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April 15, 1961

NATIONAL SECURITY ACTION MEMORANDUM NO. 38

TO: Director, Bureau of the Budget

SUBJECT: Questions arising from CIA support of certain activities

A number of questions have been raised at the White House about the best way of relating the Government to activities like Radio Free Europe, the Asia Foundation, [redacted] and others which have received support from the Central Intelligence Agency. While it is clear that these activities have in the past been highly constructive, there is a real hazard that their value may be increasingly jeopardized as their cover grows thinner. In the case of the [redacted] for example, it is already difficult both to get a first-rate leader and to obtain Foundation funds for its work, because of fear that its connection with the CIA will become more widely known, with devastating results on its work in [redacted]

Different answers may be better for different elements of this problem. It may be wise to discontinue one or more of these activities, and on the other hand it seems at least possible that open Government support may be desirable under the concepts of the new foreign aid program, in some instances.

Accordingly, it is requested that the Bureau of the Budget undertake a study of this question as a matter of urgency, with a view to presenting recommendations for improvement in this area. Copies of this memorandum will be sent to Secretary Rusk and Director Dulles, both of whom concur in the need for this study.

McGeorge Bundy

cc: Secy of State
Dir of Central Intelligence
Dir, ICA

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Additional material has been released as a result of this review.

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By NARA, Date 4/1/98

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