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WASHINGTON, April 27—

The key proposal of the Senate Select Committee on Intelligence Activities to establish a new intelligence oversight committee with broad legislative and budgetary powers was watered down by the Senate Rules Committee today.

The proposal is expected to be defeated entirely tomorrow by the Rules Committee, thus setting the stage for a major battle on the Senate floor next week.

Supporters of the proposed intelligence oversight committee do not believe that they stand much of a chance in the

Rules Committee but intend to press the issue on the Senate floor, where they calculate their chances of success are better but still uncertain.

The Rules Committee approved today by a 5-to-4 vote a move that would require the proposed oversight committee to share its jurisdiction with the four committees that now have authority over intelligence operations.

This would entail overlapping jurisdictions with the Senate committees on Armed Services, Appropriations, Foreign Relations, and Judiciary—the very committees that critics say failed to exercise their oversight responsibilities in the past.

A second section of the select committee's report, dealing with domestic intelligence activities, is to be released tomorrow. The first section, containing the recommendation for a new oversight committee, was released yesterday.

Senator Dick Clark, Democrat of Iowa, one of those guiding

NEWS INDEX

	Page		Page
About New York	48	Movies	30-33
Books	35	Music	30-33
Bridge	34	Notes on People	26
Business	51-67	Obituaries	40
Crossword	35	Op-Ed	39
Editorials	38	Real Estate	67
Education	48-50	Sports	44-47
Family/Style	22-29	Theaters	30-33
Financial	51-67	Transportation	69
Going Out Guide	30	TV and Radio	70-71
Letters	38	U.N. Proceedings	16
Man in the News	6	Weather	69

News Summary and Index, Page 37

Continued on Page 8, Column 1

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Sweet, I.B.: YOU stick together. I'm leaving town. Maybe they never heard of Capote or the May Esquire in Borneo.—E.S.—ADVT.

Continued From Page 1, Col. 8

the legislation of the proposed oversight committee through the Rules Committee, said today that the sharing formula would "greatly weaken" the proposed panel.

The proposals in yesterday's select committee report are now running into opposition, as expected, from those who want to protect existing committee jurisdictions and those seeking to preserve Presidential flexibility in conducting intelligence operations.

Senator Howard H. Baker Jr., Republican of Tennessee, a member of the select committee, said that the matter was far from being resolved. "I have a strong preference for a single-responsibility, exclusive jurisdiction oversight committee," he said. "I'm still hopeful that that will be the final result."

Proposals Under Review

The Rules Committee is considering a variety of proposals from the Senate Government Operations Committee, including provisions to establish a new Senate intelligence oversight committee with exclusive legislative and budgetary jurisdiction in intelligence matters.

These provisions, as they were originally sent to the Rules Committee, were wholly consistent with the recommendations of the select committee.

The more than 600-page report issued by the select committee yesterday described what was called a history of inadequate oversight and control of the intelligence community by the executive branch and Congress and constituted an extensive brief for the creation of a new standing committee in the Senate.

Senator Howard W. Cannon, Nevada Democrat who is chairman of the Rules Committee, introduced today another amendment that would drop the idea for a new standing committee and simply establish an-

other select committee to further study intelligence activities. He plan to call up his proposed amendment in the Rules Committee tomorrow.

Mr. Clark said that this call for a new study "would totally repudiate" yesterday's report by the select committee headed by Senator Frank Church, Democrat of Idaho.

The panel proposed by Mr. Cannon would have no powers beyond further study and review, and its members would be drawn exclusively from the four existing committees concerned with intelligence matters.

The Cannon amendment is virtually certain to pass the Rules Committee, according to Senators and staff who have been following its proceedings.

"They have five votes and we have four, and that's all there is to it at this point, but I think we'll have the votes on the Senate floor," one Senator said.

The 5-to-4 lineup was displayed today in the amendment offered by Senator James B. Allen, Democrat of Alabama, which required that any new standing oversight committee share powers with existing ones.

Voting with Mr. Allen and Mr. Cannon were Robert C. Byrd, of West Virginia, Hugh Scott, of Pennsylvania, the majority leader; and Robert P. Griffin, of Michigan, the minority whip.

Debate Late Next Week

Voting against the amendment were Senators Clark; Claiborne Pell, Democrat of Rhode Island; Harrison A. Williams Jr., Democrat of New Jersey, and Mark O. Hatfield, Republican of Oregon.

One Senator said there was a chance of bringing Mr. Byrd into this group tomorrow but added that this was doubtful.

The final recommendations of the Rules Committee are sched-

uled to be debated on the Senate floor late next week.

Senators and staff members of the select committee said that they had expected all along that there would be considerable resistance to their proposed oversight committee and its proposed powers.

Among those powers would be investigation of intelligence activities and full access to intelligence reports, authority to legislate charters for each of the intelligence agencies, and, most important, exclusive authority to to authorize the national intelligence budget. This budget is estimated to be about \$4.7 billion this fiscal year.

The Senators and staff of the select committee explicitly adopted a strategy to mitigate anticipated opposition. As described by some of them, the essence of the strategy was to avoid disclosures to the news media.

In their judgment, such disclosures undermined support for the recommendations of the House Select Committee on Intelligence and led to the suppression of its report by House vote. Their point was that disclosures would lend credence to the charge that Congress was not sufficiently disciplined to receive sensitive intelligence information.

President's Role Assayed

As several senators and staffers explained, the committee report would contain no new sensitive information that might lead the President to oppose publication of the report or that would draw attention away from the committee's recommendations.

They did not want to lay themselves open to the contention that the four existing committees can keep this kind of information secret and they can not.