

Whitney Trust Got Aid

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WASHINGTON, Feb. 24—A charitable trust established by John Hay Whitney received \$325,000 in 1964 and 1965 from the Granary Fund of Boston, used by the Central Intelligence Agency to channel money from front foundations to various organizations here and abroad.

Mr. Whitney is the former owner, publisher and editor in chief of The New York Herald Tribune. He is now a one-third partner in the successor paper, The World Journal Tribune, and a member of its three-man executive board.

Reports filed by the Granary Fund with the Attorney General of Massachusetts show that the fund contributed to a John Hay Whitney Trust for Charitable Purposes \$225,000 in 1964 and \$100,000 in 1965.

In response to requests for comment on the Whitney Trust, the sources of the contribution made by the Granary Fund and

Continued on Page 10, Column 2

NYT
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Continued From Page 1, Col. 5

the disposition of the grant by the Whitney Trust, Walter N. Thayer, head of the Whitney Communications Corporation, made the following statement on behalf of Mr. Whitney:

"The trust which I established Dec. 29, 1958, for charitable purposes has operated since that date. In accordance with the terms of the trust, several pledges and contributions, all of which have been properly reported, have been made to a number of tax-exempt organizations in which I have been personally interested and whose purposes I approve."

Mr. Thayer said that neither Mr. Whitney nor himself would have further comment about the charitable fund, its beneficiaries or its sources of income.

At the time Mr. Whitney established the fund he was Ambassador to Britain. President Dwight D. Eisenhower named him Ambassador in December, 1956, and he took up his post the following February. On Nov. 18, 1960, he submitted his resignation, effective Jan. 20, 1961.

The Granary Fund, which is situated at the law offices of Hemenway and Barnes at 73 Tremont Street, is not listed either in the Boston Telephone Directory or in the Foundation Directory compiled by the Foundation Library Center of New York and published by the Russell Sage Foundation.

Contributions Shown

The "schedule of contributions received" by the Granary Fund in 1964, according to the report filed with the Massachusetts Attorney General, shows that it received \$300,000 from the John G. Thornton Trust, \$150,000 from the James Carlisle Trust and \$500 in "miscellaneous contributions."

Officials here who asked not to be identified characterized the Thornton and Carlisle trusts as "C.I.A. fronts" used to channel funds to legitimate foundations that then passed the money on to designated organizations having overseas activities or interests.

According to the "schedule of contributions and grants paid" by the Granary Fund in 1964, the following payments were made:

Trust U/D [Under Donorship] of John Hay Whitney for Charitable Purposes	\$225,000
International Development Foundation, Inc.	100,000
Fund for International Cooperative Development	50,000
American Fund for Free Jurists, Inc.	50,000
Institut d'Historie Sociale	35,125
Friends of India Committee Trust	35,000
Operations and Policy Research, Inc.	29,000
Thomas J. Gilligan Jr.	6,000

In 1965, the report to the State Attorney General shows that the Granary Fund received \$325,000 from the Mount Pleasant Fund, \$200,000 from the James Carlisle Trust, \$125,000 from the Victoria Strauss Trust and \$1,000 in "miscellaneous contributions."

The Mount Pleasant Fund and Strauss Trust were also characterized as intelligence agency conduits by the officials.

In 1965 the Granary Fund made contributions of \$150,000 to the International Development Foundation, \$100,000 to the Whitney Charitable Trust, \$75,000 to Friends of the Middle East, Inc., \$68,000 to Operations and Policy Research, \$50,000 to the Pan American Foundation, \$38,000 to the Retail Clerks International Association, \$35,250 to the Institut d'Historie Sociale, \$3,500 to Robert E. Witherspoon and \$1,500 to M. J. Desai.

During the last week all the recipient organizations except the Whitney Trust, the Institut d'Historie Sociale and Friends of India have been indicated in tax returns as groups that received funds from foundations known to be agency conduits.

George H. Kidder, a trustee of the Granary Fund, declined in a telephone interview to discuss the foundations that contributed \$450,000 to the fund in 1964 and \$650,000 in 1965. Nor would he explain the purposes of the fund's contributions to the Whitney Trust.

"This whole thing [the Granary Fund] is a fund for clients who wished to remain anonymous," Mr. Kidder said. "I am under obligation to maintain the anonymity of the client."

Asked whether he had any reason to believe the Granary Fund had been used to transmit intelligence agency funds, Mr. Kidder replied:

"I have no comment on that. We were acting for our client."

In Who's Who, Mr. Kidder lists himself as being "with Office Gen. Counsel, C.I.A., 1952-54."

According to the Internal Revenue Service, the Granary Fund has not filed 990-A forms listing contributions received and dispensed.

Asked why these forms had not been filed, Mr. Kidder said the fund had "an exemption from the I.R.S."

An officer for the Internal Revenue Service said that, under the provisions of the Internal Revenue Code, a charitable organization could get an exemption from filing form 990-A "if such organization is supported in whole or in part by funds contributed by the United States, or any state or political subdivision thereof."

Service Checking

The service said it was checking to see whether such an exemption had been requested and granted.

Allen W. Dulles, who was the Director of Central Intelligence from 1953 to 1961, said he could not recall anything about the Whitney Trust.

"Frankly," he said, "I've been out of this for six years. I don't know as I ever knew anything about it."

John A. McCone, who was the agency's director in 1964-1965, could not be reached for comment.

Mr. Whitney said that all contributions by his charitable trust had been "properly reported." Presumably he meant that the trust had filed 990-A's.

An Internal Revenue Service officer said that any 990-A's filed by the Whitney Charitable Trust would be in central files outside of Washington and that it would take several days to have them sent here.

In a telephone interview, F. Emerson Andrews, director of the Foundation Library Center in New York, which has on file copies of 990-A's of most reporting tax-exempt foundations, said that there were two John Hay Whitney Trusts for Charitable Purposes.

One of these, Mr. Andrews said, was established in 1958 and the other in 1959.

Mr. Andrews said the Center had no 990-A's for the 1958 trust for the years 1964 and 1965.

It does have on file, he said, a 990-A for the 1959 trust for the year 1964. This form, he said, reported grants of \$50,000, all to The Herald Tribune Fresh Air Fund, and contributions received of \$92,500.

Samuel Culver Park Jr., a trustee of the charitable trust, said last night that the fund had made contributions to a number of institutions, including the North Shore Hospital, Manhasset, L.I., and the Museum of Modern Art.