

Intelligence Sources Worried About Exposure, Carter Says

By Austin Scott
and Edward Walsh

Washington Post Staff Writer

President Carter said yesterday some of the nation's "key intelligence sources are becoming reluctant to continue their relationship with us because of the danger of their being exposed in the future."

Carter gave no further details as he spoke before about 1,000 State Department employees during the seventh of his series of visits to Cabinet-level departments.

But he said he has written two letters to foreign leaders apologizing to them after news reports linked their names to secret Central Intelligence Agency payments, and after he "checked the CIA files to find that the published report was completely in error."

He did not say who they were, but portions of the letters, sent to Venezuelan President Carlos Andres Perez and former West German Chancellor Willy Brandt, have been made public in those countries.

Carter said he has "reviewed all of the correspondence between the Intelligence Oversight Board and President Ford last year," and has not found "any instance of an impropriety or an illegality that is presently being conducted or that was conducted in the last six or eight months, as far back as my study went."

While the President did not elaborate on that remark either, it appears to go a bit beyond any comments he has made on the subject since The Washington Post disclosed that Jordan's King Hussein secretly received several million dollars from the CIA over a 20-year period.

In his news conference Wednesday Carter said that he had not found "anything illegal or improper," but he gave no time frame. A bit later in the news conference he said Sen. Daniel K. Inouye (D-Hawaii), chairman of the Senate Intelligence Committee, would confirm "that the impropriety or the illegality does not exist on any ongoing CIA operation."

At his regular news briefing yesterday morning, White House press secretary Jody Powell refused to comment on whether the difference in the President's two replies meant improprieties or illegalities had been found and stopped.

Carter told the State Department employees that the comprehensive review of all sensitive intelligence activities now being conducted by the administration is an attempt to "evolve very graphically what the intelligence community ought to be, what the limits of divulging of this material ought to be . . ."

He said he favors one joint congressional committee with few members to oversee intelligence activities, but does not know if that is feasible.

Earlier yesterday, the President stood in a light rain in an open courtyard at the Department of Transportation answering employees' questions.

In one reply, the President acknowledged that the administration "is moving slowly" in filling many top-jobs and added that some high level positions "will never be filled" because they are considered unnecessary.

At the White House, meanwhile, the nominations of two blacks to administration positions were announced yesterday by press secretary Jody Powell. They are James A. Joseph, 41, president of the Cummins Engine Co. in

Columbus, Ind., to be under secretary of interior (the No. 2 position in the department, and Ernest G. Green, 35, executive director of Recruitment and Training Program, Inc., in New York, to be assistant secretary of labor for employment and training.

Other nominations announced by Powell were:

•Carin Ann Clauss, 38, the associate solicitor for the Fair Labor Standards Division of the Labor Department, to be solicitor of the Labor Department.

•Robert J. Brown, 47, the Labor Department's regional administrator in Denver, to be under secretary of labor.

•Charles Hugh Warren, 49, a member of the California General Assembly and a lawyer, to be chairman of the Council on Environmental Quality.

•Frank A. Weil, 46, an officer of Paine, Webber, Jackson & Curtis in New York, to be assistant secretary of commerce for domestic and international business.

•Leo M. Krulitz, 38, vice president and treasurer of the Irwin Management Co. in Columbus, Ind., to be solicitor of the Interior Department.

Donald Elisburg, 38, the general counsel of the Senate Committee on Labor and Public Welfare, to be assistant secretary of labor for employment standards.

Powell also announced that Carter has nominated Thomas D. Morris, a former assistant comptroller general, to be the first inspector general of the Department of Health, Education and Welfare. The post was created by Congress last year to detect and eliminate fraud and abuse in HEW programs. Morris and a staff of more than 1,000 will have an annual budget of about \$25 million, Powell said.

Carter Deplores 'Reckless Allegation' Of Secret CIA Payments to Brandt

By Michael Getler
Washington Post Foreign Service

BONN, Feb. 24—President Carter, in a letter made public here today, described as "reckless allegations" reports in the U.S. press that former West German Chancellor Willy Brandt had a secret financial relationship with the CIA.

Responding to a letter from Brandt, Carter wrote that he too was "deeply disturbed and deplore the reckless allegations concerning you that are appearing in our press."

Charges that Brandt or the Social Democratic Party, which he still heads, had at some point received money from the CIA have surfaced here and in the United States before and have always been denied by Brandt.

In an apparent reference to the resurfacing of earlier allegations, Carter wrote that "I can well understand your outrage that this canard continues to reappear."

"Unfortunately, as a government," Carter continued, "we have to resist the temptation to dignify every report of intelligence activities with a comment. I want to express to you my personal regrets for any embarrassment that those press stories may have caused you."

"I wish it were in my power to prevent these groundless accusations

about you. It is the price we pay for the system of Government we both cherish," Carter said.

Carter said he was "comforted by the fact that your outstanding reputation as a statesman and leader cannot be affected by unsubstantiated rumors."

The reference to Brandt came in American newspaper reports Saturday that listed Brandt's name along with several government leaders in other countries as those deleted by court order from a critical book on the CIA by two former U.S. intelligence officers, Victor Marchetti and John D. Marks.

Brandt wrote to Carter Saturday, calling the reports totally wrong, denying that he had ever received money either for himself or his party, and asking Carter to clarify the allegations. He also said he was sorry "to come up with such a bad subject in our first contact."

The Carter letter appeared to be a strong affirmation that Brandt had no personal financial relationship with the CIA. The letter, perhaps inadvertently, makes no mention of the West German Social Democratic Party.

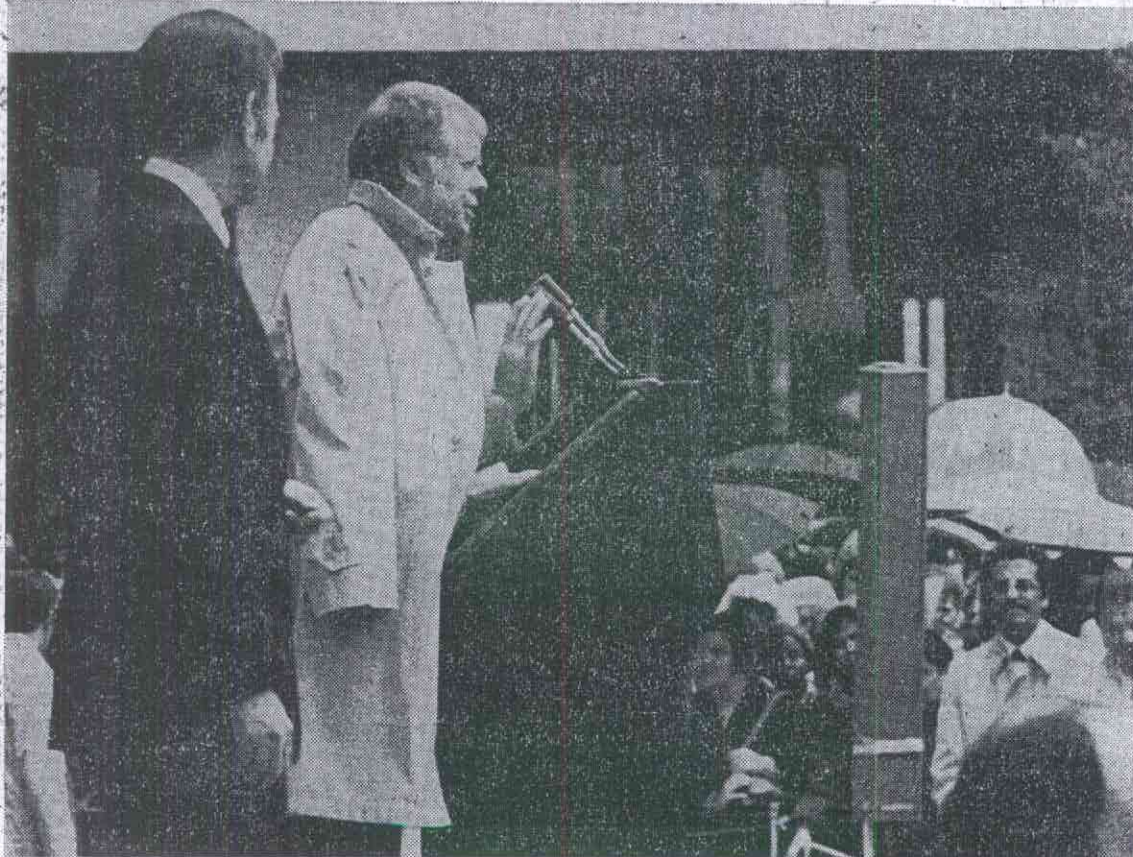
The press reports last week gave no

indication of when such alleged financial relationships took place or what they were for.

Some experienced officials here believe the allegations stem primarily from the deleted references in the book "The CIA and the Cult of Intelligence," and from a later article supposedly based on the censored reference that appeared in the U.S. magazine New Republic a few years ago. In addition, the appearance of a CIA official at a Washington reception for Brandt in 1971, when he was still chancellor, supposedly fed the allegations.

Aside from Brandt's repeated denials of getting any money for himself or his party, those defending his side of this issue here point out that intelligence agencies of all the allied powers, not just the CIA, tried to maintain contacts with the Social Democratic Party, especially in the hectic years here after World War II when it was a minority party.

Brandt, who spent the war years in Scandinavia, returned to Germany after the war, became mayor of West Berlin in 1957 and chancellor in 1969. He resigned in 1974 after an East German spy was discovered on his staff.



Associated Press

Department of Transportation employees and their boss, Brock Adams (by lectern), listen to President in the rain.