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A Growing Roster Of CIA Subsidies

Business Leaders Involved

By Richard Harwood
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Washington

There was mounting evidence yesterday that leaders of American business establishments have been deeply involved in the covert operation of the Central Intelligence Agency in the United States.

In Dallas, Texas, a charitable foundation intimately associated with the Republican National Bank and other major companies, apparently has served as a channel for at least \$580,700 in CIA funds since 1958.

One of the foundation trustees is Federal Judge Sarah T. Hughes, who administered the oath of office to President Johnson following the assassination of President Kennedy.

HOUSTON

In Houston, another foundation closely identified with the Texas business community, has apparently passed on \$655,000 in CIA funds since 1958.

The foundation's attorney and one of its trustees is Leon Jaworski, a friend of President Johnson who has been rumored from time to time to be in line for appointment as Attorney General of the U.S.

In New York, Eli Whitney Debevoise' law partners, is lawyer who served as deputy U.S. High Commissioner in Germany from 1952 to 1953, was identified as the principal officer of the American Council for the International Commission of Jurists which has received, under another name, \$655,000 from known

CIA front groups. One of Debevoise' law partner's is Francis T. P. Plimpton, an intimate of the late Adlai Stevenson and a former U.S. delegate to the United Nations.

BOSTON

In Boston, Paul Hellmuth, partner in a leading New England law firm, has been identified as a trustee of two foundations that have received and passed on regular contributions from four CIA fronts.

In New York, Arthur A. Houghton Jr., president of Steuben Glass and a director of its parent company, Corning Glass Works, has been associated with still another alleged CIA-supported organization — the Foundation for Youth and Student Affairs.

From all indications, numerous other links between the CIA, the business establishment, the American legal community, and charitable organizations will be surfaced in the days ahead. They involve student groups, labor organizations, scholarly institutions, and other agencies concerned with international affairs.

LINK

The link between the CIA and the Texas foundations was established by the Washington Post through an inspection of tax returns in the files of Representative Wright Patman's House Subcommittee on foundations.

The first is the M. D. Anderson foundation of Houston, administered by the trust department of the First National City Bank in Houston. The foundation had assets of \$43.6 million in 1964 and owned major blocs of stock in the Bank of the Southwest of Houston, Anderson, Clayton & Co. of Houston, and Texas Foundries in Lurkin, Texas.

Beginning in 1958, the Anderson Foundation's tax returns showed receipts ranging from \$45,000 to \$170,000 a year from the Gotham Foundation, Borden Trust, the Beacon Fund, the Price Fund, the Tower Fund, Williford-Telford Fund, and San Miguel Fund.

RECEIPTS

The total receipts from these sources between 1958 and 1964 was \$655,000, a sum that precisely matched the Anderson Foundation's grant to an organization called the American Fund for Free Jurists, Inc., in New York. The fund is now called the American Council for the International Commission of Jurists.

The Gotham, Borden, Beacon, Price and Tower foundations have been identified publicly by the Patman subcommittee as CIA fronts and that identification has been

confirmed by officials in the Johnson Administration who are in a position to know the facts. The San Miguel fund, and the Williford-Telford fund are also believed on good authority to be "vehicles for the transport of CIA money."

SILENCE

In Houston yesterday, Jaworski refused to discuss the financial affairs of the Anderson foundation. Nor would he discuss the possibility of any links between the foundation and CIA but said that his silence was not to be interpreted as either a confirmation or denial that the links exist.

The beneficiary of the foundation's apparent CIA disbursements — formerly known as the American Fund for Free Jurists, Inc. — is located in New York at 730 Third Avenue. Its executive secretary Ronald Levin expressed shock at the question of CIA financing.

"I've only been here about a year," he said, "and I have absolutely no knowledge of CIA involvement."

GRANT

Levin said he believed that his organization has received a grant in 1966 from the Anderson foundation, which would have been in addition to the \$55,000 dollars the foundation had reported in the years through 1964.

The main function of his organization, said Levin, is to raise funds for the International Commission of Jurists in Geneva. He described the commission as a group of 31 eminent legal scholars and lawyers from 29 non-Communist countries. One of the commission members is Debevoise, a partner in the prestigious New York firm, Debevoise, Plimpton, Lyons & Gates.

The commission, according to Levin, publishes studies concerned with "the protection of individuals from arbitrary government." He said it has not been a philosophical partisan in the cold war and has published critical studies of legal conditions in both Communist and non-Communist countries.

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FINANCING

As for the financing of the American branch, Levin referred all questions to Debevoise, who was identified as the organization's board chairman.

Efforts to reach Debevoise failed.

The second Texas foundation with links to CIA channels is the Hoblitzelle foundation, named for the family of Karl Hoblitzelle, board chairman of the Republic National Bank, president of Texas Consolidated Theatres, Inc., and president of Interstate Circuit, Inc. It

had assets of \$21.7 million in April, 1965.

FUNDS

Beginning in 1958, the Hoblitzelle foundation began making major grants to the International Cooperative Development Funds, about which nothing is known, and the Congress for Cultural Freedom.

The funds for these grants, with one exception, were reported on the foundation's tax returns from 1958 through 1963 as anonymous cash contributions. The one exception was a \$10,000 contribution in 1961 from the Price Fund, a known CIA front.

After 1963, the gifts were listed on the tax return as coming from such CIA fronts as the Borden Tower Beacon, Monroe Price and Heights funds.

MATCHING

Whether listed as "anonymous cash" or as gifts from CIA fronts, the Hoblitzelle contributions in each of the years precisely matched its income from these sources. For the full period — 1958 through April 1965—the foundation's income from these sources was \$580,700.

Of the total, \$75,000 went to the International Cooperative Development Fund and \$505,700 to the Congress for Cultural Freedom, which has its headquarters in Paris.

The president of the Republic National Bank, James Aston, is a director of the Hoblitzelle foundation. He said there is no connection between the foundation and the CIA but he was unable to explain the flow of money from such fronts as the Tower Fund to such groups as the Congress in Paris. He did not know, he said, if the foundation has passed on any grants for the U.S. Government and said no other officer of the foundation would be able to supply that information.

Efforts to reach Federal Judge Hughes were unsuccessful.

BENEFICIARY

The Congress for Cultural Freedom, a major beneficiary of the Hoblitzelle foundation, was founded in 1950 for the "defense of intellectual liberties against all encroachments on the creative and critical spirit of man." Many of the most distinguished artists and authors of the western world are associated with the congress and its activities.

Stephen Spender, the British poet, and Melvin J. Lasky edit Encounter magazine in London on behalf of the congress. The congress also publishes other magazines — Preuves in France, Forum in Austria, and Hiwar in Beirut. Hiwar was banned from Egypt last year on grounds

that it was subsidized by the CIA.

The general secretary of the congress is Nicolas Nabokov, the American composer. The chairman is Denis de Rougemant of Switzerland.

The foundation tax returns in the Patman files reveal other organizations that have been used over the years as funnels for CIA money.

One of them is the J. M. Kaplan Fund of 55 Fifth Avenue, New York. This fund, which has had difficulties with the Internal Revenue Service over its tax-exempt status, dispensed \$923,500 from 1961 through 1963 which was supplied by publicly identified CIA fronts — the Gotham, Michigan, Andrew Hamilton, Borden, Price, Edsel, Beacon and Kentfield funds.

PURPOSE

The sole beneficiary of the money was the Institute of International Labor Research, Inc., which is located in New York. The institute's stated purpose is to promote "democratic political, economic and social progress, primarily in Latin America."

The founder of the Kaplan Fund, Jacob Merrill Kaplan, is a former president of the Welch Grape Juice Company.

Still another charitable foundation that has served as a vehicle for CIA money is the David Josephine and Winfield Baird Foundation of 87 Broad street, New York. It received \$453,800 from CIA fronts between 1961 and 1964 and dispensed from that source at least \$350,000. The beneficiaries were the International Development Foundation (\$50,000), the American Friends of the Middle East (\$150,000) and the African-American Institute (\$150,000).