

CIA Money Reportedly Aiding Italy's Politicians

\$6 Million in Covert Cash

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The Central Intelligence Agency has funneled at least \$6 million in secret cash payments to individual anti-Communist political leaders in Italy since December 8 in an effort to prevent further Communist party gains in national elections there, well-informed sources said yesterday.

The sources, who have direct knowledge of the administration's covert political operation, said final approval for the CIA payments was given by President Ford on December 8.

The names of individual political figures receiving the funds could not be determined.

It also could not be immediately learned whether the 40 Committee, the government's high-level intelligence review panel, had formally approved the Italian operation. But a number of sources said the CIA program was strongly supported by Secretary of State Henry Kissinger. Congress was informed in December about the allocations.

Kissinger is known to have been extremely concerned about the Communist party's gains in local Italian elections last June when it won more than 33 per cent of the total popular vote.

A coalition of Christian Democrats and Republicans currently is in control of the government, although that coalition needs the votes of Socialists and Social Democrats to get its program approved in Parliament. The Christian Democrats emerged from last summer's elections with 35 per cent of the vote, just two percentage points more than the Communists. The Socialists won 12 per cent of the vote.

Financing of Italy's political parties — which now number seven — has always been complex. The Soviet Union is known to have supported the Communists in the past and the United States similarly is known to have aided the non-Communist parties.

One American official, noting that the political parties in Italy are now spending tens of millions of dollars a year, described the CIA effort as "peanuts." He

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characterized the covert operation there as secondary to the main American goal of urging the non-Communist political parties to revitalize themselves in an effort to prevent the Communists from eventually entering a governing coalition.

"Six million dollars is absolutely nothing," the official added. He explained that the funds were to help some non-Communist politicians get publicity.

"If you go to a politician and say, 'Look, we really want to help you' and they say, 'We're broke and can't buy an advertisement — then you help them. But what can you buy for \$6 million? The official asked. "You can help them print posters, run ads, print their speeches — just help them get off the ground."

During Kissinger's trip to Western Europe early last month, he was reported to have insisted that the United States is determined to do what is it can to prevent Communists from moving into Western governments and thus crippling, in his view, the North Atlantic Treaty Organization.

Despite this rationale, the administration's decision to authorize direct and secret CIA subsidies in Italy ran into sharp criticism when CIA Director William F. Colby briefed special House and Senate intelligence subcommittees about the operation last month.

The Senate group, consisting only of Senators John J. Sparkman, (Dem-Ala.) and Clifford P. Case (Rep-N.J.) was initially told of the Italian payments on the afternoon of December 8, shortly after Mr. Ford returned from Peking, according to Senate records.

The seven members of the oversight subcommittee of the House International Relations Committee were briefed on the program at a hurriedly called secret meeting with Colby the next morning.

At this session, the sources said, Representative Wayne L. Hays (Dem-Ohio) bitterly challenged Colby.

According to participants, Hays repeatedly suggested that much of the CIA funds, to be delivered by American agents, would end up in the personal bank accounts of Italian politicians.

One source said the exchange began when Hays said about direct deliveries:

"Colby, you ought to have your head examined. You don't know anything about politics if you're going to proceed this way. It's not going to work."

Colby told the congressman that "one of my agents is going to deliver it," the source added.

Hays was then said to have asked: "How do you know that your agent isn't going to stop off in Switzerland and put it in a secret account?"

At that, the source said, Colby asserted that only one CIA agent had been accused of embezzling funds since the agency began its overseas political operations nearly 30 years ago.

Hays, who is known on Capitol Hill for his tartness, responded that what Colby was saying was that "you mean only one was caught at it."

Another source said that John A. Volpe, the U.S. ambassador to Italy, had also objected to the covert CIA program there, arguing that it would inevitably be made known to the public at great embarrassment to the Ford administration.

A number of sources noted that the U.S., through covert financing by the CIA had been involved in Italy's domestic political affairs from the end of World War II until the middle 1960s.

This time, the sources said, the Ford administration decided to provide its clandestine funds directly to various influential members of the Christian Democratic and Socialist parties in Italy rather than to the party treasuries. One source said that a slight percentage of the CIA funds would go to some members of the minority Republican party.

A number of sources said that it was public knowledge that most, if not all, of the major Italian industrial corporations, such as Fiat, now contribute heavily to a wide spectrum of political parties. "The bigger companies will give money even to small parties," one expert said, "from left to right — in an attempt to cover themselves" and gain future support from any party or coalition that manages to emerge in control after the next round of national and local elections.

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