

New Chief of CIA Cracks Down on Unvouchered \$\$

By ROBERT S. ALLEN and PAUL SCOTT

WASHINGTON — John McCone, new head of the Central Intelligence Agency, is preparing to tighten the reins on the way his super-secret agency spends its money.

He is asking Cord Meyer Jr. — who grew up in Bayside, L. I. and who handles the CIA's unvouchered funds — to make a full report on the \$400 million that he doled out during the past 12 months for covert operations and intelligence gathering activities.

Returning from a first-hand survey of the agency's foreign operations earlier this month, McCone decided on this move after discovering that the CIA had financed dozens of questionable conferences, groups, and other undercover activities throughout the world.

Many Questionable Activities

For instance, McCone was shocked to learn in Europe that the CIA promoted or financed nearly every major international socialist conference held on the continent during the past 10 years.

He is now investigating to determine whether these conferences were arranged as intelligence gathering missions or to promote socialistic movements and groups abroad, as some evidence now indicates.

McCone is also looking into the advisability of another questionable CIA activity. This is the unpublished practice of giving large fees to U. S. law firms and foundations for making intelligence studies and furnishing the agency operational "advice", none of which has been of visible help in improving the CIA. In one case, a New York law firm was paid more than a million dollars in "consultant fees" with no evidence of positive results.

Meyer, who handles these unvouchered funds, is one of the real mystery men in government. His name has never been listed in a government directory since he joined the agency early in the '30s. Only a handful of persons know of Meyer or his position and none of these will discuss it.

Before joining the CIA, Meyer was national president of the United World Federalists and a vocal advocate of world government. His father was a State Department official and his uncle was president of the Cord Meyer Development Co. in Forest Hills, L. I. He is a friend of William Bundy, deputy to Assistant Defense Secretary Paul Nitze. Meyer, Bundy, and Nitze have worked as a team in shaping and supporting the policy of supplying U. S. military and economic aid to Yugoslavia's Communist dictator Tito.

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Another Time Bomb Lighted

McCone also is fighting another time bomb within the CIA.

He is making a first-hand survey of the agency's "estimates" division, which is headed by Sherman Kent.

The new CIA director is looking over these reports to determine their accuracy and the impact that these national intelligence estimates have on U. S. foreign policy — especially, U. S.-Soviet relations.

Already, the unexpected move by McCone has touched off a series of secret huddles between CIA officials and members of the State Department policy planning staff. These officials, who work together in drafting position papers, are concerned that they will lose control over the "estimates" on which their policy is being based if McCone decides to shake-up the division.

If this should happen, the stage would be set for a complete restudy of U. S. policies toward the Soviet-Chinese Communist bloc and why these policies have failed to stem the tide of international Communism.