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Solicitor General Calls 2 Americans Killed in El Salvador 'Under Cover'

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WASHINGTON, Jan. 14 — Solicitor General Wade H. McCree Jr. said today that two American agricultural advisers who were killed in El Salvador this month were "under cover," suggesting an association with the Central Intelligence Agency, but later said that he had been misunderstood.

Mr. McCree made the statement while arguing the United States Government's position in a case involving the Government's authority to revoke the passport of Philip Agee, the former C.I.A. official who has traveled widely exposing agency methods and personnel.

During the argument, Associate Justice William H. Rehnquist of the Supreme Court posed a hypothetical question about whether the Secretary of State could deny a passport to someone seeking to travel to El Salvador to denounce American policies. Mr. McCree asserted that the Secretary had such authority and, in an aside, observed that "the two Americans who were recently killed in El Salvador were under cover." There would be more killings like this, Mr. McCree continued, if American citizens were free to travel throughout the world exposing the identities of undercover C.I.A. agents.

Asked about the statement later today, a spokesman for Mr. McCree said the Solicitor General's response was "hypothetical," as Justice Rehnquist's question had been. The spokesman added that Mr. McCree recalled saying in court, "Suppose the two Americans were under cover." The spokesman also denied that the two agricultural advisers were in any way connected with the C.I.A.

A Flurry of Denials

The McCree statement also touched off a flurry of denials from labor officials and intelligence sources. A spokesman for the C.I.A. declined to comment on

whether Michael P. Hammer or Mark David Pearlman, the two Americans slain by unidentified gunmen in San Salvador on Jan. 3, were acting as undercover agents. However, another intelligence official firmly denied that either man was an undercover agent.

The Senate Intelligence Committee was also told that the allegation was false. Sources on the House Intelligence Committee said that committee members had not been informed about the matter.

A spokesman for the American Institute for Free Labor Development, an A.F.L.-C.I.O. affiliate that does contract work in union organization for the United States Agency for International Development, said he had "no knowledge" about whether Mr. Pearlman and Mr. Hammer, who had been employed by the institute, had any relationship with the agency. However, the spokesman added that George Meany, when he was president of the A.F.L.-C.I.O., had repeatedly denied any relationship between the C.I.A. and the labor federation and its affiliates.

In "Inside the Company: C.I.A. Diary," Mr. Agee, who left the agency in 1969, describes the Free Labor Institute as a "C.I.A.-controlled labor center financed through A.I.D." He cites 19 references to overseas activities involving the agency and the institute.