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Europe Socialists Deny Routing C.I.A. Funds to Party in Lisbon

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LONDON, Sept. 26—The General Secretary of the Socialist International denied today that Western European Socialist parties were passing on money to the Portuguese Socialist party that was provided by the American Central Intelligence Agency.

"There has been no such involvement whatsoever," the General Secretary, Hans Janitschek, said. A Washington dispatch in The New York Times yesterday telling of such an involvement, he said, "does great damage to the cause of socialism in Portugal and also in other Western European countries."

Mr. Janitschek said that he was seeking advice about how to undertake legal action against The Times, a paper that he said he had hitherto regarded as "one of the finest in the world."

"What I particularly resent," he said, "is that The New York Times did not feel it necessary to check with me before publishing this account." Had that been done, he went on, he would have informed the paper that any assistance given the Portuguese Socialist party by sister parties of the Socialist International came not from the C.I.A. but from party members, and was "very limited indeed."

The Times report did not mention the Socialist International, but spoke of Western European Socialist parties and labor unions.

A Denial in Stockholm

STOCKHOLM, Sept. 26 (Reuters)—Sweden's governing Social Democratic party emphatically denied today any transferring of funds to the Portuguese Socialist party on behalf of the C.I.A.

"Everyone who has visited Portugal and seen the Socialist party at close hand," a Social

Democratic spokesman here said, "can testify that the party is hardly wallowing in money. On the contrary, its economic situation is very difficult."

The Portuguese Socialist leader, Mario Soares, is expected here Monday to attend the annual congress of the Swedish party.

U.S. Sources Confirm Aid

WASHINGTON, Sept. 26 (AP)—A State Department official said today that the Central Intelligence Agency had been sending \$2-million to \$10-million a month to the Portuguese Socialists, but offered no overall total for aid thus far.

The official's comment came as sources in the State Department and the intelligence community confirmed that the aid was going to Portugal's Socialist-Communist labor unions and

The sources said aid was sent through a roundabout network involving C.I.A. contacts within Western European countries, such as West Germany's Social Democratic party.

Other conduits for the covert aid, the sources said, were anti-Communists labor unions and business organizations that operated within member nations of the North Atlantic Treaty Organization.