

MAY 16 1967

STATINTL

CPYRGHT

CO-OP GROUP GOT C.I.A. CONDUIT AID

But Aide Says Its Program Abroad Was Unfettered

By NEIL SHEEHAN
Special to The New York Times

WASHINGTON, May 15

Foundations identified as channels for funds of the Central Intelligence Agency have financed the development of cooperatives in a number of countries.

An examination of tax records showed that from the beginning of 1963 through 1965 such foundations contributed \$526,500 to the Fund for International Cooperative Development.

The fund is technically an independent organization, but it has functioned as a subsidiary of the Cooperative League of the U.S.A. to help finance the league's overseas activities.

The fund's executives are also officers of the cooperative league, the largest American cooperative federation. The league has 24 state, regional and national agricultural, insurance and consumer cooperatives as affiliates.

Stanley Dreyer, president of

the league and secretary-treasurer of the fund, said in a telephone interview from the league's headquarters in Chicago that he had previously assumed the foundations were obtaining their funds from private sources.

He said, however, that he was not concerned by recent disclosures that the foundations were acting as conduits for the intelligence agency.

"We'd be willing to take money from the devil himself if no strings were attached," Mr. Dreyer said.

He said that the overseas programs had been designed and administered independently by the fund and the cooperative league and that the foundations had never attempted to exert any pressure or to interfere in any way.

Identified as Conduits

The foundations involved are the Broad-High Foundation of Columbus, Ohio, the Chesapeake Foundation of Baltimore, the Granary Fund of Boston, the Hoblitzelle Foundation of Dallas and the Midland-International Foundation of Indianapolis.

All were identified recently as conduits for C.I.A. funds to the American Newspaper Guild, the Retail Clerks International Association, the International Federation of Petroleum Work-

ers and a number of other American organizations with international activities.

"I don't think I've compromised my principles, and I don't think the cooperative league has," Mr. Dreyer said. "We're going to continue to accept money from any source whatsoever as long as there are no strings attached."

Mr. Dreyer declined to confirm or deny that the fund was

still receiving contributions from these foundations.

He said, however, that slightly less than three-quarters of the fund's current annual budget of approximately \$300,000 was obtained from foundations. The rest is provided through contributions from individuals and cooperatives affiliated with the league.

He said he did not know exactly when the fund had first begun receiving contributions from the foundations but he believed the relationship had been established by Murray D. Lincoln, who died last November.

Mr. Lincoln, a former insurance executive and a pioneer in cooperative work in this country, was president of the cooperative league for a number of years.

Mr. Lincoln and Jerry Voorhis, a former Democratic member of the House of Repre-

sentatives from California, president of the league until he retired in January, established the fund in 1955.

Mr. Voorhis was a prominent liberal and a controversial figure in the House for 10 years until his defeat by Richard M. Nixon in the Republican landslide of 1946. He is now vacationing and could not be reached for comment on the relationship between the foundations and the fund.

The funds were mainly used, Mr. Dreyer said, to further development of cooperatives in Asia and Latin America and to conduct surveys on the feasibility of aiding cooperatives in Africa.

One of the largest programs undertaken by the fund and the cooperative league is a pilot agricultural project in India in conjunction with the India Cooperative Union. About \$480,000 was spent on this from 1963 through 1965 with funds provided both by the foundations concerned and by other sources.

Mr. Dreyer said the project aimed at establishing seed, fertilizer and agricultural credit cooperatives for farmers. The cooperative league and the fund provide technical help through American advisers as well as money for purchases of seed and fertilizers.

CPYRGHT