

C.I.A. Funding in Europe Said to Go Back 3 Decades

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By PETER KIHSS JAN 7 1976

Supported by the United States Central Intelligence Agency for Christian Democrats and Socialists to retain power in Italy, West Germany and France after World War II has long been informally rumored.

Covert C.I.A. financing of Italy's Christian Democrats reportedly averaged as much as \$3-million a year into the late 1950's, before it was said to have been eliminated in 1967.

While President Richard M. Nixon was said to have rejected a 1969 proposal to resume the secret financing, CBS News asserted last month that the C.I.A. funneled \$10-million into the 1972 Italian parliamentary elections with Mr. Nixon's approval.

Starting last spring, there have been estimates that millions of dollars have been funneled to Portugal's Socialist Party and other parties from \$2 million to \$10 million a month according to a report attributed to a State Department official by The Associated Press.

Mario Soares, leader of the Portuguese Socialist Party, bitterly denies such reports last September and said his party "has always taken great care not to receive any help in money from anyone."

Hans Janitschek, general secretary of the Socialist International, denied that West European Socialist Parties were passing on C.I.A. money, and contended the reports damaged the cause of socialism.

The largest oil company in the United States, Exxon Corporation, said last July that it had made from \$46 million to \$49 million in political contributions to Italian parties from 1963 to 1972.

Exxon records made public by a Senate Foreign Relations subcommittee indicated that \$11,948,046 had been authorized for the Christian Democrats; \$5,160,952 for the Social Democrats; \$1,245,028 for the Socialists; \$591,531 for the Liberals; \$71,111 for the Socialist Party of Proletarian Unity; \$236,106 for the Italian Social Movement and \$267,521 for the Republicans. Other funds were made available through the Esso Italiana subsidiary.

Mobil Also Gave Funds

The Mobil Oil Corporation told the subcommittee it had made contributions averaging more than \$500,000 a year from 1970 through 1973 to Italian political parties.

The C.I.A. funds were believed to have been efforts to resist advances by Communist parties, which in turn presumably had Soviet financial support. For instance, Phelps Phelps, former United States Ambassador to the Dominican Republic, asserted last August that the Soviet Union had been spending "about \$120 million annually" to subsidize the Portuguese Communist party.

State Department historical documents released last February indicated the C.I.A. might have helped anti-Communists in the 194 Italian elec-

tions after President Harry S. Truman had approved a recommendation that the United States "make full use of its political, economic, and if necessary, military power, to prevent a "Communist takeover"

The documents cited recommendations for "actively combating Communist propaganda in Italy by an effective U.S. information program and by all other practicable means," and "continue to assist the Christian Democrats and other selected anti-Communist parties."

Congress Curbed Activities

An amendment to the Foreign Assistance Act of 1974 stipulated that no funds could be spent by or on behalf of the C.I.A. for covert operations "unless and until the President finds that each such operation is important to the national security of the United States" and reported to oversight Congressional committees.

Last August, President Ford, in an interview with U. S. News & World Report, said "the Soviet Union is quietly helping the Communist elements in Portugal."

He asserted that "West European countries are helping their Social Democratic friends in Portugal," but "it is very tragic that because of the C.I.A. investigation and all the limitations imposed on us in the area of covert operations, we aren't able to participate with other West European countries."

Until last spring, most Western aid to anti-Communist forces in Portugal was understood to have been given secretly by the West German and Belgian Socialist Parties without American involvement.

Subsequent C. I. A. funding averaging several million dollars a month was reported in September to have been channeled through West European Socialist Parties and labor unions in a program that William E. Colby, Director of Central Intelligence reported to members of the Congressional committees after it was under way.

President Ford, in a Chicago Sun-Times interview in September, said: "I don't think the situation required us to have a major C. I. A. involvement, which we have not had." But Washington sources noted he was not denying that the C. I. A. had some involvement.