SFChronicle FEB 2 8 1977

Hussein Calls CIA Money Legitimate

New York

Jordan's King Hussein says money he got from the U.S. Central Intelligence Agency was not used for his personal benefit but was legitimate aid designed to help bring stability to the Middle East.

In an interview with Newsweek magazine published yesterday, the king said checks were made out to him as Jordan's head of state, as is customary in dealings with Arab states. Hussein said any suggestion that he personally bene-

Back Page Col. 1

From Page 1

fited was "ridiculous and insulting."

The king's comments — which he described as "my first and very last words on that matter" — were in response to a Washington Post story February 18. It said the CIA secretly paid millions of dollars to Hussein until the payments were cut off recently by President Carter.

Hussein told Newsweek, which is owned by the Washington Post Co., that "if the reference is to the assistance we have been receiving for security and intelligence, then I have not been advised about its suspension, either officially or unofficially."

The Jordanian government condemned the story after it appeared as "a combination of fabrication and distortion." Hussein told Newsweek it "may have a deleterious effect" on Mideast peace talks.

The Post said the payments began in 1957 and initially ran to millions of dollars, although they were cut to \$750,000 last year. In

exchange, the Post said, U. S. intelligence agencies got permission to operate freely in Jordan.

"To us, the CIA is a part of the U.S. government. We have sought to acquire know-how, equipment and new capabilities to defend ourselves in the face of worldwide battle, be it hot or cold, which is still with us," Hussein said, adding that he would "continue to advocate fruitful and mutual cooperation."

Hussein said those who contributed to the story were trying to sabotage Middle East peace efforts. "It was hardly coincidental that these attacks were made as the peace offensive was picking up steam and on the very day that Secretary (of State Cyrus) Vance arrived in Amman," Hussein said.

The Intelligence Oversight Board — a panel set up by President Ford to curb CIA abuses — had advised Ford last year that the payments were improper. Asked about his, Hussein said:

"What is proper in some minds is apparently improper in others. As far as I am concerned, anything I can get for Jordan and my people is proper. And five of your presidents thought so, too."

In a televised interview yesterday ("Face the Nation" on CBS), Vance said he saw nothing illegal or improper about the payments.

"In the case of intelligence assistance (to foreign governments), it is given through CIA channels," Vance said. "There is nothing improper or illegal about that. But it cannot be done in the glare of publicity."

Associated Press