

C.I.A. TO WITHDRAW SOME SUBSIDIES TO PRIVATE UNITS

Helms Tells Watchdog Panel of Senators of Decision on Non-Government Actions

KENNEDY BACKS AGENCY

Senator Young Says Defense Department Sometimes Set Policies on Intelligence

27 FEB 1967

By JOHN HERBERS
Special to The New York Times

WASHINGTON, Feb. 21 — Richard Helms, director of the Central Intelligence Agency, told a Senate watchdog committee today that the agency would withdraw financial assistance from a number of non-Government organizations.

This much of Mr. Helms's testimony, taken in a closed hearing, was relayed to reporters by the committee chairman, Senator Richard B. Russell, Democrat of Georgia. Senator Russell said he agreed with the decision.

"In view of all the disclosures in the past week or 10 days," Mr. Russell said, "I think it would be well for the C.I.A. to discontinue its financial connections with a great many organizations."

In last Wednesday's New York Times, President Johnson was reported to have directed the intelligence agency to close out all secret programs of aid to students groups.

The agency's work was defended in interviews with Senator Robert F. Kennedy, Democrat of New York. He said the basic decisions for the secret subsidies had been made by "the executive branch in the Eisenhower, Kennedy and Johnson Administrations."

Tax Status Reviewed

In another development, officials of the Internal Revenue Service said that the National Student Association's tax-exempt status was under review. They denied, however, that the review was in any way related to the intelligence agency controversy, pointing out that it began as a matter of routine two years ago when the association was chartered as a non-profit corporation. It has been disclosed that the association received agency subsidies.

Senator Russell and other members of the committee defended the intelligence agency in the growing controversy over its subsidies to educational and labor groups and foundations.

"Mr. Helms cleared up a lot of things," said Senator Stuart Symington, Democrat of Missouri. "The policies of the C.I.A. are not set by the C.I.A. This is an operating agency, operat-

Continued on Page 17, Column 2

C.I.A. TO CANCEL SOME SUBSIDIES

Continued From Page 1, Col. 1

ing under the instructions and policies of others."

Senator Symington did not elaborate, but Senator Milton R. Young, Republican of North Dakota, said the agency had subsidized some organizations it had no desire to help and had no authority on its own to withdraw some of its subsidies.

In some instances, Senator Young said, the intelligence organization was operating at the direction of the State Department or the National Security Agency, a secret arm of the Defense Department. All subsidies, he said, were recorded and approved by the Bureau of the Budget.

President Johnson, who is responsible for the administration of the entire security and intelligence operation of the Government, would not necessarily know the details of the subsidies to private groups, the Senator said.

Permanent Cutoff Seen

It is now generally understood by those in Congress who oversee the agency that the intra-administration committee that President Johnson appointed to review the situation will at least recommend permanent severance of secret subsidies to educational institutions.

The committee also is expected to draw up policy and recommendations on making overt subsidies to youth and education groups to promote the United States's ideological position abroad. The committee is composed of Under Secretary of State Nicholas deB. Katzenbach, its head, Mr. Helms and Secretary of Health Education and Welfare John W. Gardner.

Mr. Gardner said yesterday that it was "a mistake for the C.I.A. ever to entangle itself in covert activities close to the field of education or scholarships or the universities."

The Senate committee that oversees the intelligence agency and has access to many of its secrets was enlarged late last year after Senator Mike Mansfield, the majority leader, and other members of the Foreign Relations Committee complained that Congressional oversight of the agency was too narrow.

Now Has 12 Members

It is now composed of 12 members—six from the Armed Services Committee and three each from the Appropriations and Foreign Relations Committees.

Senator Russell said today's meeting had not been called to review the agency's subsidies to private organizations but to receive a regular monthly briefing by the director on "world conditions." But during most of the 2½-hour session, Mr. Helms was questioned mostly about

the controversial subsidies.

Senator J. W. Fulbright of Arkansas, chairman of the Foreign Relations Committee, left an important meeting of his own committee with an apology that he had to attend to an "important matter" before the Russell committee.

When the meeting broke up, Mr. Helms brushed by reporters and headed for an elevator. Did he agree with Mr. Gardner, someone asked, that secret subsidies to educational groups were wrong?

"I have no opinion," he said over his shoulder.

First Statement

Senator Russell was encountered at the order end of the corridor in the old Senate Office Building. He somewhat reluctantly agreed to make his first statement on the controversy since it came into the open last week with the disclosure that the agency had been assisting the National Student Association for several years.

The Senator confirmed that he had known and approved of the subsidies since their beginning. He especially defended assistance to the student association.

"I have not been able to see where the C.I.A. subverted the youth of this land," he said. "Not a single bit of evidence has been brought forward to show this."

"All this clamor about impairing academic freedom or subverting youth, that is a lot of hogwash," he said.

He said the subsidies had begun in the early nineteen-fifties when Communist countries were winning propaganda victories among world youth movements. He said that if Congress had made an overt appropriation to counter this propaganda its effectiveness would have been impaired.

Lauds 'Higher Dividend'

As it was, Senator Russell said, the American effort through the student association "probably paid a higher dividend to stop Communist propaganda than almost any other program."

"We got more for the dollar out of this," he said.

But he conceded that "as a practical matter" agency subsidies to the student association could have been discontinued several years ago because of changed world conditions.

Senator Russell was not clear about just where subsidies to private groups should stop. He said he understood that some organizations, which he declined to name, were anxious to continue their covert relationship with the intelligence agency.

The trouble, he insisted, was not in the subsidies themselves but in the disclosures.

He left the implication that subsidies should be stopped when disclosed and continued when not.

"A great number of people," he said, "would like to see the C.I.A. destroyed."

Asked if the agency was in danger of destruction, he replied, "Its effectiveness has been impaired."