

Special Report:

Finnish Social Dem Bagman Caught with Laundered CIA \$

STOCKHOLM, Oct. 8 (IPS) — The treasurer of the ruling Finnish Social Democratic Party was arrested yesterday by Swedish Customs police as he attempted to smuggle 198,000 Swedish Crowns (approximately \$58,000) out of Sweden. Swedish radio reports that the treasurer was released with a reprimand. He has since gone underground and is reported to be unavailable for comment.

Preliminary but reliable information from the Swedish and Finnish press, however, however, traces the origins of the money back to CIA agent Willy Brandt and the West German Social Democratic Party (SPD).

This evening, Expressen, a major liberal Swedish daily, reports that Eugen Loderer, Trilateral Commission member and head of IG Metall, the West German metalworkers union, has issued a statement claiming responsibility for most of the money. One hundred

thousand West German Marks were reportedly conduited to the SAP in Sweden on the authorization of Loderer, an ally of Willy Brandt's.

The money was laundered — i.e. changed into Swedish Crowns — and then delivered to the Finnish SD treasurer, allegedly by SAP officials. The transfer, informed sources indicate, may have occurred at the recently concluded SAP conference in Stockholm.

Palme's government, which was rocked last week by revelations in the press that the Second International was involved in conduiting CIA money to the Portuguese Socialists, has refused official comment on the incident. Observers here expect the incident to trigger a major governmental crisis, that may bring down Palme.

According to Swedish press reports from earlier today, the Swedish Social Democratic Party (SAP) of Prime

Minister Olof Palme has "confessed" that the entire sum originated with them.

The money had been passed to the Finnish Social Democracy for the support of its candidates in the Nov. 3 metalworkers union elections. Political observers had expected the Finnish Communist party to win the elections and thus gain control of the trade union movement. In last month's general elections the Communists scored impressive gains, while the SD lost votes.

The Finnish Communist Party has issued a statement charging that the contraband money was part of a CIA operation.

Expressen reports that Brandt was recently invited to Stockholm by Palme where he spent most his time denying his CIA links and swearing that he never touches CIA money. "Doth the Lady protest too much?," Expressen asks.

Brandt-CIA Agent for 30 Years

Oct. 4 (IPS) — The chances of former West German Chancellor Willy Brandt to prove in open court that he is not now and never has been an employee of the CIA took a turn for the worse yesterday. This week, the full story of his longstanding ties to Anglo-American intelligence community, which Brandt is suing the European Labor Committees for publicizing, was aired on West German TV.

Gerhard Löwenthal, a popular TV commentator for the Channel 2 West German station and a spokesman for Franz Joseph Strauss, chairman of West Germany's Christian Social Union, accused Brandt of having perjured himself during a court investigation into the Günther Guillaume spy affair, which prompted Brandt's

resignation from the federal Chancellorship in April of 1974.

Löwenthal charged that Brandt's pleading that he was ignorant of "intelligence matters" and therefore did not know that West German intelligence officials suspected Guillaume — a top aide to Brandt — of being an East German spy was ludicrous. Löwenthal

then proceeded to outline Brandt's connections to the intelligence community in West Germany and internationally.

The commentator noted that although the former Chancellor was the supposed leader of the major anti-fascist party in Germany during the mid-1930s, he was known to have travelled freely in and out of Berlin at the height of Hitler's power. Löwenthal also detailed Brandt's employment with the U.S. Office of Strategic Services (OSS) as a special agent in Sweden from 1943-1945.

Löwenthal's charge of perjury and agency against Brandt is part of a mounting international exposure campaign of the CIA's leading Western European operative.

In an Oct. 1 article documenting CIA funding of the European Social Democracies, Chicago Sun Times writer Thomas Ross ties Brandt to the CIA's entire post-war history of Western European operations. When President Ford decided to begin covert CIA funding of the Portuguese Socialist Party, the money was channelled

through Brandt, Ross asserted, because "the CIA had a close working relationship with leading German socialists since World War II.

"Former Chancellor Brandt reportedly worked for the Office of Strategic Services, the CIA predecessor, in Scandinavia during the war and maintained the CIA relationship as a mayor and later in the Bundestag," Ross continues.

Newspapers throughout West Germany are picking up the Brandt scandal. Friday's edition of the Hanoversche Allgemeine Zeitung quotes Brandt as denying any connection with the CIA's anti-communist wrecking operation in Portugal.

Yesterday, the European Labor Party kicked off a European forum series that will lead directly into the court suit that Brandt has filed against Labor Party Executive Member and Neue Solidarität editor Anno Hellenbroich, and Jürgen Spahn. The first forum this week in Dusseldorf, advertised by the ELC's 'Brandt posters; drew an overflow crowd of more than 50 people.