

WASHINGTON STAR (GREEN LINE)
24 FEBRUARY 1977

ARTICLE APPEARED
ON PAGE 46

Perez, Brandt 'Satisfied'

Carter Writes 2 Men Allegedly Paid by CIA

By Jeremiah O'Leary
Washington Star Staff Writer

President Carter has sent personal messages to President Carlos Andres Perez of Venezuela and former West German Chancellor Willy Brandt about newspaper reports that they had received secret CIA funds and both leaders have said they are satisfied with the tone of the letters.

But Perez and President Archbishop Makarios of Cyprus, who was also reported to have received funds from the intelligence agency, are reportedly considering legal action against the Washington Post and New York Times.

Informed sources said yesterday Carter had sent only two personal messages, those to Brandt and Perez, to ease their anger over the reports that they had at one time been on the agency payroll.

Venezuelan Foreign Minister Ramon Escobar Salom said in Caracas that Perez was "very satisfied" and considers that the letter puts an end to the incident. Reportedly, Carter's message said the newspaper charges that Perez had accepted payments when he was minister of interior were "foundationless and groundless."

A SIMILAR message went to Brandt, who is visiting in Israel. German news agency reports quoted a spokesman for the Social Democratic party as saying Brandt was satisfied that Carter's letter had put the matter to rest. The German Embassy here said there have been no indications that Brandt intends any legal action against the American newspapers which linked him with CIA payoffs.

Carter, meanwhile, said at his press conference yesterday that he has received substantial reports on the CIA's dealings with foreign leaders. "I have reviewed the more controversial revelations that have been publicized in the last few days," Carter said, "some quite erroneous, some with some degree of accuracy."

"I have not found anything illegal or improper. If in the future assessments, which will come quite early, I discover such an impropriety or illegality, I will not only take immediate action to correct it but also will let the American people know about it."

But Carter's comments did nothing to help distinguish between foreign leaders who did receive CIA funds and those which did not. When he was asked whether he shouldn't correct the record where there has been erroneous information, Carter replied, "In some ways we are correcting the record but if I began to either dispute or confirm every individual story that is written, whether correct or erroneous, on every matter relating to the CIA, then these matters which are necessarily secret would no longer be secret."

FRANK TAO, press counsellor of the Chinese Nationalist Embassy here, denied as totally groundless reports in The New York Times and The Washington Star that the CIA made secret payments to the late President Chiang Kai-shek. The Times reported that the denial was backed up by Ray S. Cline who was CIA station chief in Taipei from 1958 to 1962.

Cline, now working at the Georgetown University Center for Strategic and International Studies in Washington, was out of town and could not be reached for comment on the story.

Other denials of involvement with CIA funds have come from former President Eduardo Frei of Chile who called the report a "damnable lie," former President Luis Echeverria of Mexico, the widow of former South Korean President Syngman Rhee and Filipino sources on behalf of the late President Ramon Magsaysay.

But the Venezuelan reaction to the allegations was the most vigorous. After recalling his ambassador in Washington and calling in U.S. Ambassador Viron P. Vaky for an explanation, Perez sent a long telegram to U.S. newspapers responding

HE SAID, "It stirs the world's conscience that the earth's most powerful nation, which proclaims the values of democracy and exalts the dignity of man, should shelter a rotten organization whose principal aim is to corrupt men and nations."

"Venezuela feels threatened. It cannot be believed that the untruthful accusation published by one of the most important newspapers in the United States, and the mention of the CIA as the source, could have been done without obeying plans which compromise official high circles."

Carter yesterday elaborated on his concern about the issue of CIA payments to foreign leaders, which was begun when the Washington Post revealed that King Hussein of Jordan had been paid millions of dollars over a 20-year period.

HE SAID, "This is a very serious problem of how in a democracy to have adequate intelligence gathered, assessed and used to guarantee the security of our country. Sometimes other governments cooperate with us fully. Sometimes they don't. But I will try to be sure and so will Stan Turner who will be the next director of the intelligence community. He will try to be sure that everything we do is not only proper and legitimate but also compatible with the attitudes of the American people."