

A.I.D. STATEMENT ON MSU ASSOCIATION  
WITH CIA

An article in the April 1966 issue of Ramparts magazine charged that the CIA had infiltrated an A.I.D. -financed Michigan State University contract in South Vietnam. The article said that the University, between 1955 and 1959, had at least five agents of the CIA on its payroll, participating in a program to improve the effectiveness of police services in South Vietnam. As President of Michigan State University, Dr. Hanna stated on May 16, 1966 that he had no knowledge of the employment of CIA agents.

While there was substantial news media coverage of the alleged association of the MSU contract with CIA under A.I.D. financing, A.I.D. was not directly drawn into the controversy to any extent. The public statement prepared by A.I.D. at that time (attached) was used in response to a limited number of congressional inquiries.

## Ramparts Article

In 1954 Vietnam was partitioned after a long colonial period and at the close of a bitter war. The Government of South Vietnam found itself with public administration and civil police services that were poorly trained, beset by the loss of French officers, and in many cases infested with graft and corruption. As a part of its effort to establish a responsible, effective government and to maintain its freedom, the Government requested U. S. assistance to help improve these services and create a modern, honest system. Because of the recognized competence of Michigan State University in the fields of public and police administration and the fact that it was an institution known to President Diem, the Foreign Operations Administration asked Michigan State University to provide this assistance and a two year contract was signed in April 1955. This contract was periodically renewed until 1962 when it lapsed by mutual agreement.

The April 1966 Ramparts article presents a seriously distorted picture of this project.

The project was at no time a front for "counter-espionage and counter-intelligence" operations. The University did undertake to provide training and advisory assistance to the Saigon Municipal Police and the Vietnamese Bureau of Investigation. Although this was the only time that such assistance has been handled through university contract, the

relationship between an honest, effective police force and the development of sound democratic government is quite clear and there was no reason why a university of recognized competence in the field of police administration should not assist in a training and advisory role.

Training and advice covered all phases of police administration: management, communications, investigations, fingerprinting, establishment of training institutions, etc. In the case of the VBI, one particularly important aspect in view of the critical security situation facing the Vietnamese Government was the area of counter subversion. Because MSU had no special competence in this area and the only readily available experts were from CIA, these persons were used in the project. The background of these persons was known to the GVN and President Diem personally approved their participation in the project. Their role was solely as advisors and trainers and they did not engage in any clandestine activities.

The article is not correct in stating that MSU had responsibility for the purchase of guns, ammunition or other equipment under the contract. MSU had no such responsibility. Except for limited amounts of training equipment, all such commodities were supplied as a part of the regular assistance program. MSU advisors did in some instances advise the government regarding the type and amount of equipment needed for civil police forces. In no case did the University arrange or finance the procurement itself.

The article is also incorrect in stating that the assistance provided either by Michigan State University or the U. S. Government violated the Geneva agreements. Those agreements did not apply to the furnishing of necessary equipment or advisors for civil police forces and the International Control Commission at no time indicated any problem involving the assistance provided these forces.

The article also misstates the financial details of the project. The final adjusted value of the basic contract was \$5.4 million in dollar costs and approximately \$5.1(?) million equivalent in local currency for a total of \$10.5(?) million, rather than the \$25 million stated in the article. Commodity procurement was the responsibility of FOA-ICA rather than the University. FOA-ICA maintained strict budgetary and accounting controls throughout, particularly on such matters as travel, salaries and administrative expenses.

Other inaccuracies of detail further distort the picture which the article gives of the project's background and operation.