

CIA Reported Ending Aid to Some Groups

Helms Testifies In Senate, Russell Sees Cutbacks

By Richard Harwood
Washington Post Staff Writer

The Central Intelligence Agency apparently has taken steps to cut off its financial support of certain private groups in American society.

Indications that the decision had been made came from Sen. Richard B. Russell (D-Ga.), chairman of the Senate's CIA watchdog committee.

The committee met in closed sessions yesterday with CIA Director Richard Helms. When the meeting ended, Helms declined to issue a public statement. But Russell said he was of the opinion that the CIA would retrench its domestic activities, particularly with respect to subsidies to student groups.

Even as he spoke there were new revelations about the extent of the Agency's U.S. operations:

- An international affiliate of the National Education Association has been receiving \$500,000 a year from a CIA front.

- The Rubicon Foundation of New York has been used as a secret conduit for CIA funds. Rubicon's treasurer is Morris Hadley, a law partner of John J. McCloy, who is now representing the Administration in negotiations over the size of the U.S. troop commitment to Europe.

- Peter J. O'Donnell Jr., chairman of the Republican Party in Texas and a leader in the Barry Goldwater campaign in 1964, announced in Dallas that his family foundation has been used as a conduit for CIA money.

- In New York, the presi-

dent of International Development Foundation, George A. Truitt, said the organization's work in Latin America has been wrecked by disclosures that it accepted CIA funds. He said he had never asked about the source of grants his Foundation received and was unaware of the CIA's involvement.

- In Chicago, the National Council of Churches acknowledged that it had received program support from several foundations known to have handled CIA money. "The NCC," said general secretary R. H. Edwin Espy, "had no knowledge at any time that any of these gifts had any links with CIA involvement."

- In Washington, the American Association of University Professors denounced the CIA for its broad involvement in the affairs of the National Student Association, saying:

"We believe that such clandestine subsidies and influences are incompatible with

See CIA, A9, Col. 1

Two major teacher organizations got more than \$1 million from CIA conduit. Page A8.

CIA—From AI

CIA Seen Curtailing Subsidies

the standards and objectives of higher education, with academic freedom, and with the integrity of persons and institutions in an open society."

The extent of the agency's "subsidies and influences" was discussed by Helms with the Senate watchdog committee on the CIA, headed by Sen. Russell.

Helms later also met with the House Foreign Affairs Committee.

Russell said after the Senate meeting that the publicity about the CIA's domestic activities had "greatly damaged its effectiveness." Consequently, he said, it "might be well for the CIA to sever financial connections with a great number of organizations." He implied that this was already being done in the case of "some" organizations.

"It would be a waste to continue," he said.

Called "Hogwash"

Russell had no criticism for the agency and said it was "just a lot of hogwash" that the CIA had impaired academic freedom through its undercover activities.

A different defense of the CIA came from Sen. Robert F. Kennedy (D-N.Y.). Without passing judgment on the wisdom of its domestic subsidies, Kennedy said the decisions were "not made unilaterally by the CIA but by the Executive Branch in the Eisenhower, Kennedy and Johnson Administrations."

While President Kennedy was in the White House, McGeorge Bundy worked intimately with the CIA and was fully aware of its financial support of such groups as the National Student Association. Under President Johnson, Bundy's CIA role is thought to be filled by Presidential Assistant Walt W. Rostow.

And under both Administrations the agency's method of operation in the United States

has been the same.

When it wished to support a private organization, it passed on funds through "dummy" foundations such as the Kentfield, Edsel, Beacon, Tower and Borden Funds. In some cases — the National Student Association, for example — the dummy foundation made direct contributions.

Many Identified

More often, however, the dummy foundation would choose a legitimate, private charitable organization to pass on the money to designated beneficiaries. More than a score of these "conduit" foundations have been identified during the last 10 days, of Jones-O'Donnell and Rubicon Foundations were added to the list yesterday.

Jones-O'Donnell received \$50,000 in 1961 and 1962 from two CIA dummies — the Borden Trust and the Price Fund. It passed on the money to such CIA beneficiaries as the American Friends for the Middle East.

Rubicon received \$58,500 from the dummy Kentfield Fund from 1962 to 1964 and passed on funds to the African-American Institute.

Attorney Hadley, Rubicon's treasurer, is a member of the New York law firm, Milbank, Tweed, Hadley & McCloy.

When asked last night about Rubicon's connection with CIA, Hadley replied:

"I suppose my answer on that is that I have no comment."