

~~SECRET CONTROL~~  
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Subject: Plan LABIAZE  
Progress Report

Report No: 01R-7367

Date of Information: See Report

Place Acquired: Italy

Date Acquired: During December 1953

Evaluation: C-3

Date of Report: 12 January 1954

Source: I

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1. Report of 6 November 1953: On 30 October 1953, as was reported previously, the Director of the Munich Center, T. SCHULTZ, arrived in Rome at 0745 hours. After a series of meetings he left for Munich late the same night.

2. In chronological order SCHULTZ had the following meetings in Rome:

*MIS INFO*  
a) Ministry of Interior: Together with HASS, SCHULTZ met with <sup>Dr.</sup> ~~Dr.~~ ROFODANO (CAPUTO and BARLETTA were absent on business). HASS reported nothing of note in connection with this meeting. *PETOELLO*

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b) Ministry of Defense: Together with HASS, SCHULTZ met with Colonel "ROSSI". Atmosphere rather tense. SCHULTZ turned over a detailed report on the Polish General Staff. According to HASS it was an excellent informative study on the subject. Colonel "ROSSI" clearly manifested his deep dissatisfaction for the way the Italo-German collaboration was proceeding in the intelligence sector in spite of the many assurances received from the Germans at previous meetings in Rome. In fact, Colonel "ROSSI" observed the Germans had left unanswered all questions posed by SIPAR on security of communications, on radio communication between the directorates of the two Services, on the ciphers of communication, on the projected radio interception between Poland and Czechoslovakia. SCHULTZ weakly attempted to justify himself by citing the fact that the Sten IS cannot yet operate on a legal plane and, therefore, does not have the funds. With regard to the radio interception of communications between Poland and Czechoslovakia, HASS, interrupting, proposed that a W/T operator of the SIPAR, technically qualified, be transferred to Western Germany under the protection of the Bonn Service. "ROSSI" and SCHULTZ accepted the proposal. Colonel "ROSSI" invited SCHULTZ to submit an estimate of expenses which were to be met by the Germans and which SIPAR would reimburse. SCHULTZ was to bring the estimate with him on the occasion of his next trip to Rome the following month. HASS, who was of the opinion that the acceptance by the Germans of reimbursement of expenses for work of common Italo-German interest constituted a lack of regard and dignity

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FORM NO. 61-76  
FEB 1946

NAZI WAR CRIMES DISCLOSURE ACT

Declassified and Approved for Release  
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without precedent, hastened, in the presence of SCHULTZ, to make his excuses to Colonel "ROSSI", stating that he desired to be considered as having nothing to do with this deal. Colonel "ROSSI" told SCHULTZ that SIPAR could initiate a useful exchange of information only after collaboration on the part of the Germans is placed on a serious and secure plane. In reply SCHULTZ announced that before long a Ministry of Defense would be constituted in Western Germany and when this happens the German Service would be in position to meet its obligations with honor. In answer to a direct question from "ROSSI" SCHULTZ explicitly stated that, in his opinion, the direction of the German Military Service would definitely remain in the hands of Colonel HEINZ, whose rival, GERLEN, has little chance of replacing him, as BLANK completely endorses HEINZ.

2) Meeting with KOLIQI (Control Comment: Ernesto KOLIQI, of the National Independent Bloc whose contacts with the German Service are known):  
Long meeting between HASS and KOLIQI. The Bonn Service is greatly interested in Albanian affairs. (Control Comment: Direct interest such as when the Kaiser's Germany placed the Prince of Weid on the Albanian throne, or reflected interest prompted by the BIS which has lost some of its position among Albanian refugees? In fact HASS is supposed to upset American penetration. In any case he would have to make anti-Italian moves). HASS received orders from SCHULTZ to begin to lay the bases for deep German activity in this sector. HASS is said to have received orders to penetrate Albanian collaborators of the American Services. It was in this spirit that the KOLIQI-SCHULTZ meeting was arranged.

3) RISKOWSKI, who prior to SCHULTZ' arrival had consulted, at HASS' request, with the principal leaders of KOLIQI's political group (VERLACI, MARKAJOWI, etc.), told SCHULTZ that both personally, and as representative of his group, he was disposed to agree to a close collaboration with the new German IS on the following basis:

- a) Economic treatment should be the same as that presently accorded by the American Service (\$250. a month); and
- b) The German Government is to grant a form of political recognition to the group which he represents, recognition which has, to date, been denied by the American Service.

4. KOLIQI also pointed out that every one of his collaborators was to be compensated by a fixed monthly salary of 100,000 lire. He also stated that he was disposed to collaborate with the German Service in other sectors, particularly the Bulgarian, Croatian and Rumanian. With regard to relations of the Italian Government with that of Tirane, on explicit request of SCHULTZ, KOLIQI stated

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that he was aware, through documentation, that these relations have singularly improved in recent months as a reflection of the Italo-Yugoslav tension. The Rome Government, through the mediation of PCI Parliamentarians, allegedly brought to Tirana's attention its interest, in principle, of maintaining the status quo in Albania and that, in any case, it would take no substantial steps against that Government even though it must, for tactical reasons, proceed in form in the wake of hostile initiatives of the American Service (Control Comment: Therefore, according to KOLIQI, or better still, according to HASS who attributes this information to KOLIQI, TERRACINI allegedly completed a mission (to Tirana) not for the PCI, but for the Italian Government!) KOLIQI commented that all this was absolutely contrary to the interests of anti-Communist Albanians who at the moment were looking with great favor upon German friendship and German resurgence because "whenever Germany has been sufficiently strong and influential in the Balkans, Albania, by reflection, has known periods of prosperity."

5. SCHULTZ is said to have given assurances of interest in the Albanian situation in general and in Albanian refugees in Italy in particular. Privately, SCHULTZ also gave assurances to HASS that all necessary financial means would be placed at his disposition to develop activity in the Albanian field.

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6. Report of 7 November 1953: On 2 November 1953, at 1130 hours, HASS was presented by Ernesto KOLIQI to the previously reported Father GAGOV in the headquarters of the Franciscans in Rome, Via Guido Baccelli 56. This meeting was the first development in the SCHULTZ-KOLIQI meetings. Father GAGOV took under consideration, with pleasure, collaboration with the Bonn Service against Communism in the Bulgarian field. Important detail: To activate this collaboration GAGOV pointed out the opportunity of recalling certain Bulgarians to Italy from Canada where they are presently living since in his opinion, they were not compromised in Bulgarian emigre circles in Italy (Control Comment: Attempts will be made to prevent this since GAGOV is a British agent). The meeting was merely one of first contact. However, GAGOV offered HASS the collaboration of others, i. e.:

- a) A Rumanian colonel, whose name HASS does not know or does not wish to reveal, for the Rumanian sector;
- b) A certain FABIAN for the Bulgarian sector (Control Comment: There are many persons named FABIAN; investigations in course to identify); and
- c) A certain KREPIC, for the Croatian sector (Control Comment: This is KRILIC, Ante PAVELIC's henchman).

7. From now on HASS will have direct contacts with Father GAGOV. The matter will be followed.

8. Report of 24 November 1953: According to information obtained from various confidential informants of Source, a Major, who acts as Liaison between HASS and the BLANK office, The Major will make his headquarters at

is en route to Rome.

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Via Pier Luigi da Palestrina 47, address of the "INTERCOMMERIO", telephone 366-901. He is due in Rome on 2 December 1953. The Major was to pick up intelligence material prepared by HASS but the principal reason for his coming was said to be that of bringing HASS up-to-date on the situation within the branch of the German IS which, up to this time, had been under HEINZ who was torpedoed and substituted by Colonel GEHLEN. The controversial position assumed by GEHLEN vis-a-vis HEINZ was notorious until about a month ago. GEHLEN was backed by the Americans, while HEINZ enjoyed the trust and support of BLANK and ADENAUER.

9. The intelligence nets were different in composition: the majority of Americans with GEHLEN, and the majority of Germans and ex-Nazis with HEINZ. HEINZ, inspired by loyalty to the Republic of Bonn and German interests, the other by more distinct pro-American interests. However, GEHLEN prevailed and changes were foreseen in personnel who have, to date, been under HEINZ (in Bonn alone, 700 persons). HASS awaited the arrival of this Major who stated in a letter that the work would go on in spite of the new situation. HASS feared that GEHLEN's brother (Control Comment: the well known Hans GEHLEN, brother of General GEHLEN, Secretary of the Order of Malta) who is in Rome, and who will logically be a trusted element of the new Chief, will remove him from his position in Italy. All was to be clarified on 2 December. The matter will be followed.
10. Report of 26 November 1953: On 22 November 1953, HASS received a letter dated 19 November from the Director of the Munich Center in which the latter announced his arrival in Rome on 2 December 1953 and requested HASS to invite "the Italian friends" to prepare the exchange material (Source saw the letter which discussed nothing else and made not the least reference to HEINZ's replacement).
11. HASS, on the other hand, learned of HEINZ's replacement from the last edition of the German magazine, Spiegel, which had published information of high interest and had even printed a photograph of HEINZ, and others of the Chief of The Bonn Political Security Services.
12. Detailed information on HEINZ's replacement were received from HASS on 22 November 1953 from his friend HOETTL. The principal points of the "HOETTL version" are the following:
  - a) HEINZ, during his stay in Eastern Germany when he was Mayor of the town of Sarow, was a member of the East Germany Socialist Party and militated among the most fanatic extremists of the Party who went so far as to favor a fusion with the Communist Party;
  - b) HEINZ fled Eastern Germany in 1946, not because of political incompatibility with the Communist regime, but because certain particulars emerged regarding his responsibility in the post-WWII killing of Rosa LUXEMBURG, and he feared reprisals not so much from the Soviets as

from the old German Communist-Spartacists;

- c) HEINZ, once he became Chief of the Military Service in Bonn, banked everything on support which he had been getting from the Social Democratic Party of Bonn and from "democratic" Americans of the old Roosevelt Administration, all of whom believed in the "New Deal" and were of a decidedly "pink" political hue;
  - d) HEINZ, former Chief of the Bonn Military Service, betrayed his country by close collaboration with the Chiefs of UDBA and of the Dutch IS, activity which is amply documented;
  - e) Contacts between HEINZ and members of the Soviet Service were allegedly revealed;
  - f) HEINZ's presumable successor was (Reserve) General GEMLEN. Still, no successor had been officially named and, temporarily, the Military Service was continuing its activity under the direction of Otto JOHN, Chief of the Political Security Services and supporter of the campaign against HEINZ (Otto JOHN is an officer of the General Staff, formerly attached to CANARIS' service; after the failure of the well known attempt of 20 July 1944, he fled immediately to London);
  - g) HEINZ's dismissal took place, officially, in October (1953). Almost at exactly the same time as his dismissal, came the announcement of the strange death in Zurich of the Dutch agent who was the liaison between HEINZ and the Director of the Dutch Service with which HEINZ had arranged a collaboration during the war to maintain contact with London.
13. The "HOETTL version" becomes much clearer when reading what was published in the magazine, Spiegel. The variations to which Source synthetically referred were HOETTL's.
14. From all these events, HASS drew the following moral: it is necessary that he make urgent contact with the Soviet Service to sell today, to his advantage, that information which his chiefs most certainly will sell tomorrow to the Soviets and to others.
15. ~~HASS~~ reported that he had had a brief meeting on these events with Massimo UFFREDUZZI after having received the letter from the Munich Center Director. UFFREDUZZI assured him of the stability of his position, declaring that SIPAR would do everything possible to see to it that he kept the job of liaison between Bonn and Rome.
16. HASS questioned UFFREDUZZI on ANEDDA's position within the Service. UFFREDUZZI is said to have stated that ANEDDA was an agent who was barely tolerated by SIPAR and was considered a hostile and dangerous individual. (Control Comment: HASS' request is in relation to the rash

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step (one of many) taken by ANEDDA to be recruited by the Israelis who turned down HASS' proposal in strong terms. (see below). At 1025 hours on 25 November, HASS went to the Soviet Commercial Representation (see below) and left at 1100 hours. He was accompanied by a confidential informant.)

17. On 24 November 1953, HASS received a communication from Linz from Alois EDER, which was seen by Source. EDER acknowledged receipt of a political-military report on the Albanian situation. He stated that he had shown it to a certain PETER (not better identified), member of the Austrian police force in Linz.

18. HASS sent EDER intelligence material on Albania received from KOLIQI to be offered to the highest bidder. This episode serves to demonstrate how HASS (but not only HASS) is engaged in indiscriminate trading of intelligence information which he succeeds in gathering in all fields.

19. Report of 27 November 1953: At 1020 hours on 25 November 1953, HASS went to the offices of the Soviet Commercial Representation. He was received without special formality by a young Soviet woman who asked him the purpose of his visit. HASS stated that he desired clarification on (trade) exchanges between Italy and Eastern Germany and asked to speak to an official. After about a ten-minute wait a Soviet official arrived who took him into a small room where he asked HASS to wait. After about ten minutes more he returned alone and the meeting began. HASS showed his German passport and said that the reason for his visit was not commercial in nature: he had come to the Commercial Representation because he thought that that office was less watched than the Embassy by the Italian police and by the Western intelligence services.

20. The true reason for the meeting involved intelligence questions and, specifically, a proposal for collaboration in that field. The official interrupted HASS stating that he, personally, was qualified only in matters dealing with the export of Italian citrus to the USSR, but that in any case he was ready to listen and to refer the meeting to the competent office.

21. After having given a thumbnail sketch of himself, his past and his present activity - Major of the SD, then collaborator of the American IS, presently liaison between Bonn and SIPAR - HASS made the following offer to the Soviet Service:

- a) All possible intelligence material which derived from his position of liaison agent between Bonn and SIPAR (he offered immediate assignment, at the next meeting, of photocopies of Bonn-SIPAR correspondence);

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- b) Penetration, through him, of the Albanian and Bulgarian anti-Communist refugee milieu;
  - c) Penetration in Egypt, through his former SD friends resident on the spot (he mentioned a future trip to Cairo); and
  - d) Reporting on the activity of the ex-King of Egypt, FAROUK.
22. HASS explicitly told the Soviet official that he was doing this only for money and that he had a trusted henchman whom he would use for contacts (Source). HASS turned over, as a sign of recognition, half of a 50-lire note of the type recently declared unusable (attached is photocopy of the half consigned to Source for the contacts).
23. The Soviet official followed HASS' exposition with growing interest, but without questioning him. At the end he asked HASS if he desired a military or political contact - HASS replied "military".
24. The Soviet official said that he would try to make contact with the proper person and that he would pass on that person's opinion as soon as possible. In addition he took note of HASS' name and the address of his firm (Control Comment: The "IMPORT-EXPORT", Via G. P. da Palestrina 47, which is entrusted to the well known Harald EMBKE.) HASS strongly requested the Soviet official not to attempt a contact through the firm, stating that his partner, EMBKE, is and must remain in the dark about this activity. The meeting ended at about 1100 hours.
25. HASS' entrance and departure were observed as a result of Source's timely signal.
26. Report of 28 November 1953: HASS was invited to participate at an international youth meeting in Cairo which was to take place during January 1954. HASS was planning on resuming direct contacts with a group of former German officers of the intelligence service of the Reich which were still operating in that area and, in particular, with Dr. HEISNER, fnu, known to be one of the major German political and military sabotage technicians. HEISNER loaned his services as instructor and organizer of an Egyptian sabotage group which, in the event of necessity, was to operate in the area of the Suez Canal.
27. At the present time, having completed his specific task, HEISNER is engaged, through a commercial firm, in the furnishing of German material to the Egyptian Army. HEISNER has been living in Egypt for five years having transferred there, as did many others, with the assistance of HASS. Correspondence between HASS and HEISNER was recently resumed on a purely commercial basis; HEISNER had

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was proposed that HASS consider the possibility of transferring to Cairo to engage in subversive activity with him. In the past, BEISNER was on business relations with his well-known German group, "NAUMANN".

28. However, HASS saw in the trip to Cairo the possibility of exploiting it also from the intelligence point of view. Consequently HASS immediately made contact with Captain ANEDDA who is a well known collaborator of the Israeli Service, and proposed to him his (HASS') inclusion in the Israeli Service activity which could be developed in Egypt. ANEDDA agreed in principle.
29. Since, among other things, HASS noted the possibility of his entering into contact with former King FAROUK, through the latter's secretary, EL FAHIM, a former SD agent, ANEDDA pointed out the possibility of selling to FAROUK documents and information which would be obtained according to circumstances. HASS accepted. ANEDDA furnished HASS FAROUK's telephone number for an eventual meeting. At a meeting with FAROUK and with EL FAHIM, HASS hoped to place himself at the ex-sovereign's disposition on the occasion of his forthcoming trip to Cairo, offering to act also as courier.
30. In a second, and successive meeting with ANEDDA at which EMBKE was also present, HASS asked for regular recruitment into the Israeli Service. EMBKE made the same request. ANEDDA said he would check on it and reply later.

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31. ~~EMB-1874~~ In the course of a further meeting between HASS and ANEDDA which took place on 12 November 1953, ANEDDA promised to introduce HASS to an Israeli officer. The meeting, which had been set for the morning of 13 November, was postponed to the evening of the same day in Piazza del Popolo. ANEDDA, however, arrived alone and stated that HASS' offer of collaboration had been turned down by the Israeli for the following reasons:

- a) HASS' active collaboration in the anti-Semitic activity carried out in collaboration with PREZIOSI;
- b) HASS is listed as a BIS agent; and
- c) His participation in activity against the Jews was known; he is considered by them to be a war criminal. (Control Comment: It was also learned through Plan LADYSHIP that the Israelis had, in fact, disdainfully turned down HASS' offer of collaboration).

32. In his offer of collaboration with the Israeli Service was implicit the sale of exchange material between SIPAR and the German Service.

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33. ~~EMB-1874~~ Report of 5 December 1953: On 2 December 1953, from SCHULTZ, Director of the Bonn Service Munich Center arrived in Rome. He was received by HASS. SCHULTZ asked HASS to arrange an immediate meeting with Colonel



- "ROSSI". HASS tried to avoid the meeting by resorting to various expedients. However, when SCHULTZ arrived in Rome, HASS said that he had been in telephone contact with "ROSSI" who had replied that he did not have time for an immediate meeting. SCHULTZ was very disappointed and asked HASS to call "ROSSI" again to ask him for a contact even for only a few minutes as he had important verbal messages for him from the new Chief of the German Service, Colonel KIRSCH.
34. Searce was not able to learn if the meeting ever took place. However, SCHULTZ wrote "ROSSI" a letter which he consigned to HASS, along with the usual intelligence documents, in a folder sealed for SIFAR. HASS opened the folder to make a photographic copy. On the same day (2 December) SCHULTZ left for Munich completely dissatisfied due, also, to the lack of consistency of the material transmitted by SIFAR to date.
35. Commenting with HASS on the dismissal of HEINZ, SCHULTZ defended HEINZ and attributed his dismissal to the ill-feeling of the Chief of the Political Services, Otto JOHN, and to maneuvers of the American "military clique" in Wiesbaden. However, he stated that the continuity of the work of those who belong to the Service was guaranteed. HEINZ was replaced by his assistant, Colonel of the O.K.W. KIRSCH.
36. General GEHLEN, who aspired to succession, was not successful in taking over since he, too, was in trouble. In fact, one of the principal employees of his organization was revealed to be a Soviet agent who, taking advantage of the General's trust in him for a long period of time photographed the most secret documents of the GEHLEN net in the East and, as a consequence, about sixty men in the net fell into the hands of the Soviet security forces.
37. SCHULTZ announced that before too long BLANK would be named Secretary of State and that from that moment the Bonn Military Service would initiate the truly operative cycle of the Service. Not so imminent was the constitution of the Ministry of Defense. The nomination of BLANK as Secretary of State would represent, therefore, a transitory phase which would culminate in a reorganization of the German Army. American political and military circles were reported to have imposed this arrest action in relation with the "relaxed" political phase brought about by recent initiatives from Moscow. The nomination of BLANK as Secretary of State was allegedly made possible, at the request of Bonn, as a countermeasure to the appearance of Von PAULUS on the political scene.
38. SCHULTZ was also said to have told HASS that interest in HASS' activity in the Albanian sector had deteriorated. On the other hand, interest has increased in the Bulgarian, Rumanian and Jugoslav sectors. No interest, for the present, in the Italian sector.

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39. SCHULTZ had, in Rome, a series of meetings, details of which are given below, according to HASS' statements:

a) Meeting with CAPUTO: CAPUTO asked for the initiation of an active exchange of information with Colonel KIRSCH. He pointed out to SCHULTZ that a situation was developing in Italy which worried Italian political authorities. In fact, American political and military services were creating in Italy a powerful fifth column constituted, basically, of American citizens, apparently civilian, who settled in Italy under the strangest pretexts and created nets, apparently anti-Communist, but in reality aimed at taking control of vital nerve centers of the State under the pretext of a presumed absence of the powers of the State in the event of a crisis which might even be provoked by them for the purpose of bringing about a true American military occupation regime. For this reason there was strong preoccupation on the part of the Italian Government as well as the need for closely watching this preparatory activity. CAPUTO said that he was of the opinion that an analogous situation was taking place in Western Germany and, consequently, he invited SCHULTZ to exchange respective information on the activity of the American Services and on the names of those belonging to them and collaborating with them. This strange conversation visibly frightened SCHULTZ who however was not convinced and ably slipped out of the discussion by stating that such activity, even though most interesting, did not fall into the present possibilities of the German Service. In vain did CAPUTO try to obtain his agreement, appealing to the need for safeguarding the independence of their respective countries. SCHULTZ was reported to have been very much shocked and astonished by this meeting. (Source Comment: Source wished to point out the fact that for many months HASS had been dealing exclusively with CAPUTO and it appeared that his relations with BARILETTA were not too "warm". This might have some bearing in evaluating his statements. Separately, CAPUTO, who said he had just returned from Salzburg, invited HASS to a meeting later.

BLS INPUT NO 2) Meeting with Father GAGOV: Meeting of four: SCHULTZ, HASS, Father GAGOV and a former Bulgarian Colonel who, in 1943, was chief of Bulgarian security services. HASS did not remember the name of this Colonel but it developed that he and SCHULTZ had mutual friends as SCHULTZ, during the war, was said to have worked intensely in the Bulgarian sector for the CRW (sic). Father GAGOV began by presenting himself as being qualified in the field of military information as representative of the Bulgarian emigre group which he leads, and presented the Colonel as a person qualified in the political intelligence field. The GAGOV group desired to collaborate with the Beta Service and to propose the initiation of the collaboration as follows:

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Every 20 days a group of Bulgarian Jews who had been expelled from their country arrived in Naples enroute to Palestine. They are lodged temporarily by the Italian authorities in a hotel in Naples where members of SIFAR and the American services gather to interrogate them. GAGOV proposed to make it possible for his Colonel to go periodically to Naples to interrogate these refugees with the authorization of the Italian Interior Ministry (Control Comment: It was already known that Father GAGOV, a British agent, who had never agreed to collaborate with the CE sector of SIFAR, is protected by the Ministry of the Interior), placing at Bonn's disposition a copy of the interrogation. GAGOV stated that he felt it was necessary to seek the support of Italian political authorities rather than the military and to obtain for the Colonel a "protection" document which was to be used only in the event of need. SCHULTZ approved the suggestion and asked for a financial plan of the operation. HASS was to go to CAPUTO for necessary support as soon as Bonn sent its approval.

40. The following resulted in the wake of SCHULTZ's visit to Rome:
41. On the morning of 3 December 1953, HASS, in accordance with CAPUTO's previous request, went to the Interior Ministry for a talk. CAPUTO postponed the talk to 4 December as he was busy with office matters. HASS, therefore, was able to discuss only marginal questions, i.e.:
42. Recently HASS was introduced by EMBKE, in Rome, to a certain (Captain RIGHINI who was a member of an unspecified police mobile unit in Bologna. Together with EMBKE, HASS again met with RIGHINI in Bologna on HASS' return from a business trip to Como. RIGHINI, further developing a concept already brought out in Rome, stated to HASS that on the initiative of Italian industrialists of Turin and Milan an autonomous anti-Communist intelligence service was being constituted which proposed, in addition to the fight against Communism, to defend the independence of European countries against American invasion which was becoming more unbearable each day. Therefore, RIGHINI requested HASS' and EMBKE's collaboration for the constitution of a unit in Rome and announced his proposed visit to Rome to reach a concrete agreement on a financial basis as well.
43. HASS, who found many points of agreement between RIGHINI's proposal and that of CAPUTO to SCHULTZ, questioned CAPUTO in this connection for clarification and advice. CAPUTO warmly recommended the initiative as being excellent and patriotic, stating that the head of the organization is the well known Edgardo SORNO\* who, three months ago, established the directorate of the service in Milan creating the first intelligence units

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in Milan, Turin, and Bologna. The financing was said to be assured by industrialists and, in particular, by the FIAT group. Formation of other units was foreseen all over Italy as was operational liaison with analogous organizations abroad.\*\*

44. HASS' opinion of the entire question was clearcut: BIS. (Control Comment: There can be no doubt, if one remembers VALLETTA's ties with the British. One of the Air organs might know something about it.)
45. It was Source's impression, for various reasons, that EMERNE's relations with RIGHINI were of a specific intelligence nature.
46. Attached, forwarded untranslated are:
  - a) Photographic copy and Italian translation of SCHULTZ's letter to Colonel "ROSSI"; and
  - b) Photographic copy of two reports in German.

\* Edgardo SOGNO constituted in Milan in August, 1953 the "Peace and Freedom" Movement with headquarters in Via Palestro 22 which proposes, in relation to the British detente movement, to reach a modus vivendi with the PCI.

\*\* For some time there has been talk of the creation of such a Service financed by unspecified industrialists. [ ] has contacts with members of this Service in Milan. It is an organization different from the "Peace and Freedom" movement.