

CIA Reported Selling Off An Airline

Washington ^{CIA}

The Central Intelligence Agency is secretly trying to sell its controlling interest in a charter airline, Southern Air Transport, knowledgeable officials said yesterday.

A member of the Miami-based company, which operates three Lockheed Hercules transports, said in a telephone interview that Southern Air Transport had done contract work for the U. S. Military Assistance Command in Vietnam. He asked not to be identified.

There is also some evidence that the charter airline performed some clandestine missions for the intelligence agency in the Caribbean area, specifically to Haiti.

AIRLINE

The sale of the 26-year-old airline to Stanley G. Williams is currently before the Civil Aeronautics Board's administrative law judge, Milton Shapiro.

Williams, a former Navy man, joined the airline in 1949 and became its secretary-treasurer. Now, as president and director, he is seeking 100 per cent ownership for \$5.1 million.

The nominal sellers are a Washington businessman, Perkins McGuire, and Percival Flack Brundage, also of Washington.

GOVERNMENT

McGuire was an Assistant Secretary of Defense and Brundage a director of the Bureau of the Budget under President Eisenhower.

Following six days of secret hearings before Shapiro last June, representatives of four charter airlines competitive with Southern alleged that McGuire and Brundage were merely acting for the CIA. Neither man could be reached for comment last evening.

COMPETITION

Officials familiar with the charter airline business said the four companies contesting the sale of Southern to Williams resent what they regard as unfair competition from government interests.

They noted that Southern was awarded a choice route across the Pacific Ocean in 1966 even though its presentation was, in the words of a former CAB official, "substantially different" and less well documented than those of many other airlines bidding for it.

The award to Southern was evidently made as a requirement of national security. The President of the U.S. has the ultimate authority to award foreign air routes on this basis, it was noted.

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