

Subsidizing 5-2-22-67 Forced on CIA--Solon

By WALTER R. MEARS
WASHINGTON (AP)—
The Central Intelligence Agency sought to curtail its financing of private organizations in the past, but ran into objections from other arms of the government, says Sen. Milton R. Young.

The North Dakota Republican said every investment the CIA made in an organization outside the government was undertaken on written instructions, apparently from the National Security Council.

He said the spy agency's checks were subject to scrutiny in the Bureau of the Budget, as were those of the Security Council, a White House agency.

YOUNG SAID in some instances CIA financial support originally was promoted by the State Department.

Young, senior Republican on the Senate panel which oversees CIA financing and operation, said the intelligence agency was trying to get some of its instructions changed prior to the public storm that broke last week with disclosure it had been subsidizing the National Student Association.

Young said secrecy restrictions barred his giving a more detailed description. He talked after CIA Director Richard

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Helms briefed the Senate panel for three hours yesterday. Helms also met with the House Foreign Affairs Committee.

Sen. Richard B. Russell, D-Ga., chairman of the Senate subcommittee, said Helms reported that the agency is withdrawing financial support of some private organizations.

HE WOULD NOT quote Helms further. Russell did not make clear whether the Helms report involved a halt in aid to groups still secretly receiving CIA funds. Helms would not answer newsmen's questions after the hearing.

In other developments:

—Sources close to President Lyndon B. Johnson said he will make no statement about CIA subsidies until a panel of three government officials completes its review of the situation.

—Senate Democratic Leader Mike Mansfield said he flatly opposes secret government investment in private organizations.

—THE STUDENT BODY president of the University of California at Berkeley, Dan McIntosh, said the National Student Association's "international program is dead. The credibility of United States students abroad is greatly damaged." He is on the NSA board.

—Peter O'Donnell Jr., Texas Republican chairman, said the Jones-O'Donnell Foundation which he heads has served as a conduit for CIA funds.

—Republican Reps. Donald E. Lukens of Ohio and John E. Hunt of New Jersey demanded a congressional investigation to determine "how much of the millions of dollars of the taxpayers' money the CIA channelled to private organizations was used for leftist purposes."

The presidential sources said Johnson does not want to prejudge the case, wants solid facts before speaking publicly and wants the benefit of judgment and recommendations of the investigating panel of Helms, Undersecretary of State Nicholas Katzenbach and Secretary of Health, Education and Welfare John W. Gardner.