

TOP SECRET

21 July 1949

MEMORANDUM FOR: ROBERT P. JOYCE, POLICY PLANNING STAFF, DEPARTMENT OF STATE

SUBJECT: Effects of the resumption of Italian-Pixie relations on the BCFIEND Plan.

1. Our field representative responsible for the execution of BCFIEND has cabled us his impressions of some of the detrimental effects we can anticipate with reference to our future aims in Pixieland as the direct result of a resumption of Italian-Pixieland diplomatic relations.
2. In this connection, the following considerations appear pertinent:
 - a. Such a move would strengthen the position of the present regime by breaking down the isolation which Pixieland has been laboring under since the Tito-Cominform split. Moreover, from a longer range point of view, the present economic dilemma which confronts the Pixie regime will probably be substantially alleviated if the Italians channel consumer goods to the Pixie markets.
 - b. Rightly or wrongly, the Pixies inside and outside the country will assume that Italian recognition has the approval or at least the tacit consent of the U.S. The Pixies on the committee which we are sponsoring will be dismayed and confused by the seemingly contradictory volte-face in Western policy.
3. In light of the disadvantages mentioned above, our representative urges that we give consideration to the matter of requesting that the Italians abandon or at least delay for several months the actual implementation of their recognition of the current Pixie regime.
4. We would, of course, favor, in support of our operations, such delay by the Italians if the Department of State considers it both feasible and desirable to attempt to influence the Italians in this direction.
5. Could you give us an indication of the Department's view or an assurance that the Department will undertake to secure a commitment from the Italians in the sense described above?

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