

Wants to Limit Impact

Carter Cautious on CIA-Jordan

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The Carter administration is moving with extreme caution to limit, as much as possible, the impact of the disclosure that King Hussein of Jordan has been on a secret CIA payroll, receiving millions of dollars from the intelligence agency over the past 20 years.

Disclosure of the payments on the eve of Secretary of State Cyrus R. Vance's meeting in Amman with the king was described by sources at the State Department as acutely embarrassing to the United States. Officials with Vance agreed the revelation would undermine Hussein's key role in the search for an Arab-Israeli peace agreement.

The White House would neither confirm nor deny the story, first printed yesterday by the Washington Post. But the assertion the CIA has been making secret cash payments to Hussein for many years was substantiated elsewhere.

One official with CIA connections said, "It's an accurate account. The money was paid by CIA station chiefs in Jordan, in cash, because Hussein has been a steadfast friend of the U.S., a force for stability in the Middle East and because he gave the agency freedom of movement in Jordan."

THE MONEY WAS funneled directly to Hussein in secret — rather than through the regular programs for military and economic assistance provided to Jordan — because of the king's shaky position. Sources said Hussein was not the only national leader to receive secret CIA funds for services rendered in the interest of world peace and U.S. foreign policy objectives.

THE MONEY FOR Hussein was concealed in the secret CIA budget, rather than provided in regular assistance programs, because congressional scrutiny of the open budget would have been embarrassing and perilous for Hussein, an intelligence official acknowledged.

The White House was acknowledging nothing, and Vance waved off all attempts by reporters in Beirut and Amman to inquire about the payments. Key members of Congress, who might have known about the CIA payments, could not be reached. A spokesman for the Jordanian government declared the story was "a combination of fabrication and distortion."

The spokesman said, "The

Jordanian leadership has not engaged in improper practices or pursued personal interests. King Hussein has led Jordan into close cooperation with the U.S. on the basis of mutual respect and friendship. Jordan has pursued its relations with the U.S. in its own national interest and in a spirit of loyalty to Arab aspirations, rights and interests."

HE ASSERTED THE timing of the Post story indicates "a deliberate attempt to damage the image of the

Jordanian leadership on the eve of the visit by Secretary Vance to prevent the success of the peace-making efforts."

There was no independent confirmation of a Post report that President Ford knew about the payments to Hussein or that President Carter had not been informed of the situation in his briefings from former Secretary of State Henry A. Kissinger or former CIA Director George Bush. It was also not possible to confirm that Carter reportedly ordered the payments terminated when he heard about them from the newspaper's inquiries.

White House Press Secretary Jody Powell issued a statement, approved by Carter, that dodged the specific issue of the CIA's relationship with Hussein. The story was regarded so sensitively by the White House that Powell issued the official response in writing before taking the barrage of questions on the subject.

THE STATEMENT said, "It is the administration's policy not to comment on, either to confirm or deny, any stories concerning alleged covert activities. By definition, any comment would be a contradiction in terms since the operation in question would no longer be covert or secret."

"You should know, however, that almost from the first day of the administration, senior officials of the State Department, CIA, Office of Management and Budget and the Department of Defense, including the Joint Chiefs, have been engaged through the National Security Council in an intensive and comprehensive review of all sensitive foreign intelligence activities."

This review is nearly complete, the White House statement said, and the President will make basic decisions concerning the future of such activi-

ties on the basis of its findings. The purpose of the review, the statement added, is to make certain that activities are proper, in compliance with oversight procedures and that what can be done openly is not done secretly.

The White House statement concluded by praising Hussein as an outstanding national leader and declaring that his government has played a constructive role in reducing tensions in the Middle East.

PRESSED FOR A more definitive response, Powell said, "I will not have additional comment." A newsman then reminded Powell of a Carter statement made last February in the opening days of his presidential campaign in which Carter declared:

"If the CIA ever makes a mistake, I'll be the one as president, to call a press conference and I'll tell you and the American people that this is what happened, these are the people who violated the law, this is the punishment I recommend, this is the corrective action that needs to be taken and I promise you that it won't happen again."

Powell replied, "I believe what we have done in this regard is consistent

with that statement." Even so, Powell's hyper-careful handling of questions about the Hussein-CIA relationship amounting to what has become known as "stone-walling" to newsmen covering the White House.

Powell and other government officials indicated the administration knew in advance the story was going to appear, probably from questions

received from the Post. But Powell said Carter did not ask the Post to "kill" the story.

Spencer Davis, spokesman for the Senate Intelligence Committee, said he was under strict orders from Chairman Daniel Inouye, D-Hawaii, not to discuss the Hussein matter but that the committee is looking into it.

THE AMOUNT OF money Hussein received over the years from the CIA could only be approximated, but one source estimated the sum given to Hussein might have totalled about \$15 million.

This source said that "about \$750,000 a year sounds right" in relation to the overall aid package that has been given to Jordan through open appropriation procedures in the past few years. Jordan has been receiving, with congressional approval, about \$223 million a year over the past three years for military and economic assistance.

The 1978 budget is expected to go from the White House to the Capitol next week. It reportedly contains about \$223 million for Jordan — the amount proposed by the executive branch, cut by Ford and then restored by Carter at the OMB stage.

It was not clear precisely how Hussein used the money, but one intelligence source said it probably was spread around among the king's closest advisers in return for intelligence information.

Hussein has never been a secure monarch because his country has had more Palestinian refugees within its borders since Israel won its independence in 1948 than there are native Jordanians loyal to the king.

HUSSEIN CAME perilously close to losing an armed confrontation with the Palestinians but finally drove their armed forces out of Jordan with U.S. backing before the 1973 war erupted.

Officials here said it is difficult to judge what impact the story will have on Hussein's position in his own country and the Arab world. But it was recalled that the Arab summit of 1974 deprived Hussein of the role of negotiating for the Palestinians at the Geneva peace table.

Israel consistently has said it will not accept an independent Palestinian state in the West Bank, once Jordanian territory, or the Gaza Strip, seized from Egypt by the Israelis.

All officials contacted agreed that the story and its timing could not have come at a worse time, for Vance's first peace-making journey to the Middle East.