

stitutions, and controlled by Cefis.

It is the fate of the public holding companies which effectively determines the "debate" on austerity that has been provoked as a consequence of Agnelli's attacks on the labor movement. Andreotti announced in the Senate on Oct. 9 that oil imports would be drastically cut back over the next year in line with his policy of decreasing consumption. Peggio from the PCI replied in a front-page editorial in *Unità* specifically targeting Cefis, "We need to face with decisiveness the struggle against waste which takes place at the level of the public agencies.

But one cannot keep silent on the fact that what determines the indebtedness and deficit of the local public agencies is the interest on loans which they contract with the banks."

These Italian developments are of concern to every anti-Atlanticist force in Europe. Rockefeller escalation follows the earlier visit to Italy of Belgian fascist Tindemans to meet with all layers of Italian political life, including the Pope and Enrico Berlinguer. Tindemans and Berlinguer published a joint communiqué pushing the Spinelli line for European rearmament based on protectionist

control of steel, auto and aerospace sectors.

Unreality

There is no basis in reality for the implementation of such grandiose designs, except as a redoubled political attack on those political factions which are mobilizing against Rockefeller throughout Europe, and the working class. They are the product of a desperation which is forcing the Rockefellers to pull all the component parts of the European section of their political machine into defense of the same policy line, against motion away from the dollar and towards East-West trade.

Special Report:

Brandt Lies: Denies He Is U.S. Agent

FRANKFURT, BRD, Oct. 9 (IPS) — Former West German Chancellor and current chairman of the West German Social Democratic Party (SPD) Willy Brandt today stridently denied numerous published reports that he has acted as a U.S. intelligence operative since the Second World War and that his role has included conducting CIA money to anti-communist forces in Portugal and Finland.

In making the denial, Brandt directly contradicted statements by an influential member of his own party, Eugen Loderer, the head of the West German

Metalworkers Union, who was quoted in Swedish radio and newspapers yesterday as saying that Mr. Brandt had personally donated funds to be transferred to Sweden where they could be smuggled to anti-communist trade unionists in Finland. On Oct. 7 the treasurer of the Finnish Social Democratic Party was arrested at the Swedish border while attempting to smuggle \$58,000 into his country.

Speaking at a press conference at the 1975 Frankfurt Book Fair, Brandt was backed in his denial of Social Democratic complicity in CIA-organized anti-communism by Swedish Premier Olof Palme and Austrian Chancellor Bruno Kreisky, both Social Democrats. The three were brought together by the West German publishing house *Europäische Verlagsanstalt (EVA)*, which plans to publish a book based on the



IPS Wire Photo

Second International's Palme, Kreisky, and Brandt lie to press at Frankfurt Book Fair.

correspondence of the three Social Democrats.

Mr. Palme in fact helped clarify the Social Democrats' role: "We have only been the mediators," the Swedish Premier said.

Although the press conference's moderator had expressed the hope that the questions would be of a non-political nature, the meeting of over one hundred journalists was dominated by a discussion of agency posed by the lead-off question of a New Solidarity International Press Service representative:

"Mr. Brandt, I want to ask you about some recent articles which appeared in the *Chicago Sun-Times*, in *New Solidarity*, and on the second channel of West German Television. These described you variously as a long-time 'money-launderer' for the CIA for its operations in Portugal. Now there are

also these revelations of your involvement in smuggling money into Finland via Sweden. Mr. Loderer of the Metalworkers said that you had given donations to this support for the Finnish metalworkers union.

"President Nixon used to say that the press was always lying. Would you say the same? And if you would, then why is it that you are only suing the editor of *Neue Solidarität* (The West German socialist weekly associated with IPS)?"

"SPD Not Involved"

Brandt: "I think you misunderstand. The first period is only for questions concerning the book. You can ask later."

Palme: "And you do not have to repeat it!"

Brandt: "Are there any more questions on the book?"

There were none.

Brandt: "So, on the question asked: we should divide the answer. First it is true that there have been these rumors that the SPD was channeling CIA money, and also that my name has been involved. But, I must say that I don't have anything to do with it. In the case of the money smuggled into Finland, the SPD is not involved at all.

Palme: "May I answer your remarks on Nixon? Nixon said that the press was producing slanders. This does not mean that the press is not producing slanders. Even if Nixon was caught lying, this does not mean that all politicians are lying. It is true that Eugen Loderer transferred sums of money to Sweden, but Willy Brandt is not the only friend of Eugen Loderer."

(Laughter from the audience.)

Brandt: "Who are you to laugh at this? Whom are you representing? This Trotskyist-Fascist group (presumably the International Caucus of Labor Committees which is associated with IPS — Ed.). Eugen Loderer is representing two million metalworkers who have elected him, who have confidence in him. Who are you to dare to laugh?"

IPS: "Mr. Brandt, on the Swedish radio yesterday there was an interview with Mr. Loderer who is now in Tokyo. He explicitly said that part of the money he had sent to Sweden was a donation by you. So who is right: you or Mr. Loderer?"

Brandt: "Did you hear this really? Then this must be based on a misunderstanding. It is not true."

A Swedish journalist: "I am from Sweden. I just heard this also from some colleagues of mine. Is it true?"

Brandt: "No, it is not."

Same Swedish journalist: "Can you

answer me if it is a habit of your party to give such donations to other parties?"

Kreisky: "Let me answer this question. The Socialist Workers Party of Spain (the Spanish affiliate of the Social Democracy's Second International — Ed.) would never have survived after World War II if we had not gotten strong support from abroad. For the Social Democratic parties, it is one of the noblest attitudes to support each other. We are right now pushing a large solidarity campaign for the Spanish Socialists... (including) material support."

Brandt: "Let me give an example. This Spring I was in Athens, and we were discussing along these lines."

Unidentified journalist: "Are you financially supporting the Portuguese Socialist Party?"

Brandt: "No, there is no transfer of money to the PSP. We are supporting institutions which are close to the PSP. Beginning this year, the Dutch Social Democrats collected 100,000 gulden. And, I want to repeat again, this question with Loderer must be based on an error."

Same journalist: "But where then are these 100,000 deutschmarks coming from?"

Brandt: "Mr. Loderer is a distinguished person. He will defend himself when he comes back."

Same journalist: "Did you know something about the money's collection?"

Brandt: "No."

IPS: "The Swedish newspaper Expressen says today that the CIA preferred to use the Social Democracy for

anti-communist organizing because it is an excellent cover. In this context I want to ask you if the three of you will be discussing statements made at the recent meeting of NATO parliamentarians in Copenhagen — statements that detente is dangerous and should be broken off? A high government source has told my agency in New York that this was also the purpose of the upcoming meeting of CoCon, the preparatory commission of the OECD — to discuss a confrontation strategy against the East bloc. Will this be the subject of your discussion?"

Brandt: "Who are you?"

IPS: "IPS."

Palme: "IPS is an agency for which you don't have to answer any questions; you simply have to organize other journalists to kick them out."

Another unidentified journalist: "Mr. Palme, did the Swedish Social Democracy also give money to the Finns?"

Palme: "No, we have only been the mediators."

Kreisky: "I come from a country which is not involved in this. I can tell you that the Spanish Socialist Workers Party would not have survived if we had not gotten support... There is nothing immoral about it."

Mr. Brandt ended the press conference with a rambling discussion of the Social Democracy's international organizing, including Italy and Spain. "We do it indirectly," Brandt ended.

After the meeting formally ended, all three of the Social Democratic leaders refused to comment on further questions posed to them by IPS correspondents.