is boiling with indignation over this shamefully scandalous business with the Agency..." the newspaper Soviet Russia declared.

The Russian press suggests that the CIA subverted youth organizations in an attempt, among other things, to disrupt past International Youth Festivals in Helsinki and Vienna with slanderous material and liquor. While "drunk Facist youths" played in the streets, said one paper, "paid propagandists from the U.S.A., West Germany and other western countries made endeavors to deepen the split in international youth and student movements... from festival rostrums."

FEB 27 1967

Approved For Release 2004/10/13 : CIA-RDP88-01315R000100240001-0

Guild and CIA

The discovery that one program of the American Newspaper Guild—its International Affairs program—has received funds from certain foundations now linked with the CIA is cause for serious concern, but not for such a malicious slander of the entire organization as your editorial of Feb. 19 ("The Eager Victim").

To charge that the Guild has been "hungrily taking covert Government money" and perpetrating "moral imbecility" is a conclusion unsupported by your own news accounts.

That action by Guild officials to sever any even tenuous connection with the CIA will be taken has already been made crystal clear by the union's officers. That they relished a relationship as a "secret partner of secret government" is not at all substantiated by any news reports. It isn't true.

You have assumed that every Guild official was eagerly grubbing off the Government and betraying the membership. To state that the entire Guild "has been the willing accomplice to its own seduction" is unfounded and betrays your own dedication to accurate reporting.

You have branded the Guild as decadent and have hinted that it should desist—an outrageous reaction that impugns the motives of 32,000 Guild members across the country and in Canada who have strived hard for fair working conditions, equal opportunities and a high standard of ethics for your very business.

Applying your logic, *The Washington Post* has maintained an unclean relationship for 30 years by entering into agreements with Local 35 of the ANG. You might then conclude that this newspaper has been in cahoots with the CIA.

We both know that this is nonsense. Your attack on Mr. Perlik, who openly discussed the entire matter with reporters, was below the belt.

When an issue hits home, as this one has for both newspaper management and its employes, there is an impulse either to shove it under the rug or to over-react. In your zeal to assess the question you have over-reacted by flagrantly distorting the facts.

FEB 26 1967

Letters to the E

Guild and CIA

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WILLIAM J. FARSON,
Executive Vice President, American Newspaper Guild.

ROBERT L. ASHER,
President, Washington-Baltimore Newspaper Guild.

FEB 25 1967

Approved For Release 2004/10/13 : CIA-RDP88-01315R000100240001-0

Defenders Rally Round Embattled CIA

The Central Intelligence Agency (CIA), under attack in the mushrooming controversy over its secret financial subsidies to student, labor and other private organizations, was not without its defenders this week.

The supersecret agency has been on the receiving end of a barrage of criticism ever since it was revealed last week that it had helped bankroll the international activities of the National Student Association, the nation's largest student organization. Critics of the CIA questioned the propriety in an open, democratic society of the spy agency making covert use of the private organizations to further the foreign policy aims of the country.

The CIA-NSA link was only the beginning. It was subsequently revealed that the CIA, using foundations as fronts to shield its true identity, provided funds for many other educational and international organizations, including the American Newspaper Guild and at least one other union. Students charged they had been duped into acting as undercover agents for the spy agency and then were threatened to prevent them from revealing the clandestine link.

Defenders of the agency contended however that the agency was not using the groups for espionage but rather to get the American viewpoint across at various international forums where well-subsidized Communist representatives were attempting to propagandize their nations' interests. Most of the American students who attended Communist youth festivals did not know their sponsoring organization was being helped by the CIA and many were accused of being leftists. Yet the CIA was obviously convinced that while they were critical of specific U.S. policies, most of the students were invaluable defenders of the American system of government generally.

Among those who came to the CIA's defense was Sen. Robert F. Kennedy (D-N.Y.) who said it was unfair to make the agency "take the rap" for a policy that had been approved at the highest levels of the Eisenhower, Kennedy and Johnson administrations. Much the same position was taken by a three-man panel named last week by President Johnson to review relations between the CIA and private organizations. In a preliminary report given to and supported by the President Thursday, the panel, headed by Under Secretary of State Nicholas Katzenbach, said the CIA was only following policy set by the National Security Council under four Presidents. The report praised the CIA and declared its assistance had "enabled many far-sighted and courageous Americans to serve their country in time of challenge and danger to the U.S. and the free world."

CIA director Richard Helms appeared before two congressional committees Tuesday and there were indications that some of its financing activities would be stopped. It appeared at the weekend that the agency would weather the storm and probably even avoid the closer congressional supervision that many of its critics on Capitol Hill have been urging.

D - 52,021

FEB 24 1967

Trusts Gave Money To Aid Latin American Work

Newspaper Guild Clarifies Fund Donations

The American Newspaper Guild, which has been mentioned in connection with disbursement of CIA funds, has clarified its position in a communication to Local 167 of the Manchester Newspaper Guild, AFL-CIO-CLC.

In a telegram signed by Arthur Rosenstock, president; William Farson, executive vice president, and Charles Perlik, secretary, the Guild said certain trusts donated money to the work the Guild is doing in Latin America.

Original source of the money was unknown to the Guild, the national officers said.

Text of the telegram, addressed to John R. Clary, president of Local 167, follows:

The American Newspaper Guild has been affiliated with international organizations almost since its beginning in 1933.

"As one of the world's largest unions of newspaper workers, it values such activities because it believes it can be helpful internationally, as it is domos-

tically, in achieving better wages and working conditions for newspaper workers through free and democratic trade union processes. It has no other objective.

"In 1960, the Guild intensified its international affairs program throughout the world, but principally seeking to extend its services and experience in Latin America. It recognized at the outset that it could not engage in an enlarged program with the limited financial resources supplied by its membership.

"This program consists primarily of holding seminars on journalism and trade unionism, production and distribution of associated publications, and making staff assistance available to carry out these activities. No Guild membership dues are used for this work.

"Initial assistance was sought and received from the AFL-CIO and from the Solidarity Fund of the International Confederation of Free Trade Unions. Letters requesting assistance were addressed to approximately 50

American funds and foundations. Through Jan. 31, 1967, financial assistance totaling \$1,004,000 has been received by the Guild, and used solely for its international affairs program, from the labor movement (\$10,000) and from five foundations, the Granary Fund of Boston (\$200,000), the Andrew Hamilton Fund of Philadelphia (\$90,000), the Broad-High Foundation of Columbus, O. (\$343,000), the Chesapeake Foundation of Baltimore (\$328,000) and the Warden Trust of Cleveland (\$33,000). The first two terminated their assistance in 1963 and 1964, respectively; the others have made grants within the past year.

"These activities have been reported regularly, including the identity of the foundations, to delegates, to the press and to the public through the officers' report to each annual convention of the Guild; through regular reports to quarterly meetings of the International Executive Board; and through

periodic stories in The Guild Reporter, the Guild newspaper which goes to all members.

"The Guild has no knowledge that any of the money came from the Central Intelligence Agency or any other U.S. or other government source. The Guild has never used its international affairs program as a forum to deliver anything but its trade union message. No one has sought to have it do otherwise.

"The Guild is inquiring into the allegations published about the foundations, and, of course, will immediately terminate its relationship with any found linked to CIA. The Guild has every hope of continuing this worthwhile program, and will, if necessary, seek alternative sources of financial assistance for this purpose."

ARTHUR ROSENSTOCK,
President

WILLIAM J. FARSON,
Executive Vice President

CHARLES A. PERLIK JR.,
Secretary

Page Page Page
ROCHESTER, N.Y.
DEMOCRAT & CHRONICLE

M-138,813
S-210,387

FEB 24 1967

A CORRECTION

The last paragraph of a letter by Mitchell Kaidy pertaining to the American newspaper Guild and CIA funds was garbled in the Feb. 22 printed version. The paragraph should have read as follows: "To the extent that CIA involvement has obscured and impeded the true issue — that free institutions must continue to be promoted — that involvement is regrettable."

CHICAGO, ILLINOIS
SUN-TIMESM - 539,870
S - 661,622

FEB 23 1967

Jimmy Breslin's Views Of Newspaper Guild And The CIA

By Jimmy Breslin
Special to The Sun-Times

NEW YORK—The American Newspaper Guild's reaction to being caught receiving money from the Central Intelligence Agency says much for the condition of the newspaper business at this time.

The man who collected more than \$1,000,000 from the CIA was Charles Perlik, who was acting as secretary-treasurer of the guild. Perlik was asked over the phone if he ever suspected that these strange foundations giving him the money were CIA fronts.

"No," Perlik answered. "I never once suspected anything like that."

Contrast this to the answers always given by people around whom I grew up in this business. Most prominent, the late and very great Lansing McCurley, the Philadelphia sports editor.

"Mr. McCurley," he was asked in open court, "have you ever received any money from one Francis Palermo, also known as Blinky Palermo?" Blinky Palermo was a fight manager and racketeer who now is the manager of the basketball team at Lewisburg Prison.

"Just a minute now," McCurley answered. He squirmed around on the witness stand and fished through his pockets. He brought out a small black notebook that he went through carefully.

He Was In Need Of Publicity

"Well, it says here that on Sept. 16, I received \$500 from Blinky Palermo to put pictures of his fighter, Billy Fox, into the paper," McCurley said. "Fox had a fight coming up and Blinky wanted some good advance publicity."

There were many gasps. McCurley seemed surprised by this. "May I remind you about something, gentlemen," Lense said. "This was a non-title fight and Blinky still was putting up \$500. In my book, that makes him a hell of a man. And you should see him when he has a championship fight."

This is how the old professionals in the business did it. But instead of a little verve, the American Newspaper Guild today shows you nothing. And all the people who run the guild can do is stand around with the imagination of the fat old machine who used to wring her hands and tell police, "I don't know why all these men kept coming here." The beet is definitely not with the CIA. This is an outfit whose main purpose is to turn everybody into a stoopigeon. It does its job.

Some Imagination Called Need

The argument here is with the American Newspaper Guild. It took the money from a secret government organization. This made every newspaperman feel a little dirty. And actually there was no need for this. Nobody would feel bad today if the newspaper guild had handled the CIA bribe the right way. The trouble is, the guild is run by account-

ants and bookkeepers and janitors. They are not newspapermen. They didn't have the imagination to do it properly.

To begin with, it is obvious why the money was taken. The guild has given up on the job of getting a living wage

for newspapermen in this country. The American Newspaper Guild's best negotiators can't get a living wage for a rewriter in Berwyck, Pa. Figures show 71.25 of all newspapermen have or have had garnishces. So the guild decided to start hanging around South America and Africa and all places like that. It is easier to do business with a publisher in Yemen, even if he has a policy of taking the poorest speller on his staff and throwing him out of an airplane, than it is to take on S. I. Newhouse for \$10 in Newark, N.J.

But once the decision was made to grab CIA money and travel the guild officers should have done the right thing. A regular newspaperman would have known what to do. He would have passed a very simple word around: "There is no more money for anybody. So get yourself some clients, take your best shot, boys."

A Possible Political Approach

That would start it. Now the CIA payroll already is loaded with newspapermen. But all the reporters would know what to do. The first place they would run to would be the politicians. They would talk very quietly to the politicians and shake hands with them. And then all over America you would be reading stories like this:

"City Councilman George Zunkman, who everybody says has all the qualities needed to make him President of the United States, today came out in favor of building an expressway at North Main St."

After all the politicians are taken, the next field everybody would hit would be the labor unions. And the stories would start saying things like:

"Watching as Anthony J. Cappelzelle, head of Local 878, gave his annual midwinter party for the orphans yesterday, this reporter found it impossible to believe scurrilous charges made by the DA about Mr. Cappelzelle having dissident leader George Brown's ankles broken with a baseball bat."

And so it would go. A Washington story would begin, "President Johnson, looking down at his gleaming Hamilton wrist watch, decided it was time yesterday . . ." and a police reporter's story would note, "Mr. Anthony (Sonny) Franzese had his civil rights violated again by police today."

Now there are some who are around today saying that it was slimy, the way the guild took these bribes. But these obviously are outsiders saying that. Because these were bribes given by the government. And if you say the guild is slimy, then you have to say our government is slimy, too. And everybody knows that could never be true. So all I'm trying to do here is straighten out a misunderstanding, and start people in my business taking bribes the right way.

GRAND RAPIDS, MICH.
PRESS

E-129,991
S-113,626

FEB 23 1967

Ex-Resident Denies Knowing CIA Role

A former Grand Rapids newspaperman, who found out this week his international activities may have been financed in part by the Central Intelligence Agency, said his organization will meet Saturday in Brussels to assess the situation.

Ronald A. Watts, general assignment reporter with the Grand Rapids Herald until the Herald closed in 1959, said he had not "the slightest inkling" that money was coming from the CIA for the activities of the International Federation of Journalists of which he is sole international representative.

Apparently the American Newspaper Guild (AFL-CIO), through which the funds allegedly came, had no inkling either, and its officials denied heatly the guild was getting such money, at least knowingly. The guild pays Watts' salary.

Offices in Brussels

The International Federation of Journalists has offices in Brussels, Belgium, and is operated on funds supplied by 29 affiliated organizations in 26 countries, including the American Newspaper Guild.

Watts travels through Europe, Africa, the Middle East and parts of Asia, attending meetings of newspapermen and aiding in conducting seminars on writing, editing and other aspects of news presentation as well as trade unionism.

That the American Newspaper Guild may have been getting CIA backing through five foundations for its overseas work was revealed Saturday in a series of disclosures of the CIA financing of private groups, most notoriously the National Student Association.

Watts, son of Mr. and Mrs. Val Watts of Alto, said the disclosures has caused his program "inestimable harm."

He said that the charges may not be true, yet "many people will believe it, and those unfriendly to us will make capital of it."

Watts said he has never reported to any U.S. governmental agency. All his reports, including those having to do with activities of newsmen representatives from Communist countries, are made only to officers of the IFJ.

"All we know about the whole affair is what we have been able to read in the daily newspapers in Europe," Watts said.

In addition to the International Federation of Journalists, the guild supports the activities of the Inter-American Federation of Working Newspapermen's Organizations in Panama City, Panama.

Watts and his wife, Sarah,

who edits the IFJ's monthly magazine, "The Journalist's World," live with their two children in Brussels.

Front Edit Other
Page Page Page

C17

CLEVELAND, OHIO
PRESS

E-355,343

FEB 2 2 1967

Publisher Raps Guild for Taking CIA's Money

By Press State Service

TOLEDO — The publisher of the strike-bound Toledo Blade said the American Newspaper Guild abdicated its responsibility toward freedom of the press when it accepted money from the Central Intelligence Agency.

Paul Block Jr. made the statement as talks resumed in the 122-day old strike by nine unions, including the ANG.

"The American Newspaper Guild's acceptance of almost \$1,000,000 in Central Intelligence Agency funds for its international affairs program constitutes abdication by the newspaper union of its responsibilities toward freedom of the press," Block said.

Kenneth Rieger of Toledo, an international vice president of the ANG, said he had no knowledge "that any of the foundation funds used to finance the Guild's international affairs program came from the CIA or any other government source."


NEW YORK, N.Y.

1967

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FEB 22 1967



CIA Fallout

————— JAMES A. WECHSLER

In a way the most implausible aspect of the CIA revelations now unfolding is that these stories—and others now sure to emerge—could have remained buried so long.

It is reminiscent of a misadventure I once suffered as a campus correspondent when I spent many hours, in response to a city editor's call, trying to track down the address of a prominent academic figure for an urgent interview. I finally succeeded, through what I deemed the remarkably ingenious choice of an intermediary, and telephoned the office triumphantly to announce that I was on my way over to the home of the eminent personage.

"Thanks a lot," said a dour city editor, "we talked to him two hours ago. Next time look at the phone book first."

CIA steadfastly avoids such formal listings, but hints of its generous subsidies in many fields have been circulating for years. They have been so numerous that, to a certain extent, the matter hardly seemed deserving of hot pursuit.

* * *

In the end it seems that the rumors were grossly understated, and that minimal diligence of inquiry might have exposed many of these clandestine affairs many years ago. There was a large measure of journalistic imagination.

Yet the fault lies not entirely with those who failed to inquire. For even those who did—and studies of CIA have been numerous—could not have fully visualized the mingled ineptitude and audacity of the CIA mind. It would have come as no shock to discover that some individual newspapermen on foreign assignments were the beneficiaries of CIA's care and feeding. I had long heard reports of the proximity of Jay Lovestone, the CP-CIO's international operative, to CIA. But it frankly never occurred to me or many others that the Newspaper Guild might be an instrument of these enterprises.

On the surface it seems palpably absurd for the CIA to come within miles of a union whose membership includes thousands of men whose mission is the disclosure of secret business. It almost suggests that somewhere within CIA there is a deep impulse for destructive self-exposure.

The Guild's officials assert their innocence of the circumstances under which three obscure foundations became the union's benefactors in the amount of some \$1,000,000. Unhappily they cannot win the argument; at best they are revealed as wholly lacking in curiosity about the arrival of a windfall. Most newspapermen would deride a public figure who lamely tried to explain that he had never explored the background of a \$1,000,000 gift he had received from an unknown admirer who had really turned out to have obtained the sum from the National Assn. of Manufacturers.

* * *

In the case of the Guild—as in many others—no evidence has been adduced to prove that the projects for which the money was used were discreditable, or that the funds were loosely thrown around. But in the fiscal life of the Guild \$1,000,000 is a major item; moreover, one can envisage the proper outcry that would arise from journalists everywhere if it were disclosed that the American Newspaper Publishers Assn. had received a comparable subsidy through CIA conduits.

The wretched aftermath is that the disclosure is being embraced with deepest delight by those who hate the Guild for the wrong reasons—including some dissident members who resent the presence of accountants and other non-literary figures in their ranks. Actually it is the Guild journalists who might have been expected to scent the story as the union's international activities lavishly expanded.

In any case the Guild joins a long, growing procession of legitimate American institutions gravely tainted by ties with the ubiquitous CIA apparatus. It will be hard to measure the moral damage suffered by the country and by men and women who were innocently exploited; it is even more unlikely that there will ever be a true reckoning of funds that were dispersed in quixotic, wasteful ways.

Perhaps worst of all, the air is now poisoned with suspicion. Jokes about CIA fill the land, but there is a deadly quality in the humor. The large jest is at the expense of the United States, and of many decent citizens who were duped by their country's own intelligence agency.

* * *

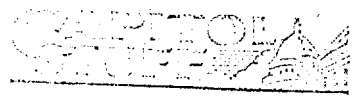
CIA officials have pledged that they will deal mercifully with the National Student Assn. youths who have now begun to talk. That is a generous thought. But it is not the students who should be judged; they were only a handful in a throng of elders involved in the CIA business on both sides of the table.

There are those who say: "So what?" Did CIA do anything that its Communist counterparts have not been doing for years? The answer is that it did a multitude of alternately trivial, relevant and dubious things, and that it should have known that there are different ground rules in an open society than in a despotism. That is what the "battle of ideas" in the world is supposed to be about.

CIA Plays With Kids and Loses Its Marbles

By TED LEWIS

Washington, Feb. 20—In order to appreciate the mess that the Central Intelligence Agency has got itself into by shanking funds into the National Student Association, it is necessary to go back to September, 1965.



In that month a document was leaked by Congressional sources which warned that the Soviet "department of disinformation" was using forged papers and phoned reports to "destroy the confidence of Congress and the American public in U.S. personnel and agencies engaged in anti-Communist and cold war activity."

The inference was that any American public figure criticizing the CIA was playing the Communist game. This is exactly the same line being peddled in Congress today by defenders of CIA operations. Typical was the blent by Sen. John Stennis (D-Miss.) in the Senate that the present criticism over the CIA's undercover NSA operation showed "some groups are consciously trying to destroy the CIA."

Stennis knows well that the tragedy of the present disclosures of CIA infiltration into the youth movement is that the intelligence agency in this area, if not in others, committed one of the most horrendous flops ever made by the spy establishment.

Save Them Biggest Advantage Since Cold War Began

By failing to have an ironclad protective "cover" on its surreptitious system of semi-control through financing the youth organization, it gave Moscow's "department of disinformation" the biggest advantage since the cold war began.

In the intelligence community a cover has to be a cover—has to be real, impenetrable and always safeguarded with periodic checks of those privileged to be privy to the secret operation.

What a mess the CIA made on that score in the youth area! It passed on the money through "foundations," each of which had employees without CIA clearance who knew where the government cash was coming from. And to top off that error in judgment, key officials of the NSA itself—young, starry-eyed idealists mostly—were told about how CIA financing was keeping the organization solvent—for a price.

Now, in September, 1965, when the CIA report concerning the Soviet "department of disinformation" was leaked, the spy agency was also suffering from considerable Congressional heat. Not comparable to the present flames of criticism over taking advantage of dreamy-eyed college boys, but still very disturbing.

In Singapore, then Prime Minister Lee Kuan Yew had rounded off to the effect that he was offered a \$3 million bribe in early 1962 to hush up the arrest of a CIA agent.

Called It Plan by Reds to Destroy the CIA

At the time no one here took that too seriously, except the CIA, which went into great detail to show that such bribery charges were merely a ploy of the Soviet intelligence apparatus. The prime objective of that apparatus was "to achieve the destruction, breakup and neutralization of the CIA."

Besides trying to "destroy the confidence" of the American

people and Congress in the CIA, the Moscow intelligence chiefs were also doing their damndest to discredit the Peace Corps, the USA and "American political leaders generally."

"By striking at the CIA," the report continued, "the attack also centers on the intelligence community with particular thrust against the FBI and Mr. J. Edgar Hoover," but "the objective of the overall program is to achieve the destruction, breakup and neutralization of CIA."

Note that is the Moscow objective. The CIA has survived that Moscow-directed campaign. But the question now has arisen as to whether the CIA itself, by inept action of its own in the youth area, hasn't done a "neutralization" job on itself.

The hell of it is that within the CIA itself there are those officials who are seeing happy over revelation of the way they infiltrated the NSA. These are the same individuals who pass the policy back to the National Security Council, which, under Truman, Kennedy and LBJ had to supply the go-ahead for the youth-control operation.

Strong Odor of National Security Scandal

But the youth-infiltration program was an entire CIA operation so far as the means for infiltrating were concerned. And it is in this area that the fault lies for the present stench which has the smell of a national security scandal, for it sets back by years this phase of international cold war activity.

What is perhaps worse is that the "cover" is likely to be blown off soon concerning other CIA secret financing arrangements. There was something fishy—even noticed by government intelligence operatives—in the denial by AFL-CIO President George Meany on Mutual Beach today that the labor movement ever received any CIA funds.

Meany said he "knew nothing" about the reported CIA financial help to the American Newspaper Guild for international unionization programs. Somebody should have asked him whether the AFL-CIO's international trade union drive had CIA blessing in a financial way.

Case of Lovestone and Brown

Particularly whether the two key figures in this overseas effort—Ray Lovestone and Irving Brown—have a dual loyalty have close to top security clearance, even if not CIA agents exactly.

Lovestone, controversial and highly talented, broke with the Communists back in 1929. He is now international affairs director of the AFL-CIO. He is now international affairs director of the AFL-CIO and has n Brown, a most able and experienced lieutenant. Brown, as European representative of the AFL, helped organize anti-Communist labor unions in Germany and elsewhere beginning in 1945.

As far back as 1952 there were published charges that Lovestone and Brown, at that time, were working for both the garment workers union and the CIA in pushing the free trade union movement in Europe. Were they or were they not, then CIA Director Allen Dulles was asked. He refused to say yes or no.

Now it is obviously too bad that any CIA operative, either in the labor movement or the youth movement, should lose his "cover." But that is exactly what is in the works, and due almost entirely to the amateurish way the CIA has been trying to copy James Bond.

POST

E. 317,237
S. 250.207

FEB 21 1957



The Guild

PETE HAMILL

It was possible for a few moments to think about forgiveness when you looked at the faces of those slippery young men from the National Student Assn. They were, after all, at an age when the stakes of corruption are most high, and when the other guys command the heaviest divisions. They could be drafted, flunked, wiretapped, or—worst of all, from their point of view—forced to take jobs. There is a surplus of ways to sell out if you are 20 years old and trying to make it big in student politics.

But I can find no possible excuse for the men who run the American Newspaper Guild, the union to which I belong. These bums took the cash from the CIA. It came to more than a million big ones. They took it, and they spent it. No one can tell me they didn't know what they were doing.

Arthur Rosenstock, the president of the Guild, says that he knows nothing of the CIA's involvement. If that is true, he should resign immediately. He is either telling a fib or he's not too bright, and I don't believe the Guild can afford him either way. He should be thrown out, along with every single member of his executive board. They have compromised my profession and I say to hell with them.

* * *

You see, these people just don't understand what brings people to newspapers, so they don't care what is done in our name. You work at this for reasons aside from money; it is not a job. But to the professional union leaders in the business, it

Pete Hamill has gone abroad for six months. While he is away his column will appear here on Tuesdays and Saturdays.

seems to be a job like any other. That is why they were playing children's games in Chile with filthy money while good men were being starved out of the newspaper business and going into business as publicity flacks.

They don't understand that in this country journalism is supposed to be an honorable profession. We fought very hard to bring up its standards; we sneered at the hired hands who worked for Pravda and Tass, who sat in government offices and wrote editorials for the corporation. We were supposed to be above all that.

* * *

Now along come these creepy statesmen to ruin the whole deal. They have made the Newspaper Guild an international gag and there is only one way to save the Guild and our own reputation. We have to throw these people out into the snows of 44th St., where they can work as panhandlers the rest of their lives, or be forced to spend 18 hours a day reading the prose of Lyndon Johnson.

Meanwhile, the people who have taken this cash without bothering to report to the members should immediately have all the books opened. This CIA fund is only the money we have heard something about. If these people have taken it once, they have taken it a couple of times. I'd like to find out how much more.

And tonight, all of us should take a moment and lift a glass to the memory of Heywood Broun. Wherever he is, he must be looking for a quiet place where he can throw up.

FEB 21 1957

Meany Suggests Reuther Chooses to Ignore Democratic Process in Executive Council

By a WALL STREET JOURNAL Staff Reporter
MIAMI BEACH — AFL-CIO President George Meany struck back at the charges Walter Reuther has been hurling at him and at the labor federation. But he purposely sidestepped any frontal assault on the United Auto Workers chief himself.

Mr. Meany, at a press conference, read a carefully worded statement which, without ever referring directly to Mr. Reuther, told the UAW president that the place to make complaints is inside the federation, not outside. The statement, and Mr. Meany's answers to reporters' questions, left no doubt of the federation chief's conviction that no useful purpose will be served by an open battle now over Mr. Reuther's resignation from the AFL-CIO Executive Council and his charges that the federation is "stalled on dead center" under the Meany leadership. [For an examination of what Mr. Reuther hopes to achieve by his independent course, please turn to page 18.]

Mr. Meany stoutly refused to expand on his nine-paragraph statement. "There it is," he said, holding up the statement. "That's all there is to it."

In the statement, which was adopted unanimously by the 28-member Executive Council, the federation president replied to Mr. Reuther's complaint of "undemocratic" Meany con-

trol of the council by declaring that it operated on "an open agenda."

"Any matter that any member of the council desires to have considered by the council is considered, fully and freely, to the point of decision," the statement said.

Then he directed a barb at Mr. Reuther's inability to rally voting strength on the council by adding: "There is only one limitation upon the extent to which any individual or any organization within the trade union movement can influence the direction of the AFL-CIO, its programs and policies or the character and identity of its leadership. As in any democratic order, they must be able to persuade the majority that their complaints are valid, that their proposals are sound, and that their alternatives are preferable. Neither size, financial resources, nor extravagance of language can overcome or substitute for that simple basic requirement."

Mr. Meany said the vacant Reuther seat is to be filled at this session of the council. But he declared that he wouldn't "discuss the Reuther case any other place" but within the councils of the AFL-CIO. He insisted that "there is no feud, I haven't had a cross word with Reuther in the last five years" except over last year's walkout of the delegation to the International Labor Organization meeting, when a Communist-bloc country representative was elected temporary chairman. "I have had nothing but the nicest relations" with Mr. Reuther, he remarked.

To questions about possible AFL-CIO involvement with the Central Intelligence Agency, Mr. Meany said he "knows nothing about" reports that the American Newspaper Guild, an AFL-CIO affiliate, received CIA money for international activities through several foundations. Asked if the CIA had financed any AFL-CIO operations, Mr. Meany snapped: "Absolutely not." Victor Reuther, brother of Walter and head of the UAW's international department, had claimed that the CIA had funneled money into Latin America through the American Institute of Free Labor Development, an organization partly supported and financed by the AFL-CIO.

Mr. Meany added that he has a "natural, ingrained opposition to spy operations." He said he feels that the CIA can fulfill its role "without subsidizing the trade union movement."

FEB 21 1967

Labor Group Got \$1 Million From CIA

Institute Financed From 1961 to 1963 By a U.S. Conduit

By Dan Kurzman
Washington Post Staff Writer

NEW YORK, Feb. 20—An international and economic research organization headed by former Socialist Party leader Norman Thomas has received over \$1 million from a foundation identified as a conduit for Central Intelligence Agency funds.

Activities of the organization, the Institute for International Labor Research, were financed almost totally from 1961 to 1963 by the J. M. Kaplan Fund of New York, which congressional investigators described in 1964 as a channel for agency money. The funds were not exhausted until last year, officials of the research group said today.

The money was used to establish and operate the Institute of Political Education in Costa Rica, which has trained many Latin American leaders in "democratic leftism"; a research institution in the Dominican Republic under the regime of a reformist president Juan Bosch, who was ousted in a rightist coup in 1963; and a publishing firm in Mexico City.

Thomas, who was chairman of the now-defunct New York research group, said he had been unaware of the CIA's role in financing these operations.

"I acknowledge my own stupidity," he said. "It was my business to know, but I didn't." Thomas's organization received \$1,048,940 from the Kaplan Fund from January 1961 to September 1963. This sum represented all but about \$25,000 of the total funds received in that period.

The New York Institute was formed largely under the guidance of Sacha Volman, a Rumanian-born U.S. citizen who had been working for Radio Free Europe, widely reported to be subsidized by CIA. He interested Thomas in the idea as a means of fostering anti-Communist democratic activity in Latin America.

Incorporated in February, 1957, the organization at first had little money with which to operate. In 1961 Thomas asked Jacob M. Kaplan, philanthropist and former president of the Welch Grape Juice Co., for a contribution from the fund he had founded.

The fund provided an initial sum of \$35,000 in January, 1961. It made 16 subsequent payments. The last, in September, 1963, amounted to \$100,000.

From 1961 to 1964, Thomas's New York-based institute contributed \$253,000 to the Institute of Political Education in Costa Rica, whose policies were controlled by 17 Latin American left-of-center political parties. Bosch was one of the instructors in the Institute, which taught democratic leadership techniques. The most influential Institute leader was former Costa Rican President Jose Figueres.

In 1962, the Kaplan Fund cut off its subsidies to the Costa Rican center with the explanation that its operation by political parties might have jeopardized the fund's tax-exempt status.

In 1963, \$35,000 in Kaplan money was channeled to the Inter-American Center of Economic and Social Studies in the Dominican Republic, which Bosch formed after his elec-

tion in charge. This group is credited with having conducted the nation's first full-scale economic survey. It was dissolved in late 1963 by the rightist government that ousted Bosch.

Thomas's group also established with Kaplan funds in 1963 the Center of Studies and Documentation in Mexico City under the direction of Victor Alba, a writer on Latin American affairs. The function of this organization was to distribute technical and political science books also geared to democratic leftism. It ceased its operation last year.

Thomas pointed out that his New York group had often opposed U.S. Government policy. After the U.S. military intervention in the Dominican Republic in 1965, it distributed a publication severely condemning this action.

"No foundations," he said, "and certainly not the CIA, ever gave any suggestions as to what we should do or not do."

He said the agency is no institution to support the kind of work that his organization was trying to do. The Institute closed down last year.

From Miami Beach, Washington Post Staff Writer Frank Porter reported: President George Meany of

lutely not" when asked at a news conference whether his organization had ever received a subsidy from the CIA. He said he did not know whether or not any AFL-CIO affiliates had taken Government money.

"The CIA has a job to do but I think they can do it without using the trade union movement or subsidizing the trade union movement," Meany said.

The American Newspaper Guild has received about \$1 million since 1960 from foundation sources believed to be conduits for CIA funds. The Guild has said that it accepted the money without knowing of the CIA connection.

Jay Lovestone, head of the International Affairs Department of the AFL-CIO, like Meany, told a reporter that none of the central bodies of the organization received CIA support.

He also denied published charges that he himself is part of the CIA apparatus. Lovestone began his career as head of the Communist Party of the United States in the late 1930s but quit the movement after breaking with Stalin.

Asia Foundation to Meet on CIA Case

By ORR KELLY
Star Staff Writer

The Asia Foundation has called an emergency meeting of its board of trustees, which includes a number of present or former high government officials, to consider charges that it has been receiving and passing on Central Intelligence Agency money.

The San Francisco-based foundation, which has resident agents in 14 Asian countries, has supplied modest amounts of money in recent years to the

National Student Association and has supported programs of the American Newspaper Guild.

The NSA has admitted that its overseas operations were heavily financed by the CIA and Guild officials are investigating the possibility that it, too, has been running its international program largely with CIA money.

John A. Bannigan, acting director of public affairs for the Asia Foundation, said in a telephone interview from San Francisco that no statement on the foundation's sources of income would be made until the 24-member board of directors had met.

Tax Records Indicate

Tax records of other foundations on file here, however, indicate that the Asia foundation received at least \$35,000 indirectly from the CIA in 1963 and 1964.

Bannigan said the foundation spends about \$5 million a year to provide "private American assistance to those Asian groups and individuals working for continuing social and economic improvement."

The foundation's president since 1964 has been Dr. Hayden Williams, who was deputy assistant secretary of defense for National Security Council affairs and plans from 1953 to 1961 and deputy assistant secretary for international security affairs in 1961.

He has also served as dean of the School of Business Administration at the University of Washington and as professor of international relations at the Fletcher School of Law and Diplomacy at Harvard.

Members of the board of directors, Bannigan said, include U.S. Ambassador-at-Large Ellsworth Bunker, Arthur Dean, former U.N. negotiator in Korea, and Thomas K. Finletter, former secretary of the air force.

The late Adlai E. Stevenson was also a member of the board until his appointment as ambassador to the United Nations, Bannigan said.

Members of the foundation's executive committee, were scheduled to meet in an emergency session today and the full board will meet as soon as the members can be called together, he said.

Available to Public

The record of the foundation's aid to other groups—in contrast to the records of its income—is available for public inspection at its San Francisco offices, Bannigan said. Its contributions to the NSA, he said, have been relatively small—in the neighborhood of \$5,000 to \$7,000 a year.

A spokesman for the American Newspaper Guild said the

Asia Foundation had given a relatively small amount of support directly to foreign groups with whom the Guild was working. This included publication in Japanese of the International Federation of Journalists' magazine and paying the fare of a Vietnamese newsman to a meeting of the IFJ in Berlin last year.

According to federal tax returns of the Benjamin Rosenthal Foundation of New York, the Asia Foundation received contributions of \$25,000 in 1963 and \$10,000 in 1964. These contributions appeared to correspond to funds received in those years by the Rosenthal Foundation from the Price, Edsel, Tower and San Miguel Funds, which have been identified as channels for CIA money.

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Vina
Feb. 21, 1967

BY STEPHEN BARBER

THE BIG CIA SCANDAL GROWING.

Washington, Feb. 20, United Press.

Senator William FULBRIGHT asked the introduction of a Congressional facts-finding committee to investigate the activity of CIA among students and other groups. The Democrat Senator from Arkansas stated that the ^{extent} ~~size~~ of the activity of CIA "is much bigger than I ever imagined it to be. I knew that it resorted to certain of these activities, but I never knew its activity was so widespread."

FULBRIGHT also said that President JOHNSON's proposal for the setup of a three-member committee to "review" CIA policy "does not seem to be the best measure for this." The chairman of the Senate Foreign Relations Committee observed further that one of the members of this committee is also CIA head Richard HELMS. "I must say - added FULBRIGHT - that it is a little strange for one to ask from Mr. HELMS to investigate CIA. It would be like asking Mr. FOWLER (Treasury Secretary) to investigate affairs of Fort Knox."

THE NEWSPAPER GUILD

Meanwhile officials of the American Newspaper Guild, which belongs to the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO), are still checking to determine if the Guild received money from CIA for its international affairs program. This program, say Guild officials, "consist^{it} mainly ~~is~~ the organization of seminars on journalism and syndicalism, production and distribution

COLUMBUS, OHIO
CITIZEN JOURNAL

M - 110,241

FEB 20 1967.

ANG To Probe Source Of Foundation Donations

The American Newspaper Guild (ANG) will make an inquiry into sources of money contributed to the union by five organizations, including the Broad-High Foundation of Columbus, its executive director told the Citizens-Journal Sunday.

The statement was issued by William J. Farson, executive secretary of the ANG (AFL-CIO).

THE ANG RECEIVED \$1.4 million from the Granary Fund of Boston, Andrew Hamilton Fund of Philadelphia, Chesapeake Foundation of Baltimore and Warden Trust of Cleveland and the Columbus fund.

The Granary and Hamilton organizations were identified as containing money from the Central Intelligence Agency (CIA) in testimony before a congressional committee.

THE GUILD said the foundations terminated their support in 1963 and 1964 respectively.

Farson said the money was used to conduct seminars on "journalism and trade unionism, production and distribu-

tion of associated publications and making staff assistance available to carry out these activities."

HE DENIED any reports were made to the CIA or federal government through the ANG.

The Broad-High Foundation contributed \$343,000 to the ANG, according to Farson.

LITTLE IS KNOWN about the local foundation except that it was registered with Secretary of State Ted W. Brown in 1955. John C. McCoy, City National Bank president, is an incorporator and trustee.

McCoy said as a trustee of Broad-High he could issue only a "no comment" as to contributors' identities, amounts donated and whether any CIA funds were involved.

OTHER TRUSTEES are Attorneys Darold Greek and David A. Johnston Jr. Neither were available for comment.

Farson said the ANG would ask the foundations if any of their funds came from the

CIA. He said the guild would stop accepting the money in event it was found to be from the CIA.

ASKED IF THE ANG would continue to accept the funds if the foundations declined to reveal the source, he said, "Yes, until someone proves to my satisfaction that these are CIA funds.

"After all you have to consider anyone innocent until proven guilty," he added.

FARSON SAID no special reports have ever been made to the foundations by the guild. He said all receive copies of union publications in which the participants report about the seminars.

He said the foundations began contributing after the guild intensified its international affairs program in 1960. The ANG officer said letters requesting financial assistance were addressed to approximately 50 American funds and foundations.

Atty. Frank Rogers Donahue Jr., who represented the now defunct Hamilton Fund, said he knew of no links between it and the CIA.

NEWS GUILD AIDED BY GROUPS LINKED TO C.I.A. CONDUITS

Union Got \$1-Million Since
'60 From Foundations to
Finance Work Abroad

LATIN PROJECTS HELPED

Labor Official Declares He
Thought All Funds Were
From Private Sources

By NEIL SHEEHAN
Special to The New York Times

WASHINGTON, Feb. 17

The American Newspaper Guild has received nearly \$1-million in foundation grants since 1960 to finance its South American and other overseas activities. All of the money in the last two years has come from three foundations that refuse to disclose their sources of income and other contributions.

The three foundations are the Warden Trust of Cleveland, the Chesapeake Foundation of Baltimore and the Broad-High Foundation of Columbus, Ohio.

Charles Perlik, national secretary-treasurer of the guild, said the newspaper union had received about \$615,000 from these three funds since 1965 to finance activities such as conferences on newspaper union organization work and journalism seminars overseas. The bulk of the funds were for work in Latin America.

Hearings Recalled

Another foundation, the Andrew Hamilton Fund of Philadelphia, which contributed between \$85,000 and \$100,000 to the guild in 1964 according to Mr. Perlik, was identified in Congressional hearings that year as a source of income for the J. M. Kaplan Fund, which Representative Wright Patman, Democrat of Texas, described as a conduit for Central Intelligence Agency funds.

Mr. Patman later suspended the hearings at the request of officials of the Central Intelligence Agency.

Mr. Perlik said the guild also received between \$100,000 and \$150,000 during the years 1960 through 1963 from the Granary Fund of Boston.

The Granary Fund has been receiving income, according to records on file in the Massachusetts State Attorney General's Office in Boston, from the Victoria Strauss Fund.

The Victoria Strauss Fund has been a source of income for the Independence Foundation of Boston.

Identified as Conduit

The Independence Foundation has been identified by officers of the National Student Association as conduit for C.I.A. funds given to their organization. The foundation's trustee, Paul Hellmuth, has been one of their contacts with the intelligence agency, according to the student leaders.

The Granary Fund, in more recent years, has also been making grants to a number of organizations that have been receiving funds through the same foundations that served as channels for Intelligence Agency funds to the student association.

These organizations are the Pan American Foundation, which is connected to the University of Miami; the International Development Foundation

of New York, and the American Friends of the Middle East.

Mr. Perlik said he had no knowledge whether the funds were C.I.A. money. As far as he knew, he said, the money was obtained from "private sources."

The American Newspaper Guild carries out its activities in Latin America through the Inter-American Federation of Working Newspapermen's Organizations. Mr. Perlik is a co-chairman of the organization, along with Jaime Humerez Seleno of Bolivia.

Most of the federation's activities in South America, according to Mr. Perlik, are concentrated on seminars and training in trade union work for Latin-American newspapermen. Some conferences are also held on journalism techniques.

According to one former senior Newspaper Guild official, the federation spends a great deal of its effort combating the Communist newspaper unions and associations in South America.

The federation, he said, was organized for this purpose in 1960. The first year it received a contribution from the Granary Fund.

The guild's activities in other parts of the world, mainly in Africa and Asia, are usually conducted through the International Federation of Journalists, in Brussels.

The guild makes contributions to the international federation for these purposes, and members of the American guild frequently participate in these activities, mainly seminars in journalism techniques.

ROCHESTER, N.Y.
TIMES-UNION

E - 130,964

FEB 20 1967

CIA Link 'Unknown' To Newsmen

Ronald A. Watts, former Times-Union reporter, said by telephone from Brussels today that he had not "the slightest inkling" that Central Intelligence Agency money was behind the international labor program he is working on in underdeveloped countries.

It was revealed Saturday that five foundations which supplied nearly \$1 million to the American Newspaper Guild (AFL-CIO) for the labor program had got the money from the CIA.

The program has suffered "inestimable harm," Watts said. He is sole international representative of the International Federation of Journalists with offices in Brussels, Belgium, which, he said, is operated entirely on funds supplied by its 29 affiliated organizations in 26 countries, including the American Newspaper Guild in the United States.

"The sad aspect of the whole thing," he said, "is that the charge has been made, and no matter how innocent we are (of knowingly accepting CIA funds) many people will believe it, and those unfriendly to us will make capital of it."

WATTS SAID all his reports on his work for the IFJ and on the activities of representatives of Communist countries in the same field have been to the officers of the IFJ. He said that he had never reported to any U.S. governmental agency.

"All we know about the whole affair is what we have been able to read in the daily papers in Europe," Watts said, noting that he had wired the American Newspaper Guild officers in New York and asked them to call him with a report this afternoon.

THE GUILD, which pays Watt's salary, has denied knowledge that any of its foundations funds have come from the CIA. In addition to the International Federation of Journalists, the guild supports the activities of the Inter-American Federation of Working Newspapermen's Organizations in Panama City, Panama.

In his work, Watts has traveled throughout Europe, Africa, the Middle East and parts of Asia, attending meetings of newspapermen and aiding in conducting seminars on writing, editing and presentation of news as well as trade unionism.

Watts said a meeting of the officers of the IFJ has been called for next Saturday afternoon in Brussels to discuss the impact of the CIA fund charges.

Mrs. Watts, the former Sarah Miles, also an ex-Times-Union reporter, edits the IFJ's monthly magazine, "The Journalist's World," which is published in several languages and distributed in some 30 countries.

FEB 20 1967

Guild Chief 'Vaguely' Aware CIA Might Be Source of Aid

By ORR KELLY ✓
Star Staff Writer

The President of the American Newspaper Guild said today he knew "vaguely" that the Central Intelligence Agency might be financing the Guild's overseas operations. ✓ Arthur Rosenstock, a New York newspaperman who serves without pay as elected head of the AFL-CIO union, referred all questions about possible CIA involvement in Guild affairs to the two top paid officials in Washington.

Pressed to say whether he personally knew that nearly a million dollars received from a small group of foundations in the last six years might have come from the CIA, Rosenstock said:

"Just vaguely. If I had been asked, I couldn't say yes or no."

In Direct Contact

Charles A. Perlik Jr., secretary-treasurer of the union and the official who had direct contact with the foundations, denied that he or other Guild officials knew the funds might be originating with the CIA.

One of the foundations, the Andrew Hamilton Fund of Philadelphia, has been previously identified as a channel through which CIA money has been funneled to other groups.

Perlik said the Guild received a large contribution from the Hamilton fund in 1964 but has not received any money from it since.

Influence Denied

The names of the funds and the amount received from them was reported to delegates to the Guild's annual conventions, but apparently neither Perlik nor other Guild officers questioned the source of the money.

Each year, Perlik said, the Guild reported on its overseas activities to the foundations. But he insisted there was never any attempt on their part to influence the Guild program or the way in which the money was spent.

Perlik said he would meet today with

other Guild officials here to discuss the effect on Guild operations of the disclosure that its overseas activities might have been financed by the CIA.

There have been recurrent charges that the CIA was involved in the international operations of the AFL-CIO, but they have been consistently denied by union officials.

According to a report to the delegates to the Guild convention, which was held in Washington last summer, the union received support from the Chesapeake Foundation of Baltimore and the Broad-High Foundation of Columbus, Ohio.

In addition, it got a special grant from the Warden Trust, of Cleveland, for an African Journalism Institute, and special assistance from the Asia Foundation for a Vietnam project, publication of "The Journalist's World" in Japanese and other projects.

\$230,000 in Year

The total income from funds for international affairs in the year ended April 30, 1966, was reported as \$230,000.

The major organs through which the Guild works overseas are the International Federational of Journalists, with headquarters in Brussels, Belgium, and the Inter-American Federation of Working Newspapermen's Organizations, which has its headquarters in Panama and operates solely in the Western Hemisphere.

Although the sources of funds for the two international groups were not immediately available, the bulk of their support comes from the Guild—and from the foundations supporting the Guild's overseas activities.

Perlik insisted that none of the money received from the foundations was used for Guild activities in this country, although the foundations did help finance visits to the United States by journalists from other parts of the world.

A major part of the Guild effort overseas has been a series of seminars for foreign newsmen.

Fulbright Hits Helms' Role in Probe of CIA

Sen. J. William Fulbright, D-Ark., has called a special congressional investigation into the Central Intelligence Agency's operations among student and other groups.

Fulbright, the chairman of the Foreign Relations Committee, said yesterday that the extent of the CIA's activities "is much greater than I ever imagined it would be. I knew it engaged in some of these activities, but I had no idea it was extensive as it is at this late date."

He said, according to United Press International, that President Johnson's action in naming a three-man panel to "review" CIA policy "doesn't seem to be quite an adequate response to this."

He noted that one of the members of the president's panel, CIA Director Richard Helms, said "Well, I must say, as far as I know, to investigate the CIA seems a little odd," Fulbright added.

He said on the ABC television

program "Issues and Answers," that the wrong was not in the fact of the CIA's financing of American participation at the conferences, but in the fact the support was kept hidden.

The CIA's general counsel, meanwhile, said the government would not prosecute students who told of their relationship with the agency.

Houston told the Associated Press, however, that the students do not "have it carte blanche" to "tell everything

about their dealings with the CIA.

A major unit of the American Newspaper Guild yesterday endorsed the guild's international affairs program and the use of foundation funds to support it.

The statement by the Empire State District Council of the ANG followed a denial Saturday by the union of reports that it had knowingly accepted nearly \$1 million in grants from foundations used as conduits by the CIA.

E. 22,581
S. 22,703

FEB 19 1967

Congress Asks Immediate Probe

Newspaper Guild Denies Receipt Of CIA Funds

FROM WIRE REPORTS

WASHINGTON—The American Newspaper Guild said Saturday that it had no knowledge of ever receiving any funds from the Central Intelligence Agency or any other government source. The guild's officers issued a statement which said the organization had received \$994,000 since 1960 from five private foundations. Included were two that were reported earlier to be financial conduits for the CIA.

The statement said the guild had received \$200,000 from the Granary Fund of Boston and \$90,000 from the Andrew Hamilton Fund of Philadelphia, both linked earlier to the CIA. The guild said the two foundations terminated their assistance in 1963 and 1964 respectively.

Others Are Noted

The guild was another in a number of private organizations brought into the controversy when the State Department conceded that the CIA had been helping to finance the National Student Association for 15 years. This prompted President Johnson to order a review of all government relationships with student groups.

Meanwhile, members of Congress made new demands Saturday for an immediate, full-scale investigation of the CIA's involvement with private groups.

Activities Are Defended

At the same time, congress-

sional supporters of the undercover agency's operations defended its activities against the latest in a series of disclosures and criticism of the CIA's dealings with student groups, foundations and a labor union.

Top officials of the NSA concurred with the demands by some members of Congress for a full-scale investigation of the CIA's involvement with private groups.

The association said that pending development of such an inquiry, it will turn over its records to the Senate Foreign Relations Committee.

'Need' Is Noted

Eugene Groves, NSA president, said the association's records will be handed to the Senate committee to hold pending an official investigation. His announcement came after an all-day meeting of the NSA's supervisory board, held Saturday behind closed doors.

The remaining three of the five organizations the guild said it received money from were the Broad-High Foundation of Columbus, Ohio, \$343,000; the Chesapeake Foundation of Baltimore, \$328,000; and the Warden Trust of Cleveland, \$33,000.

E - 216,039
S - 303,744

FEB 19 1967

City Group Linked With Overseas Aid

By DAVID LORE
Of The Dispatch Staff

The 11-year-old "Broad-High Foundation" of Columbus, unknown to most city financial leaders, was named Saturday as one of two Ohio groups supporting overseas educational programs of the American Newspaper Guild.

National guild officers acknowledged the receipt of \$1 million since 1960 from the local foundation and four others in Cleveland, Baltimore, Boston and Philadelphia, but they denied any knowledge of possible Central Intelligence Agency money behind the foundations.

THE GUILD SAID it will immediately terminate its association with any foundation found to be linked to the CIA, and, if necessary, will seek alternative financing sources to carry on its work of helping newspaper workers in other countries.

Speculation on the CIA sponsorship was touched off in light of the disclosure last week that foundation money to several national student organizations came originally from the intelligence agency. One of these foundations also was acknowledged to be a Guild supporter.

Whether the Broad-High Foundation, registered with the Ohio secretary of state in 1955 by two attorneys and a banker, received the \$343,000 donated to the Guild in part or in whole from the CIA remains undetermined.

JOHN G. MCCOY, president of the City National Bank and a designated incorporator and trustee of the

foundation, told the Dispatch that foundation income sources could not be revealed but that they were from "private sources" as opposed to public ones.

McCoy said he is one of three foundation trustees, the others being attorneys David A. Johnson Jr. and Darold I. Greek, both of the law firm of George, Greek, King and McMahon, 100 E. Broad St.

Johnson and Greek were both original incorporators, with Johnston signing as agent.

ON OCT. 13, 1955, the foundation was registered in Ohio Secretary of State Ted Brown's office with the stated purpose of:

- "Contributing to the advancement of the constitutional principles upon which the political and economic system of the United States is founded. . . both in the United States and elsewhere."

- "Furnishing assistance . . . to refugees from countries of Asia, Europe or other areas of the world who are forced by the spread of totalitarianism to leave their homelands."

CHARLES A. PERLIK JR., the Guild's national secretary-treasurer, admitted, according to a New York Times dispatch that contributions had come from the Broad-High Foundation, but denied any knowledge of a possible CIA origin.

Interviewed Saturday, Johnston admitted only that he was the counsel for the foundation. He refused to discuss the operations and history of the organization. Banking and officials of

other foundations in Columbus, contacted Saturday by the Dispatch, knew nothing of the Broad-High Foundation.

Neither city telephone books, directories (including special directories on Columbus and national foundation groups) nor posted signs in the 100 E. Broad Building acknowledge the organization's existence.

A NUMBER of attorneys huddled in the law offices Saturday morning following the publication of the Times article, but Johnston described it as "a routine Saturday morning meeting."

Johnston said he could not discuss the foundation's operations "in view of my responsibility as an attorney for a client," not mentioning his position as a trustee of the group.

Greek, another trustee and incorporator, was reported out of the country.

IN LIGHT OF the CIA speculation, however, certain elements of the foundation's lengthy "purpose" statement, filed with the state 11 years ago, are of particular interest, including:

- A provision that a "correct accounting, to include detailed description of income and disbursements during each year . . . be (made) available to each donor, with the provision that the identity of each donor may at his request be not made available to other donors."

- A stated limitation against the use of foundation funds for "carrying on propaganda, or otherwise attempting to influence legislation . . . and the foundation

STAT shall not participate or intervene in any political campaign on behalf of any candidate for public office."

LISTED AS contributors of the \$1 million to the Guild since 1960 are the Warden Trust of Cleveland, the Chesapeake Foundation of Baltimore, Md., the Broad-High Foundation, the Granary Fund of Boston, Mass., and the Andrew Hamilton Fund of Philadelphia, Pa.

Much of the speculation resulted from the identification last week of the Andrew Hamilton organization as a CIA front by government officials, following exposure of CIA round-about support of the National Student Association.

Perlik told reporters that support from the Columbus, Cleveland and Baltimore foundations have been received since 1965. It amounts to approximately \$650,000.

CLARENCE L. MIDDENDORF, president of the Columbus Newspaper Guild, told the Dispatch Saturday that he was "quite surprised" by the foundation-Guild link, having never heard of the local foundation.

Middendorf said the local Guild receives no money from the national office, "but I'd be quite surprised if a local foundation was contributing to the national and I didn't know it," he said.

The local Guild leader said he would be opposed to government support of the union, if the reports were true.

"I THINK the Guild should be interested in furthering the news industry and not involved in government activities," Middendorf said.

Arthur Rosenstock, national president of the AFL-CIO union for newspaper, magazine, wire service and some broadcast employes, backed up Perlik, telling reporters: "The charges are completely unfounded, according to the best of our knowledge."

On top of the student-CIA link exposed last week by a national magazine, and coinciding with a host of press stories alleging CIA financial aid to a number of other private groups, the guild reports aroused a mood for investigation in Congress.

EL PASO, TEXAS
TIMES

M. 56,341
S. 78,071

FEB 19 1967

Newspaper Guild Shaken By Charges

(C) 1967, New York Times News Service
NEW YORK — The American Newspaper Guild, in statements here and in Washington, denied Saturday that it had knowingly accepted more than \$900,000 in grants from foundations that were Central Intelligence Agency conduits.

The officers of the union said that it would terminate its relations with any foundation linked to the CIA and seek financial aid from other sources for its international affairs operation.

The statements were issued as protests came from Guild members on the New York Times and the New York Daily News over allegations linking the union to CIA financial support.

Several Times Guild members sent a telegram to Charles A. Perlik Jr., national secretary-treasurer of the union, charging that the officers had violated the Guild constitution by failing to list the foundation grants in general accounts audits in the Guild Reporter, the union paper.

Perlik said in Washington that officers interpreted the constitution as not requiring them to list the grants in general audits, but they were reported in officers' reports to union conventions.

At the Daily News, a petition was started to require the officers to call a general membership meeting to explain the Guild's asserted links to the CIA.

The petition, which was posted on the news room bulletin board, declared that the allegations had "misdemeaned the reputation of American journalism throughout the world."

KANSAS CITY, MO.

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S - 335,705

S - 332,375

FEB 9 1967

CIA CONFLICT DEEPENS

Members of Congress Are Split on Issue as Some Demand Investigation and Others Defend Agency's Student Activities

DENY PRESSURE

Past Presidents of N.S.A. Say There Was No Entrapment

(From The Star's Press Services)

Washington—Members of Congress have made new demands for an immediate, full-scale investigation of the Central Intelligence Agency's involvement with private groups.

At the same time, congressional supporters of the undercover agency's operations defended its activities against the latest in a series of disclosures and criticisms of the CIA's dealings with student groups, foundations and a labor union.

News Group Named

The CIA reportedly channeled to the American Newspaper Guild more than 1 million dollars for the union's international activities over the last several years.

Arthur Rosenstock, president of the AFL-CIO unit, said in New York the guild had no knowledge that any of the mon-

ey came from the CIA. "The charges are completely unfounded, according to the best of our knowledge," he said. "The CIA was not in this or a part of it, certainly not to our knowledge."

William J. Farson, executive vice-president, and other top officials of the guild issued a statement saying the union has received more than 1 million dollars for its overseas activities from five foundations. They said they have no knowledge that any of the money came from the CIA or any other government source and that if they find any did come from the CIA they will terminate the guild's relationship with the foundation concerned.

Lists Five Funds

Farson listed contributions from these foundations:

The Granary fund of Boston, \$200,000; the Andrew Hamilton fund of Philadelphia, \$90,000; the Broad-High Foundation of Columbus, O., \$343,000; the Chesapeake Foundation of Baltimore, \$328,000, and the Warden trust of Cleveland \$33,000.

The National Student Association's supervisory board said the CIA had provided up to 80 per cent of the N. S. A. budget and used N. S. A. leaders and staff to gather intelligence.

In Congress, the chairman of the Democratic study group, Rep. Frank Thompson, Jr. (D-N. J.) said "the more disclosures there are, the more need there is for an immediate investigation by a joint committee of Congress."

Thompson, saying he was shaken by the latest reports, said, "It's obvious that a great many groups and people have been compromised" by the CIA activities. The study group he heads is an organization of liberal Democratic House members.

No Threats Seen

Past presidents of the N. S. A. said today it was "preposterous" and "ridiculous" to describe association officials as having been trapped into working for the CIA.

The charge of entrapment was made Friday in Washington by Sam Brown, a Harvard divinity student who is chairman of N. S. A.'s national supervisory board. Brown said the officials were placed under "fantastic pressures" not to disclose the association's link with the CIA.

But the chairman of the House subcommittee that supervises the CIA, Rep. L. Mendel Rivers (D-S. C.) said his group has kept watch on all CIA activities and has found no wrongdoing.

Rivers, chairman of the House armed services committee as well as its CIA subcommittee, said of the alleged jail threats: "I don't believe the CIA did that."

Sen. John G. Tower (R-Tex.) said the whole thing has become overblown, "with a good deal of the emotionalism squeezing aside rational analysis."

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LOUISVILLE, KY.
COURIER-JOURNAL

M-226,742
S-353,011

FEB 12 1953

Real Source 'Not Known'

News Guild Denies CIA Tie

By EMANUEL PERLMUTTER

© New York Times News Service

NEW YORK — The American Newspaper Guild, in statements here and in Washington, denied yesterday that it had knowingly accepted more than \$900,000 in grants from Central Intelligence Agency conduits.

Union officers said the guild would terminate its relations with any foundation linked to the CIA and seek financial aid from other sources for its international affairs operations.

The statements were issued as protests came from guild members on the New York Times and The New York Daily News over reports linking the union to CIA financial support.

Several Times guild members sent a telegram to Charles A. Perlik Jr., national secretary-treasurer, charging that the officers had violated the guild constitution by failing to list the foundation grants in general accounts audits in the Guild Reporter, the union publication.

Perlik said in Washington that officers interpreted the constitution as not requiring them to list the grants in general

audits, but they were reported in officers' reports to union conventions.

Arthur Rosenstock, guild president, said, "There was no indication that the foundation grants for Latin American Programs and other overseas operations came from the CIA."

"Nobody tried to tell us how to use the money, or tried to control us," he added. "The money was used to help us teach foreign journalists the fundamentals of

their crafts and to help them form unions to better their economic conditions."

Guild officers in Washington declared that the union had never used its international affairs program "as a forum to deliver anything but its trade union message. No one has sought to have it do otherwise."

The guild represents employes on newspapers, wire services, magazines and some broadcast personnel.

Guild Denies Knowledge of CIA Subsidy

By Jack Metcalfe

Washington, Feb. 18 (News Bureau) — The American Newspaper Guild today launched an investigation of reports that the Central Intelligence Agency had secretly contributed much or all of a \$1 million bankroll for the union's international program.

At the same time, the union's three top officers asserted that the guild had been completely unaware of even the possibility that the federal spy agency or any other government branch might have been giving indirect subsidy to its overseas trades union work since 1960.

But, they added, if their investigation showed that any funds had come from the government via any of the foundations which had supported the program, the guild would "immediately terminate" any link with the CIA pipeline.

Emergency Meeting

The officers, President Arthur Rosenstock, Executive Vice President William J. Parson and Secretary-Treasury Charles A. Perlik Jr., said, after an emergency Saturday meeting at guild headquarters:

"The guild has every intention of continuing its international program and will seek if necessary alternative sources of financial assistance for this purpose."

"The guild has never used its international affairs program as a forum to deliver anything but its trade union message," the officers said. "No one has sought to have it do otherwise."

"No guild membership dues are used for this work" they said.

Program Stepped Up

They said the program had been stepped up in 1960 when 50 American foundations and funds were solicited for cash help. As of Jan. 31, 1967, a total \$1,004,000 had been contributed — \$10,000 from the labor movement, the rest from five foundations.

The Granary Fund of Boston, which anted \$200,000, and the Andrew Hamilton Fund of Philadelphia, source of \$90,000, ended their contributions in 1963 and 1964, respectively.

Both have been identified in Congressional hearings as part of a network through which CIA funds flow.

FEB 19 1967

Guild Denies Knowing Funds Came From CIA

WASHINGTON, Feb. 18 (AP) — Officials of the American Newspaper Guild said today they have no knowledge that any funds received from foundations for Guild international activities came from the Central Intelligence Agency or any other government source.

The Guild said also it will immediately terminate its association with any foundation found to be linked to the CIA, and, if necessary, will seek alternative financing sources to carry on its work of helping newspaper workers in other countries.

Signing the statement were Guild President Arthur Rosenstock, Executive Vice President William J. Farson and Secretary-Treasurer Charles A. Perlick Jr.

The statement said that through Jan. 31, 1967, the Guild had received \$1,004,000 that had been used "solely for its international affairs program."

The Guild's total corresponded closely to figures used by the New York Times, which said the organization has received nearly \$1 million in foundation grants since 1960 for operations abroad.

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CONGRESS CLAIMS ROSEN FOR CIA SCRUTINY

By JACK MILLER

WASHINGTON, Feb. 18 (AP)—Members of Congress made new demands today for an immediate, full-scale investigation of the Central Intelligence Agency's involvement with private groups.

At the same time, congressional supporters of the undercover agency's operations defended its activities against the latest in a series of disclosures and criticisms of the CIA's dealings with student groups, foundations and a labor union.

Among the latest developments:

• The CIA reportedly channeled to the American

Newspaper Guild more than \$1 million for the union's international activities over the past several years. Arthur Rosenstock, president of the AFL-CIO union, told a reporter in New York the Guild had no knowledge that any of the money came from the CIA. "The charges are completely unfounded, according to the best of our knowledge," he said. "The CIA was not in this or a part of it, certainly not to our knowledge."

• The National Student Assn.'s supervisory board said the CIA had provided up to 80 per cent of the NSA budget and used NSA leaders and staff to gather intelligence.

In Congress, the chairman of the Democratic Study

Group, Rep. Frank Thompson Jr., D-N. J., said, "The more disclosures there are, the more need there is for an immediate investigation by a joint committee of Congress."

Thompson, saying he was shaken by the latest reports, declared, "It's obvious that a great many groups and people have been compromised" by the CIA activities. The study group he heads is an organization of liberal Democratic House members.

Rep. William F. Ryan, D-N.Y., said "I think there's no question but that the Congress should step in and investigate the entirety of the CIA's involvement in domestic affairs and what it's doing abroad.

"The question before the country is the extent to

which an almost-secret, almost-independent agency of the government has been affecting our policy and has also been subverting the values of a free society."

NSA leaders last night accused the CIA of laying "an ethical trap for young men of great integrity" with money, draft deferments and the threat of jail.

But the chairman of the House subcommittee that supervises the CIA, Rep. L. Mendel Rivers, D-S. C., said his group has kept watch on all CIA activities and has found no wrongdoing.

Rivers, chairman of the House armed services com-

mittee as well as its CIA subcommittee, said of the alleged jail threats: "I don't believe the CIA did that."

The South Carolina Democrat says he's in daily touch with the CIA. "I live just five miles from CIA headquarters (in nearby Virginia) and it's not unusual for me to go over and have breakfast with those boys."

Rivers's subcommittee questioned CIA Director Richard Helms at length yesterday and said afterward that no students or NSA staff had been used for espionage. Rivers said he knows nothing of statements by NSA leaders that some of them have been given draft deferments.

As for payment of money to students, Republican subcommittee member William H. Bates of Massachusetts, said: "Of course they have received money—that was the idea."

But he added that the CIA "did not go to this organization (the NSA)—the organization asked for help."

The subcommittee issued a statement yesterday commending the CIA for giving money to the students and said the purpose was "to counter Communist attempts to take over" student organizations in the non-Communist world.

The current furor was touched off by disclosure earlier this week that for about 15 years the CIA, operating through foundations, has been secretly helping finance this organization of college students, the nation's largest. NSA officials have insisted that only a handful of their number knew of the arrangement.

Rivers said his subcommittee will consider "anything that's worthy of our cognizance. But he added: "we can't open the heart of the CIA to the public."

Some members of the Senate also are demanding a thoroughgoing investigation of the CIA.

One of the intelligence agency's strongest senatorial critics, Eugene J. McCarthy, D-Minn., said "We must continue to press for greater congressional control" over the CIA because it could become an "arm over which nobody can be held responsible."

Democratic leader Sen. Mike Mansfield of Montana said he hopes an appropriate Senate committee will look into the allegations "so incidents of this nature (involving the NSA) should not arise in the future."

But Sen. John G. Tower, R-Tex., said the whole thing has become overblown, "with a good deal of the emotionalism squeezing aside rational analysis."

ILLEGIB

NORFOLK, VIRGINIA
 VIRGINIAN-PILOT

M - 124,468
 S - 165,920

FEB 19 1967

Beyond Students

Probe of CIA To Reach Far

From Virginian-Pilot Wire Reports

WASHINGTON—The Johnson administration's investigation of covert activities by the Central Intelligence Agency in the United States will extend far beyond the agency's infiltration of student organizations. The presidential panel, appointed earlier this week, will also inquire into the CIA's involvement with American labor unions, charitable foundations, ostensibly independent international organizations, and other institutions. Congressional supporters of the CIA have derided its activities.

The CIA reportedly channeled to the American Newspaper Guild more than \$1 million for the union's international activities over the past several years. Arthur Rosenstock, president of the AFL-CIO union, told a reporter in New York the guild had no knowledge that any of the money came from the CIA.

"The charges are completely unfounded, according to the best of our knowledge," he said. "The CIA was not in this or a part of it, certainly not to our knowledge."

Rosenstock and other top officers of the guild issued a statement saying the union has received more than \$1 million for its overseas activities from five foundations. They said they have no knowledge that any of the money came from the CIA or any other government source and that if they find any did come from the CIA they will terminate the guild's relationship with the foundation concerned.

The National Student Association's supervisory board said the CIA had provided up to 80 per cent of the NSA budget and

used NSA leaders and staff to gather intelligence.

In Congress, the chairman of the Democratic Study Group, Rep. Frank Thompson Jr., D-N.J., said, "The more disclosures there are, the more need there is for an immediate investigation by a joint committee of Congress."

Thompson, saying he was shaken by the latest reports, declared that "it's obvious that a great many groups and people have been compromised" by the CIA activities. The study group he heads is an organization of liberal Democratic House members.

Rep. William F. Ryan, D-N.Y., said, "I think there's no question but that the Congress should step in and investigate the entirety of the CIA's involvement in domestic affairs and what it's doing abroad."

"The question before the country is the extent to which an almost-secret, almost-independent agency of the government has been affecting our policy and has also been subverting the values of a free society."

NSA leaders Friday night accused the CIA of laying "an ethical trap for young men of great integrity" with money, draft deferments and the threat of jail.

The panel is composed of CIA Director Richard Helms, Undersecretary of State Nicholas de B. Katzenbach, and John W. Gardner, secretary of the Department of Health, Education, and Welfare.

The administration's intentions for the investigation became known Saturday as new facts emerged about the CIA's involvement with private groups in American society.

One of the recipients of the agency's money has been the

International Development Foundation, Inc., of New York, which has a broad interest in Latin American affairs and has subsidized Eastern European immigrant and refugee groups in this country.

It was revealed Friday that heavy subsidies from the CIA had been funneled into the Congress for Cultural Freedom in Paris through the Hohlzelle Foundation in Dallas.

Another patron of the Paris organization, it was learned Saturday, has been the Fairfield Foundation of New York, whose directors include Gardner Cowles of the Cowles Publications (Look magazine and other periodicals); Whitelaw Reid, former editor of the defunct New York Herald Tribune, and Godfrey S. Rockefeller.

But the chairman of the House subcommittee that supervises the CIA, Rep. Mendel Rivers, D-S.C., said his group had kept watch on all CIA activities and had found no wrongdoing.

Rivers, chairman of the House Armed Services Committee as well as its CIA subcommittee, said of the alleged jail threats: "I don't believe the CIA did that."

The South Carolina Democrat says he's in daily touch with the CIA.

"I live just five miles from CIA headquarters (in nearby Virginia), and it's not unusual for me to go over and have breakfast with those boys."

Rivers' subcommittee questioned CIA Director Richard Helms at length Friday and said afterward that no students or NSA staff had been used for espionage.

FEB 19 1967

Lawyer Denies Fund Was Helped by CIA

By BAYARD BRUNT
Of The Bulletin Staff

A Philadelphia lawyer denied yesterday that the Andrew Hamilton Fund, listed as having given the American Newspaper Guild \$90,000, had any connection with the Central Intelligence Agency.

Stories published yesterday in New York Times and the Washington Post said the Guild had received \$904,000 from five foundations which were fronts for the CIA.

The Guild is an AFL-CIO union representing employes of newspapers and other media. Its national officials denied knowledge of any link between the foundations and the CIA.

The Guild received the \$90,000 from the Andrew Hamilton Fund in four payments between June 10, 1963, and August 21, 1964. Two were for \$20,000 each and two for \$25,000.

Located in Phila.

The Hamilton Fund, address was listed in Guild records as Suite 808, 1518 Walnut st., Philadelphia.

The law firm of Donahue, Battle and Donahue occupies Rooms 808-810 at 1518 Walnut st. It consists of Frank Rogers Donahue, who began practicing law here about 65 years ago, and his son, Frank Rogers Donahue, Jr.

The younger Donahue said yesterday that he had been the lawyer for the Andrew Hamilton Fund, which is no longer in operation.

Tennis Official

Donahue, immediate past president of the Middle Atlantic States Lawn Tennis Association, was asked whether the Hamilton Fund or he had any CIA connections.

"Heavens, no," he replied.

Donahue said the fund was established at the behest of some clients, whom he refused to name, seven or eight years ago. He said it became defunct four years ago.

He declined to describe the profession or occupation of the clients.

Not a Ford Foundation

Donahue said he could not recall whether the Hamilton Fund



Frank Rogers Donahue, Jr.

had given any money to the American Newspaper Guild.

He also said he could not recall any of its beneficiaries or how much it had given away.

"It was not in the same category as the Rockefeller or Ford Foundation," he said.

He estimated that it had donated funds to some 15 or 20 "charitable organizations" and perhaps to one or two individuals. He said its donations were generally in the \$10,000-to-\$20,000 range.

Donahue said the fund was named for the 18th-Century Philadelphia lawyer who successfully defended John Peter Zenger in the famous freedom-of-the-press case.

Donahue's father had been counsel for the Public Ledger and the Inquirer.

Cancer Research

Donahue said the foundation expired because its backers "decided to give their money to cancer research."

Donahue said the Hamilton

...was formed by a deed of trust, a procedure which did not necessitate going into court. Philadelphia newspapers telling of its foundation and its purposes, he said. He said his clients wanted the fund publicized in order to attract donations from other charitably inclined individuals.

But he said the newspapers would not give publicity because it was a private fund.

Donahue said he had no recollection of a 1964 congressional hearing, as reported by the Times, at which the Hamilton Fund was linked to the J. M. Kaplan Fund, which was described as a conduit for CIA funds.

Donations Listed

Last week it was disclosed that the CIA had been financing the National Student Association through grants from foundations—not the same as the ones which contributed to the American Newspaper Guild.

In addition to Hamilton, the Guild listed the following donations from:

Granary Fund, Tremont Building, Room 329, 73 Tremont st., Boston, \$200,000.

Chesapeake Foundation, 701 Maryland Trust Building, Baltimore, George W. Constable, \$328,000.

Broad - High Foundation, Suite 1800, 100 E. Broad st., Columbus, O., Darold I. Greek, \$343,000.

Warden Trust, Union Commerce Building, Cleveland, O., \$33,000.

The Guild said that it received the \$90,000 from the Hamilton Fund in 1963-64, the funds from the Granary Fund between 1960 and 1963, had started getting funds from Chesapeake and Broad-High in 1963 and from Warden in 1965.

The Guild said it used the \$94,000 from the funds to finance trade-union education in South America, Europe and Africa.

Statement by Guild

A statement by the national Guild yesterday said its international program consisted "primarily of holding seminars on journalism and trade unionism, production and distribution of associated publications, and making staff assistance available to carry out these activities."

"The guild has no knowledge that any of the money came from the CIA or any other U. S. or other Government source," the statement continued.

...international-affairs program as a forum to deliver anything but its trade-union message. No one sought to have it do otherwise.

"The guild is inquiring in the allegations published about the foundations and, of course, will immediately terminate its relationship with any foundation linked to the CIA.

"The guild has every hope of continuing this worthwhile program and will, if necessary, seek alternative sources of financial assistance for this purpose."

Richard P. Davis, director of the guild's international program, said the only one who had any part in the program from Philadelphia was David Schick, paid executive officer of the Philadelphia Guild, who spent a week teaching at a seminar in Turkey in 1964.

Teaching Negotiations

Schick, of 645 W. Sedgwick st., said he spent a week in Istanbul in October, 1964, helping teach a group of about 24 Turkish newspaper men "how to negotiate a labor contract with their employers and how to enforce the contract."

He said the Turkish journalists recently had been unionized and didn't know how to go about getting a contract.

He said they asked the International Federation of Journalists, with headquarters in Brussels, to set up a seminar to teach them.

Schick said the international representative of this group, Ronald Watts, an American and former president of the Rochester, N. Y., shared the teaching of the seminar with him.

Schick said the Guild paid his fare and living expenses. He said he didn't know how much this amounted to nor the overall cost of the week's seminar.

He said he had no knowledge that any of the funds came from the CIA.

"It is a good idea for these seminars to be held," Schick said.

"It's just as good as the government sending corn to Egypt or wheat to Russia. I think the United States government should be feeding peoples' minds as well as their bellies."

LEGIB

The Eager Victim

Now it turns out that the American Newspaper Guild has been taking money from the Central Intelligence Agency, to the measure of nearly \$1 million in the past six years. The Guild has been hungrily taking covert Government money to teach our benighted and oppressed brothers beyond the seas about the virtues of a free and independent press that is un beholden to any political paymaster. It is this element of moral imbecility that now constitutes a deep threat to the future of the American labor movement.

It is quite bad enough for the CIA to corrupt minor organizations like the National Student Association. But the CIA's invasion of the labor movement and the press is an evil on quite another scale. The CIA's eagerness to put the Guild on its payroll is only further evidence of an obvious danger. But the more profoundly disquieting side of the affair is the eagerness with which the Guild accepted the money. It has been the willing accomplice to its own seduction.

American journalism needs a strong, idealistic, fiercely independent union. But the Guild's emergence as a secret partner of secret government only indicates the decay that has overtaken it. Mr. Perlik, the Guild's secretary-treasurer, laments that the publication of this relationship will destroy the union's usefulness abroad. He might better spend his time considering its effect upon the union's usefulness in this country, among its own members.

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CIA'S ELABORATE NETWORK

Dummy Foundations Distributed Funds

By ORR KELLY
Star Staff Writer

The Central Intelligence Agency helped finance supposedly free and independent agencies through an elaborate network of dummy funds and foundations.

The pattern indicates that money from a basic group of foundations that existed primarily on paper was given to actual foundations, most of which devoted their efforts to normal philanthropic purposes.

Once the names of even a few of the CIA fronts were known, it became relatively easy to determine CIA involvement.

The National Student Association, which touched off the current furor when it was disclosed it had been receiving CIA money for 15 years, got substantial support from the Independence Foundation.

And the American Newspaper Guild, although denying knowledge of any involvement with the CIA, received substantial money for overseas operations from numerous foundations including the Andrew Hamilton Fund, which has been called a CIA conduit.

On public records that must be filed with the Internal Revenue Service, the Independence Foundation is listed in care of Paul F. Hellmuth et al trustees, 60 State St., Boston, Mass.

Hellmuth, who is 48, was graduated from the University of Notre Dame in 1940 and received his law degree at Harvard in 1947. Since 1947, he has been a member of the distinguished Boston law firm of Hale & Dorr.

Records on file with the Massachusetts Division of Public Charities show that he is

revenue of \$41,000 and \$35,000 respectively.

But in 1961, the records show, the foundation began receiving substantial sums of money from four funds not found in any of the places where such funds are normally listed.

They are the Borden Trust, the Kentfield Fund, the Price Fund and the Edsel Fund.

The names of these funds have cropped up in other places where there is reason to believe the CIA has been involved.

All four were included, for example, among eight foundations named during a 1964 house hearing into the tax-exempt status of the J.M. Kaplan Foundation.

During the hearings, Mitchell Rogovin, then assistant to the commissioner of the Internal Revenue Service, said he had been told by Milan Miskovsky, of the office of the general counsel of the CIA, that the CIA "had been dealing" with the Kaplan fund.

Rep. Wright Patman, D-Tex., listed the eight funds—which also included the Gotham Foundation and the Michigan, Andrew Hamilton and Beacon Funds — and said they had given \$861,000 to the Kaplan Fund in 1961, 1962 and 1963.

Supplied in Secret

Patman demanded the addresses of the funds and the names of their officers. The hearing record shows that the information was supplied in executive session. It has never been made public.

In 1963, Hellmuth did not list the Brown Foundation in his report to the Massachusetts Division of Public Charities.

Newspaper Guild nearly a million dollars has been received to support seminars and other activities the Guild carries on overseas.

Among the sources of money for this program listed in reports to its members has been the Andrew Hamilton Fund — named by Patman as a contributor to the Kaplan Fund.

This naturally raises the suspicion that the other funds which have supported the Guild's international operations also might be connected with the CIA.

Guild officials, listing their sources of money for the union's overseas activities, said yesterday the Guild received \$200,000 from the Granary Fund of Boston; \$90,000 from the Andrew Hamilton Fund of Philadelphia; \$343,000 from the Broad-High Foundation of Columbus, O.; \$328,000 from the Chesapeake Foundation of Baltimore, and \$33,000 from the Warden Trust of Cleveland.

The Granary Fund ended its contributions in 1963 and the Hamilton Fund stopped in 1964, the Guild said.

In Philadelphia, attorney Frank Rogers Donahue Jr. said the Andrew Hamilton Fund never had any connection with the CIA. He said the fund was established seven or eight years ago for some clients he declined to name, and that it has been defunct for the past four years.

Donahue estimated, the Associated Press reported, that the fund donated money to some 15 or 20 charitable organizations and perhaps to one or two individuals, usually in grants of

He said the fund expired because its backers "decided to give their money to cancer

other government source. . . . The Guild is inquiring into the allegations published about foundations and, of course, will immediately terminate its relationship with any found- linked to CIA."

No Interference

The union's officers said none of the foundations ever attempted to influence or interfere with the guild's overseas activities.

The statement was issued by Arthur Rosenstock, president; William J. Farson, executive vice president; and Charles A. Perlik Jr., secretary-treasurer.

In listing the money received and denying any knowledge that any of it came from the CIA, the statement said the Guild received the money after having written about 50 American funds and foundations requesting aid for an expanded international affairs program.

The Guild said "these activities have been reported, regularly, including the identity of the foundations, to delegates, to the press and to the Guild; through regular reports to quarterly meetings of the international executive board; and through periodic stories in the Guild Reporter, the Guild newspaper. John McCoy, president of the City National Bank, Columbus, Ohio, and a designated incorporator and trustee of the Broad-High Foundation, said its income sources could not be revealed, but that they were from "private sources" as opposed to public ones.

"The Guild has no knowledge of any of the money came from the Central Intelligence Agency or any other U.S. or government source. The

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FOR PUBLIC AFFAIRS STAFF

PROGRAM ABC News

DATE February 18, 1967 7:55 PM

GUILD WILL INVESTIGATE

BADEN LANGSTON: "The Executive Vice President of the American Newspaper Guild says the guild is going to do some investigating."

"ABC's Dan Hackel interviewed William Farson (?) this evening in Washington about reports that the guild received money from two organizations allegedly handling money for the Central Intelligence Agency."

"Farson told ABC's Dan Hackel."

FARSON: "We'll try and investigate to the best of our ability. And if we find it did come from CIA, we'll no longer have these organizations participate in the program -- in our international program by donating funds."

LANGSTON: "Williams Farson of the American Newspaper Guild."

"Earlier the guild denied it had received funds from the Central Intelligence Agency."

BOSTON, MASS.
TRAVELER

E. 161,453

FEB 18 1967

'No Under-Table Deal'

News Guild Denies CIA Funds Link

WASHINGTON — The American Newspaper Guild said today it has received more than \$900,000 since 1960 from five private foundations. It denied knowingly taking any under-the-table money from the CIA.

The Central Intelligence Agency's financing of a wide variety of organizations' international activities has been disclosed as having been channeled through private foundations, and two of those that gave the Guild money were said to be CIA conduits.

The Guild's secretary-treasurer, Charles Perlik, said if any of the money the newsmen's union got from the foundations came from the CIA, he did not know it—and that if he did not, no union officer did.

Perlik said the Guild, which represents employes on newspapers, wire service, magazines and some broadcast personnel, was now receiving funds from three foundations—the Chesapeake Foundation, Baltimore;

the Board Hi Foundation, Columbus, Ohio, and the Warden Trust, Cleveland.

The total received from these, and the Granary Fund, Boston, and the Andrew Hamilton Fund, Philadelphia, since 1960 ran to more than \$900,000, Perlik said. He said the latter two halted contributions in 1965 and the money received from the other three since then totaled \$615,000.

Previous disclosures of CIA financing of organizations, from student to lawyer associations, have mentioned complicated pipelines touching the Granary and Hamilton funds. The other three were not mentioned but

they declined to discuss the money sources.

The Philadelphia Inquirer said today William J. Farson, executive vice president of the Guild and a former advertising salesman for the Inquirer, denied any knowledge of CIA intervention. He was asked if the money might have been intended to influence foreign journalists to pro-American points of view.

Farson said that was a possibility, and added, "In any case, these reports make it practically impossible for us to continue our international work. Anything we proposed now would be suspect. The only thing left for us to do is to pull out."

Farson said he was aware of contributions made by the foundations, but said he knew nothing of their backgrounds.

"I can tell you this," he said. "If any foundation ever tried to influence our work, we would not accept its help."

The Washington Post said today two Texas-based foundations, each with an officer who is a close friend of President Johnson, have been receiving CIA money. They were identified as the Hoblitzelle Foundation of Dallas and the M. B. Anderson Foundation of Houston.

U.S. District Judge Sarah T. Hughes, who swore in Johnson on Nov. 22, 1963, was reported to be a trustee of the Hoblitzelle Foundation. Leon Jaworski, twice rumored as a possibility for appointment as attorney general, was said to be a trustee of the Anderson Foundation.

The Post said the American Council for the International Commission of Jurists, in New York, received substantial sums from the Anderson group.

The Hoblitzelle Foundation was said to have made major grants to the International Cooperative Development Fund and the Congress of Cultural Freedom.

(Traveler Wire Service)

Financed International Program**News Guild****Got \$1M****From CIA**

WASHINGTON — The Washington Post said today the AFL-CIO American Newspaper Guild has accepted nearly \$1 million since 1961 from the Central Intelligence Agency.

The newspaper said the subsidies, to finance a broad international program, were made by four private foundations that do not file public tax records.

"At least one of them, the Andrew Hamilton Fund of Philadelphia," the Post said, "was identified yesterday by government officials as a CIA front.

"Spokesmen for the remaining three either were unavailable for comment or else refused to say whether they were conduits for the government's clandestine intelligence arm," it added.

The other foundations, the newspaper said, are the Board-High Foundation of Columbus, Ohio; the Chesapeake Foundation of Baltimore and the Granery Fund of Philadelphia.

The Post said "the CIA money was provided to Charles A. Perlik Jr., the union's secretary-treasurer, and deposited in a

spee fund" by the four foundations.

Perlik was quoted in the newspaper as saying he was unaware the CIA funds were involved.

"It was not a question that I ever asked," he told the Post. "I never concerned us. All I know is tat I was never asked to do anything."

The Guild represents editorial, commercial and some maintenance employes on newspapers, magazines, wire services and some broadcasting media. It has locals in the United States, Canada and Puerto Rico.

The Post said the Guild's international activities are channeled through the International Federation of Journalists, headquartered in Brussels, Belgium, and the Inter-American Federation of Working Newspapermen's organizations in Panama.

For the nine months ended Jan. 31, 1967, the entire \$202,000 income of the Guild's international affairs fund has come from the Broad-High and the Chesapeake Foundations, the newspaper reported.

Since 1961, the four foundations have contributed more than \$800,000 to the Guild, Perlik was quoted as saying. He told the Post the Granery Fund terminated its aid in 1963 after putting Perlik in touch with the other foundations.

The Philadelphia Inquirer said today William J. Farson, executive vice president of the Guild and a former advertising salesman for the Inquirer, denied any knowledge of CIA intervention. He was asked if the money might have been intended to influence foreign journalists to pro-American points of view.

Farson said that was a possibility, and added, "In any case, these reports make it practically impossible for us to continue our international work. Anything we proposed now would be suspect. The only thing left for us to do is to pull out."

Farson said he was aware of contributions made by the foundations, but said he knew nothing of their backgrounds.

"I can tell you this," he said. "If any foundation ever tried to influence our work, we would not

DENVER
POST

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E - 252,034
S - 212,866

FEB 18 1967

CIA Has Given Funds To Newspaper Guild

SEE STORY PAGE 1

By ANDREW J. GLASS
(C) 1967, Denver Post-Washington Post
WASHINGTON — The American Newspaper Guild (ANG) has been engaged in a broad international program since 1960 through a subsidy totaling nearly \$1 million supplied by the Central Intelligence Agency (CIA).

The CIA money was provided to Charles A. Perlik Jr., the union's secretary-treasurer and deposited in a special "international affairs fund" by four mystery-shrouded private foundations that do not file public tax records.

NO COMMENT

At least one of them, the Andrew Hamilton Fund, of Philadelphia, was identified Friday by government officials as a CIA front. Spokesmen for the remaining three were either not available for comment or else refused to say whether they were conduits for the government's clandestine intelligence arm.

In an interview, Perlik said that these revelations "will make our ability to function (abroad) useless."

"I have no doubt of their attitude if they learn that the money was coming from the CIA," the union official added.

NOT FAMILIAR

Perlik said he was "unfamiliar" with the background of any of the foundations with which the guild has dealt in the last six years. Asked whether he knew CIA funds were involved, Perlik replied: "It was not a question that I ever asked. It never concerned us. All I know is that I was never asked to do anything."

The guild, a member of the AFL-CIO, represents editorial, commercial and some maintenance employes on newspapers, magazines, wire services and some broadcasting media. Guild locals function in the United States, Canada and Puerto Rico.

The guild's international activities are channeled through two organizations: The International Federation of Journalists, headquartered in Brus-

sels, Belgium, and the Inter-American Federal of Working Newspapermen's Organizations in Panama City, Panama.

FORMED IN 1952

The Brussels-based unit was formed in 1952 as a counterweight to the Communist-dominated International Organization of Journalists. Its sole international representative is Ronald A. Watts, a former president of the Rochester, N.Y. guild local.

Watts, who has held the post since its creation in 1962, has traveled extensively in Asia and Africa, forming new affiliations with the international federation. His salary and expenses are met by the guild through its International Affairs Fund.

The Latin - American group is more commonly known, by its Spanish initials, as FIOPP. It is affiliated with 29 organizations from 24 countries in the Western Hemisphere that are active in newspaper trade unions. Only Chile, Uruguay, Costa Rica and Communist Cuba are not represented in the group.

FIOPP, formed in 1960, receives virtually all of its funds from the guild. "The guild runs the show," Perlik said, "because the guild has the dough. It's as simple as that."

Perlik has served as co-chairman of the Latin group since its creation. Its Panama-based international representative is John K. Sloane, a longtime guild employe.

For the nine months ended Jan. 31, 1967, the entire \$202,000 income of the guild's International Affairs Fund has come from the Broad-High Foundation of Columbus, Ohio, and the Chesapeake Foundation of Baltimore, Md. Neither of these donors is listed in any foundation directory.

The Chesapeake fund, which provided \$102,000 is administered by George W. Constable, a partner in the Baltimore law firm of Constable, Alexander and Danecker. Constable declined to answer any questions about the tax-exempt Chesapeake fund.

"If they (the clients) chose

to do good works without publicity, that is their affair," Constable said. "I am not permitted to discuss the matter in any way or to divulge any aspect of the foundation's activities."

The Broad-High fund is administered by Darold I. Greek, a partner in the Columbus law firm of George, Greek, King and McMahon. Greek was reported to be in a meeting and unavailable for comment.

Perlik said he had never met Greek and that he had conferred with Constable "several times" since their financial relationship began. "We submitted the budget and they wrote the checks," Perlik explained.

Perlik reported that he was the sole guild officer who deals with the two foundations. Richard Davis, the guild's director of international affairs, said he did not even know the name of the lawyers through whom the foundations operate.

Davis, who briefly preceded Sloane as the FIOPP international representative in Panama, agreed with Perlik that the confirmation of a CIA-guild bond would destroy the union's international activities.

"I think it would all end," he said. "Our credibility would be destroyed."

Perlik noted that the guild's international programs had repeatedly been questioned at the union's annual conventions. But, he said, the delegates lifted their objections when they were assured that they were virtually entirely funded through payments by non-guild foundations.

EGIB

Front Page	Edit Page	Other Page
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EL PASO, TEXAS
TIMES

M. 56,341

S. 78,071

FEB 18 1967

Newspaper Guild Linked With CIA?

(C) 1967, New York Times News Service

WASHINGTON — The American Newspaper Guild has received nearly \$1 million in foundation grants since 1960 to finance its South American and other overseas activities. All of the money in the last two years has come from three foundations which refuse to disclose their sources of income and other contributions.

The three foundations are the Warden Trust of Cleveland, the Chesapeake Foundation of Baltimore and the Broad-High Foundation of Columbus, Ohio.

Charles Perlik, national secretary-treasurer of the Guild, said the newspaper union had received about \$615,000 from these three funds since 1965 to finance activities such as conferences on newspaper union organization work and journalism seminars overseas. The bulk of the funds were for work in Latin America.

SOURCE OF INCOME

Another foundation, the Andre Hamilton Fund of Philadelphia, which contributed between \$85,000 and \$100,000 to the Guild in 1964, according to Perlik, was identified in congressional hearings that year as a source of income for the J. M. Kaplan Fund, which Rep. Wright Patman, D-Tex., described as a conduit for Central Intelligence Agency funds.

Patman later suspended the

hearings at the request of Central Intelligence Agency officials.

Perlik said the Guild also received between \$100,000 and \$150,000 during the years from 1960 through 1963 from the Granary Fund of Boston.

The Granary Fund has been receiving income, according to records on file in the Massachusetts state attorney general's office in Boston, from the Victoria Strauss Fund.

The Victoria Strauss Fund has been a source of income for the Independence Foundation of Boston.

The Independence Foundation has been identified by officers of the National Students Association as a channel of CIA funds to their organization. Its trustee, Paul Hellmuth, has also been one of their contacts with the intelligence agency, according to student leaders.

The Granary Fund has also in more recent years been making grants to a number of organizations which have been receiving funds through the same foundations which served as channels for intelligence agency funds to the student association.

These organizations are the Pan American Foundation, which is connected to the University of Miami, the International Development Foundation of New York and the American Friends of the Middle East.

2
 Front Edit Other
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HONOLULU, HAWAII
 ADVERTISER

M. 59,391
 S. 141,202

FEB 18 1967

News Guild Linked To CIA Funds

L.A. Times-Washington Post Service

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"I have no doubt of their attitude if they learn that the money was coming from the CIA," the union official added.

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Newspaper Guild on CIA Special Payroll

By ANDREW J. GLASS
World Journal Tribune Special

WASHINGTON, Feb. 18—The American Newspaper Guild has been engaged in a broad international program since 1960 through a subsidy totaling nearly \$1 million supplied by the Central Intelligence Agency.

The CIA money was provided to Charles A. Perlik Jr., the union's secretary-treasurer and deposited in a special "international affairs fund" by four mystery-shrouded private foundations that do not file public tax records.

At least one of them, the Andrew Hamilton Fund, of Philadelphia, was identified yesterday by government officials as a CIA front. Spokesmen for the remaining three were either unavailable for comment or else refused to say whether they were conduits for the government's clandestine intelligence arm.

In an interview, Perlik said that these revelations "will make our ability to function (abroad) useless."

"I have no doubt of their attitude if they learn that the money was coming from the CIA," the union official added.

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Watts, who has held the post since its creation in 1962, has traveled extensively in Asia and Africa, forming new affiliations with the international federation. His salary and expenses are met by the Guild through its international affairs fund.

The Latin-American group is more commonly known, by its Spanish initials, as Flopp. It is affiliated with 29 organizations from 24 countries in the Western Hemisphere that are active in newspaper trade unions. Only Chile, Uruguay, Costa Rica and Communist Cuba are not represented in the

Flopp, formed in 1960 receives virtually all of its funds from the Guild. "The Guild runs the show," Perlik said, "because the Guild has the dough. It's as simple as that."

Perlik has served as co-chairman of the Latin group since its creation. Its Panama-based international representative is John K. Sloane, a longtime Guild employe.

For nine months ended Jan. 31, 1967, the entire \$202,000 income of the Guild's international affairs fund has come from the Broad-High Foundation of Columbus and the Chesapeake Foundation of Baltimore. Neither of these donors is listed in any foundation directory.

The Chesapeake fund, which provided \$102,000 is administered by George W. Constable, a partner in the Baltimore law firm of Constable, Alexander and Denecker. Constable declined to answer any questions about

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Perlik said he had never met Greek and that he had conferred with Constable "several times" since their financial relationship began. "We submitted the budget and they wrote the checks," Perlik explained.

Perlik reported that he was the sole guild officer who deals with the two foundations. Richard Davis, the Guild's director of international affairs, said he did not even know the name of the lawyers through whom the foundations operate.

Perlik said the various CIA-linked foundations have contributed more than \$900,000 to the Guild since 1961. In recent years, he said, the overseas programs have been maintained at an annual cost of about \$200,000.

Washington Post, L.A. Times, Herald

REGIB

Page Page Page

PATRICKSON, N. J.

CALL

M. 35,627

FEB 18 1957

Newspaper Guild

Getting C.I.A. Money

By ANDREW J. GLASS

(Post-Times Service)

Washington — The American Newspaper Guild has been engaged in a broad international program since 1960 through a subsidy totaling nearly 1 million dollars supplied by the Central Intelligence Agency.

The C. I. A. money was provided to Charles A. Perlik Jr., the union's secretary-treasurer and deposited in a special international affairs fund by four mystery-shrouded private foundations that do not file public-tax records.

At least one of them, the Andrew Hamilton Fund

of Philadelphia, was identified yesterday by Government officials as a C. I. A. front. Spokesmen for the remaining three were either unavailable for comment or else refused to say whether they were conduits for the Government's clandestine intelligence arm.

Perlik said that these revelations will make our ability to function (abroad) useless.

"I have no doubt of their attitude if they learn that the money was coming from the C. I. A.," the union official added.

Perlik said he was unfamiliar with the background of any of the foundations with which the Guild has dealt in the last 6 years. Asked whether he knew C. I. A.

funds were involved, Perlik replied: "It was not a question that I ever asked. It never concerned us. All I know is that I was never asked to do anything."

The Guild, a member of the A. F. L.-C. I. O., represents editorial, commercial and some maintenance employes on newspapers, magazines, wire services, and some broadcasting media. Guild locals function in the United States, Canada, and Puerto Rico.

The Guild's international activities are channeled through two organizations: the International Federation of Journalists, headquartered in Brussels, Belgium, and the Inter-American Federal of Working Newspapermen's Organizations in Panama City, Panama.

PINE BLUFF, ARK.
COMMERCIAL

E. 19,641

S. 19,891

FEB 18 1967

Newspaper Guild Uses CIA Funds

Times-Post News Service
(Washington Post)

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Ignorance Preferred

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One-Man Liaison

Perlik reported that he was the sole guild officer who dealt with the two foundations. He said that after the guild decided to embark upon an extensive international program in 1960, he wrote letters seeking financial aid to about 50 foundations.

The first outside source to respond, according to the union's official reports, was the Granery Fund of Philadelphia. When this foundation said that it was bound to terminate its aid in 1963, Perlik was put in touch with the Andrew Hamilton Fund as well as the two foundations that are currently supporting the guild programs.

Perlik said the various CIA-linked foundations had contributed more than \$900,000 to the guild since 1961. In recent years, he said, the overseas programs have been maintained at an annual cost of about \$200,000.

"When this is all over, Perlik said, 'I doubt that anyone will ever again accept another penny from a foundation.'"

FOR PUBLIC AFFAIRS STAFF

PROGRAM Roger Mudd

STATION WTOP-TV
CBS Network

DATE February 18, 1967 6:30 PM

CITY Washington, DC

REPORT ON CIA

STAT

GEORGE HERMAN: "We dare you to figure out the latest developments tonight in the CIA's labyrinth involvement in American life.

"First, members of the Congress, who probably knew the story all along are now demanding an immediate and full investigation.

"Second, it now turns out that the American Newspaper Guild, whose members have been busy this week exposing the CIA, has been getting CIA money.

"Some of that money came to the guild from the Andrew Hamilton Foundation, which was also chatteling money to the J.M. Capland Fund.

"The ^{KAPLAN} Capland Fund, in turn, was passing money on to the Institute of International Research, who's Secretary-Treasurer, believe it, or not, is Sasha Volman (?). Sasha Volman is said to be close to Juan Bosch.

"The Capland Fund was also getting CIA money from the Gotham Foundation, which, in turn was helping support the Anderson Foundation.

"One of the Anderson trustees reportedly is Leon Jerosky (?) of Houston, twice rumored a possible LBJ Attorney General.

"The Anderson Foundation also got CIA money from the Tower Funds, which should not be confused with Senator John Tower, who

Approved For Release 2004/10/13 : CIA-RDP88-01315R000100240001-0
UNION-STAR

E. 32,009

FEB 18 1970

CIA Aided Newspaper Guild

By ANDREW J. GLASS

Exclusive to the Union-Star
from The Washington Post

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"I have no doubt of their attitude if they learn that the money was coming from the CIA," the union official added.

Perlik said he was "unfamiliar" with the background of any of the foundations with which the guild has dealt in the last six years. Asked whether he knew CIA funds were involved, Perlik replied:

"It was not a question that I ever asked. It never concerned us. All I know is that

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Two Organizations

The guild's international activities are channeled through two organizations: The International Federation of Journalists headquartered in Brussels, and the Inter-American Federation of Working Newspapermen's Organizations in Panama City.

The Brussels-based unit was formed in 1952 as a counterweight to the Communist-dominated International organization of Journalists. Its sole international representative is Ronald A. Watts, a former president of the Rochester, N.Y. guild local.

Watts, who has held the post since its creation in 1962, has traveled extensively in Asia and Africa, forming new affiliations with the international federation. His salary and expenses are met by the guild through its International Affairs Fund.

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Declines to Answer

The Chesapeake Fund, which provided \$102,000 is administered by George W. Constable, a partner in the Baltimore law firm of Constable, Alexander and Danecker. Constable declined to answer any questions about the tax-exempt Chesapeake Fund.

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Agrees With Perlik

Davis, who briefly preceded Sloane as the FIOPP international representative in Panama, agreed with Perlik that the confirmation of a CIA guild bond would destroy the union's international activities.

"I think it would all end," he said. "Our credibility would be destroyed."

Perlik noted that the guild's international programs had repeatedly been questioned at the union's annual conventions. But, he said, the delegates lifted their objections when they

were assured that they were virtually entirely funded through payments by non-guild foundations.

Perlik said that after the guild decided to embark upon an extensive international program in 1960, he wrote letters seeking financial aid to about 50 foundations.

Supporting Programs

The first outside source to respond, according to the union's official reports, was the Granery Fund of Philadelphia. When this foundation said that it was bound to terminate its aid in 1963, Perlik was put in touch with the Andrew Hamilton Fund as well as the two foundations that are currently supporting the guild programs.

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'FOUNDATIONS WERE GENEROUS'

Was Guild Granted Spy Cash?

A top official of the American Newspaper Guild (ANG) said today his union is checking to determine whether it may have received CIA funds thru grants from private foundations.

Charles Perlik, secretary-treasurer of the ANG, said he did not know whether three foundations which have contributed as much as \$240,000 a-year to the guild were passing along money from the super-secret spy organization.

The Washington Post said today the ANG, which represents employes on newspapers, magazines, wire services and some broadcasting media, has accepted nearly \$1 million in CIA subsidies since 1961 to finance international activities.

NEVER CONCERNED

"I don't know whether it's true, or not," Mr. Perlik said. "It was not a question that I ever asked. It never concerned us."

Mr. Perlik said that if he did not know of any CIA connection — and he insisted he did not — no officer of the union would. He said grants from the three foundations came with no strings attached.

The three foundations supplying money this year, according to ANG international affairs director Richard P. Davis, were the Chesapeake Foundation, Baltimore, the Braod-Hi Foundation, Columbus, Ohio, and the Warden Trust, Cleveland.

Mr. Davis said the Guild began receiving grants in 1960, when \$60,000 was donated. The grants have climbed to the present annual level of \$240,000.

NO COMMENT

Spokesmen for the State Department and CIA declined comment. The CIA has a standing policy of no-comment on any controversy.

Earlier this week, it was disclosed that the CIA had been financing the National Student

Association thru grants from foundations. None of the foundations identified as CIA conduits were among those listed by the ANG.

Spokesmen for the three foundations identified by Mr. Davis were unavailable for comment.

INTERNATIONAL

The ANG's International Affairs Program consisted primarily of participation in the Inter-American Federation of working newspapermen's organizations and the International Federation of Journalists.

Mr. Perlik said that if reports of the CIA financing proved true, it would "destroy the (Guild's) international affairs program.

"It's been a damn fine program and I'd hate to see it destroyed for no useful purpose," Mr. Merlik said. (UPI)

Total Nearly \$1 Million

Newspaper Guild's World Program Operated on CIA Funds Since 1961

By Andrew J. Glass
Washington Post Staff Writer

The American Newspaper Guild has accumulated nearly \$1 million in CIA subsidies for a broad international program since 1961.

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Receives Funds From Guild

FIOPP, formed in 1960, receives virtually all of its funds from the Guild. "The Guild runs the show," Perlik said, "because the Guild has the dough. It's as simple as that."

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Perlik said that after the Guild decided to start an extensive international program in 1960, he wrote about 50 foundations seeking financial aid.

First Outside Source

The first outside source to respond, according to the union's official reports, was the Granery Fund of Philadelphia. In 1963, Granery said it had to terminate its aid but put Perlik in touch with the Andrew Hamilton Fund as well as the two foundations that now support the Guild programs.

Perlik said the various CIA-linked foundations have contributed more than \$900,000 to the Guild since 1961. In recent years, he said, the overseas programs have been maintained at an annual cost of about \$200,000.

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Perlik noted that the Guild's international programs had repeatedly been questioned at the union's annual conventions. But he said, the delegates lifted their objections when they were assured that they were almost entirely funded through payments by non-Guild foundations.

Expects to Attend Meeting

Perlik said he expected to attend a FIOPP executive committee meeting in April "assuming there's one to go to."

"When this is all over," Perlik said, "I doubt that anyone will ever again accept another penny from a foundation."

FEB 18 1967

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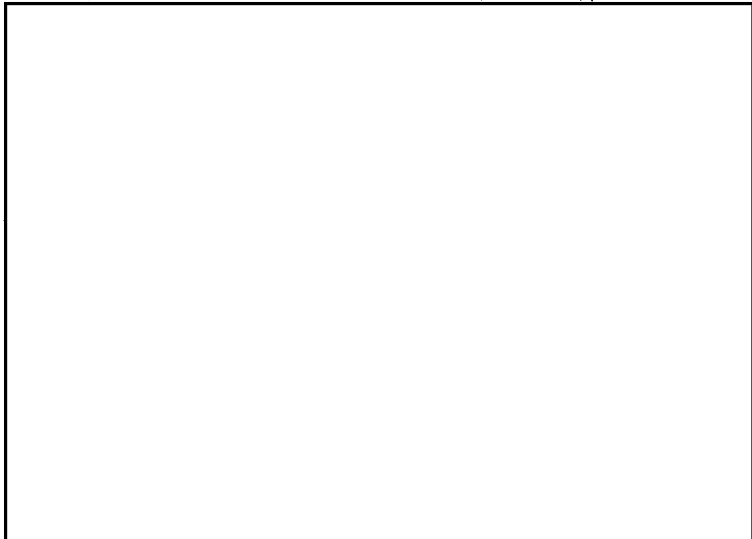
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STAT



FOR PUBLIC AFFAIRS STAFF

PROGRAM Weekend Report

DATE February 15, 1967 6:15 PM

STATION WRC Radio
NBC Network
CITY Washington, DCREPORT ON CIA

ALEC GIFFORD: "Now that report on the CIA, and the money it has so generously passed around.

"Here is Richard Valeriani, NBC News, in Washington."

VALERIANI: "Like the little girl with the little curl in the middle of her forehead, the CIA, when it's good, is very, very good, which means nobody knows about it, but when it's bad, it's horrid, which means it got caught.

"And if you feel the metaphor isn't apt, don't be sure. The little girl might be working for the CIA.

"She certainly would be no more suspect than the National Students Association, and the American Newspaper Guild appeared to be.

"The waves of shock set off by the revelation that both groups were subsidized by the CIA, through a score of private foundations, are still reverberating, and will continue to reverberate on Capitol Hill for sometime.

"The disclosures have once again made the scope and roll of the Central Intelligence Agency, in the free, and openly Democratic society of the United States, subjects of national controversy.

"The NSA, the largest student group in the country, reacted by searching its soul, bearing its breast, and then blaming everybody except itself for what happened.

JUL 25 1966

Newspapermen Meet

A basic weekly wage goal of \$292 for the Nation's newspapermen will be considered by the American Newspaper Guild this week at its 33d annual convention opening today at the Shoreham Hotel.

The Guild's International executive board will recommend that the convention adopt higher wage targets to compensate for cost of living increases and greater national productivity.

The \$292 figure is an increase of \$22 from the goal set at last year's convention. It would apply to experienced newsmen and commercial department employees. In addition, the executive board is expected to propose an increase from \$135 to \$146 in wage goals for all other classifications.

During the five-day convention, some 220 delegates will hear addresses by Sen.

Edward M. Kennedy (D-Mass.), AFL-CIO president George Meany and Secretary of Labor W. Willard Wirtz.

Guild Officers Call for Drive To Gain Large Pay Increases

ANG Convention Will Be Asked To Set \$292 Goal for Key Jobs

WASHINGTON—Officers' reports to the 33rd annual convention of the American Newspaper Guild, which opens here July 25, underscore drives to organize bargaining units on more newspapers and to apply "increased pressure for large increases in wages."

The underlying theme of the union's high command is summarized in the International Executive Board's recommendation to raise wage goals to \$292 for key classifications and \$146 for any adult classification.

'Overflowing Coffers'

Large economic gains are in order, the IEB declares, in view of general prosperity "and our industry's ability to afford decent pay levels—something long denied to our people and still resisted by the publishers despite their overflowing coffers."

After wage increases on the IEB program come the following items:

- Increased Guild efforts to abolish discrimination against women—"usually most apparent in the minimums for society reporters as compared with those for general news reporting." The newspapers under Guild contract that hold to this arrangement, IEB notes, are in a dwindling minority.

- Increased efforts for notice of the introduction of automation and new methods, protection against dismissals resulting from automation and new methods, and job re-training at employer expense in contracts which lack them.

Pension Plans

- Increased efforts to assure job security of members through jurisdiction clauses.

- Increased emphasis on efforts to build inter-union cooperation at the local union level and on continuing efforts to bring about the greatest amount of inter-union cooperation at the international level.

- Increased efforts "to bring

to our members the benefits of shorter hours, more holidays, longer vacations, better pension plans—all of which our free enterprise economy, and especially our own industry, both well-advanced into the computer era, can easily provide."

- Locals negotiating pension coverage for the first time, or seeking to replace unilateral employer plans with negotiated plans, seek to negotiate with their employers participation in the ANG Commingled Fund for greater investment return and lower administrative costs.

The new and higher wage settlements won in Guild contracts over the past year, ANG's officers state, should be capitalized upon to the fullest extent as an organizing tool, through concentrated efforts on unorganized papers in areas where the wage gains have been achieved. It is further recommended that locals of the Guild participate in organizing efforts with other unions.

31,749 Paying Dues

The San Francisco newspaper consolidation wiped out more than 400 Guild jobs and the suspension of the *Indianapolis Times* cost another 200 jobs in the Guild jurisdiction, the officers report, yet dues-paying membership as of April 1 (the end of the fiscal year) stood at an all-time high for that date—31,544. This was 98 more than the previous April record of 31,446 in 1963.

The highest membership total in Guild history was 31,749 in December, 1960.

The effect of the New York merger on Guild membership "obviously will not be good," the report advises.

Commenting on organizing efforts, the officers remarked on "indications that the substantial wage gains achieved in Guild contracts have stimulated interest in the Guild among workers not now organized."

"High minimums in the larger

cities in the past," it was noted, "have not been effective in creating organizing interest on medium and small papers. But money improvements in the last year in Guild contracts on small and medium papers are creating interest on publications of similar size. They get the message."

The largest single group to come into the Guild in the last year included 135 plant-wide production workers at *El Mundo* in Puerto Rico. This brought the Guild unit in Puerto Rico to 433. A contract was won after a 52-day strike.

\$200 Goal Passed

Recalling the establishment of the \$100 wage goal in 1946, the Guild leaders commented that locals "experienced in fiscal '66 the best bargaining year since 1947." They noted that the breakthrough on the \$200 wage goal at the Washington Post in 1965 continued with eight more daily newspapers agreeing to that minimum for reporters and display advertising salesmen. The papers are: *Washington Star*, *New York Times*, *New York News*, *San Francisco Examiner*, *San Francisco Chronicle*, *St. Louis Post-Dispatch*, *St. Louis Globe-Democrat* and *Oakland Tribune*.

The 1965 Guild convention raised the goal to \$270. On June 8, 1968 the third of three \$10 step-ups in the Washington Star contract provides \$210 for reporters and ad salesmen. The minimum for these classifications will go to \$207 in St. Louis on Jan. 1, 1968.

A \$180 minimum was obtained in Seattle.

Some Notable Gains

Other "notable gains" recognized in the ANG reports were:

- Upgrading of outside advertising solicitor at the *Boston Herald-Traveler* to parity with display salesmen—a \$22 raise for the want ad salesmen.

- A \$26.50 raise for outside classified salesmen, giving them the sale raise as display salesmen to maintain their relative positions at the St. Louis Post-Dispatch.

- A \$51 increase for circula-

tion supervisors over the contract term at the St. Louis Post-Dispatch to give them parity with reporters.

- Upgrading of many positions at the Washington Star, resulting in a minimum of \$246 for copy desk chief, assistant news editor, principal assistant city editor and principal assistant national editor.

- Increases averaging \$11.87 at the top reporter level in 52 two-year contracts. The average raise in the previous year was \$11.14.

Society Desk Parity

- In five contracts, parity with reporters was established for society writers; in three more contracts the differential was narrowed. At Lansing, the top minimum for women's editor went from \$24 below the reporter top to \$20 above as the result of a \$44 adjustment.

Now, in 32 of 134 Guild contracts covering editorial departments, women's section reporters receive less than the city desk reporter.

Reviewing gains, the ANG reports 159 contracts with Guild Shop clauses, 171 provide for dues deduction, 184 give four weeks of paid vacation or better, 180 have night job differentials, 174 contain a retirement plan and 142 provide over 30 weeks severance pay.

The New York Times was singled out for mention because of its agreement to set up a jointly-administered, trustee, funded pension plan. Its participation in the ANG Commingled Fund increased the number of participants to 16. The Fund's pooled assets of \$4.5 million will be augmented by the Times' contribution of \$50,000 a month.

\$150.61 Average

In a computation for assessment purposes, the average top reporter minimum in 137 newspaper contracts was calculated as \$150.61—\$5.16 higher than the average as of April, 1965.

The ANG collected \$524,918.19 from members in per capita taxes and fees. The Defense Fund reached \$1,174,841 on July 31, 1965 and expenditures of more than a million dollars in fiscal 1965-66 nearly doubled the expenditures in the previous year and second only to the \$1.5 million spent in 1963-64 during the long strikes in New York and Cleveland.

GUILD REUNION

29 Award Winners Invited to Dinner

WASHINGTON—Nicholas Katzenbach, Attorney General of the United States, has accepted an invitation to be the principal speaker at the 25th annual Heywood Broun Award dinner Feb. 14 at the Hotel Mayflower here.

The American Newspaper Guild is bringing together many of the Heywood Broun Award winners over the past quarter century, some members in the Washington press corps, and officials of organized labor and government.

The 1965 Heywood Broun Award—a prize of \$1,000 and a citation—will be presented at the dinner. The judges for this year's competition are Ben Bradlee, managing editor of the *Washington Post*, David Brinkley, NBC news commentator; and Carl T. Rowan, columnist, former director of the U.S. Information Agency.

The Guild offers its annual Broun Award for "outstanding journalistic achievement in the spirit of Heywood Broun," the

newspaper columnist who was its founder and first president.

First Recipient Is Dead

The first Broun Award covered journalistic work done during 1941, and it was awarded to the late Tom O'Connor, then a reporter for the New York tabloid *PM*, for a series of articles exposing dangerous health and accident conditions in the mining industry.

According to ANG records, 29 recipients of the award are alive, but only a few are still working for the newspapers they did when they won the prize.

Other winners have been:

1942—Dillard Stokes, *Washington Post*, For uncovering a Nazi propaganda network in the United States.

1943—Milton J. Lapine, I. L. Kennen, William M. Davy, E. George Green, all of Cleveland, For a series of CIO advertisements in the *Cleveland Union Leader* on absenteeism in war production plants.

1944—Nathan Robertson (deceased), *PM*, New York, For distinguished Capitol Hill coverage from Washington.

1945—Larry Guerin, *New Orleans Item*. For crusading articles on social and governmental affairs.

1946—Jack McPhaul; James McGuire (deceased); and Karin Walsh (deceased), *Chicago Times*, Joint efforts on a series of stories that freed a prisoner unjustly convicted of murder.

1947—Bert Andrews (deceased), *New York Herald Tribune*, For exposing disregard of civil liberties and rights in a series of dismissals at the State Department in Washington.

1948—Elias McQuaid, *New Hampshire News*, Manchester, N. H., For uncovering fraud in state contract awards.

1949—Herbert L. Block, *Washington Post*, For penetrating editorial cartoons, and Ted Poston, *New York Post*, For courageous coverage of a Florida rape trial.

1950—Leonard Jackson, *Bay City (Mich.) Times*, For a series exposing the exploitation of migrant Puerto Rican farm workers.

1951—Jack Steele, *New York Herald Tribune*, For exposing corruption in government bureaus.

1952—Wallace Turner, *Portland Oregonian*, For stories revealing fraud in the purchase of timberlands owned by Indians.

1953—Ralph O'Leary, *Houston Post*. For his expose of The Minute Women.

1954—Anthony Lewis, *Washington Daily News*, For stories helping reinstate federal employee wrongly-fired as a security risk.

1955—Clark R. Mollenhoff, *Cowles Newspapers*, For stories from Washington leading to the reinstatement of a security "risk" and the adoption of new security rules.

1956—Wallace Turner and William Lambert, *Portland Oregonian*, Stories leading to racket indictments of union, police and city officials.

1957—Aaron Epstein, *Daytona Beach (Fla.) Journal and News*, For stories leading to redevelopment of Negro slums, and Arthur W. Geisman Jr., *York (Pa.) Gazette & Daily*, For stories leading to community reforms.

1958—George N. Allen, *New York World-Telegram & Sun*,

For on-the-scene investigations of delinquencies in New York City schools.

1959—William Haddad and Joseph Kahn, *New York Post*, For stories exposing graft and mismanagement in New York City slum clearance.

1960—Harry Allen and Frank Drea, *Toronto Telegram*, For stories exposing exploitation of Italian immigrant workers.

1961—Michael Mok, *New York World-Telegram & Sun*, For stories exposing conditions in a New York City mental hospital, and Dale Wright, *New York World-Telegram & Sun*, For stories exposing exploitation of migrant workers.

1962—Morton Mintz, *Washington Post*, For reports on thalidomide, leading to protective legislation.

1963—Arthur Geisman Jr., *York Gazette & Daily*, For stories leading to prosecution of housing code violations, and Samuel Stafford, *Washington Daily News*, For an expose of the abuses in connection with the distribution of surplus food.

1964—Gene Goltz, *Houston Post*, For stories leading to indictment of local officials charged with theft and conspiracy involving public funds.

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Winners of Broun Award Invited To D. C. Reunion

WASHINGTON

The winner of the 25th annual Heywood Broun Award of the American Newspaper Guild will be announced at a dinner Feb. 14 at the Hotel Mayflower here.

Previous winners of the Award and representatives of their papers have been invited to attend the dinner.

The Award—raised to \$1,000 this year from the previous \$500—and a Guild citation, is given each year for journalistic work done in the spirit of Heywood Broun, the Guild's founder and first president, who was a newspaper columnist.

The competition is open to news writers, cartoonists and photographers whether or not they are members of the Guild.

The judges are: Carl T. Rowan, columnist; David Brinkley, NBC newsman; and Benjamin C. Bradlee, managing editor of the *Washington Post*.

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Guild Reaches \$200; Set Goal in 1957

WASHINGTON

Eight years ago the American Newspaper Guild set a goal of \$200-a-week as the minimum pay for reporters and advertising salesmen in newspaper contracts. The first \$200 minimum milestone was reached recently in pay checks to guild members at the *Washington Post*.

The \$200 scale has been obtained also in new agreements with the *New York Times*, the *New York News* and the *Washington Star*.

Twenty years ago the Guild had a \$100 goal. The average reporter minimum today is \$149.35, according to the union's records. The 1965 convention raised the minimum goal to \$270.