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INSTRUCTIONS APPLY

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TO WHITE HOUSE

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SECRET 281641Z FEB 72 SENSITIVE EYES ONLY VIA

IMMEDIATE TO: GENERAL AL HAIG, THE WHITE HOUSE

FROM: AMBASSADOR GRAHAM MARTIN, ROME 495

REFERENCE: WH 20959, 25 FEB 1971

1. UP UNTIL THE LAST MOMENT, THERE WAS A BIT OF UNCERTAINTY WHETHER THE GENERALLY AGREED SCRIPT, ENDING IN AN UNPRECEDENTED DISSOLUTION AND EARLY ELECTIONS, WOULD BE FOLLOWED TO THE END. LEONE SIGNED THE DISSOLUTION DECREE THIS MORNING AT 10:07 AND WE ARE NOW FACED WITH ELECTIONS ON 7 MAY. I AM, THEREFORE, NOW ABLE TO RESPOND WITH MORE PRECISION TO YOUR MESSAGE OF 25 FEBRUARY.
2. THE TEMPER OF THE COUNTRY DEFINITELY IS SWINGING TO THE RIGHT. ALMIRANTE WILL GAIN MOST FROM THIS TREND UNLESS THE CHRISTIAN DEMOCRATS MAKE AN ALL-OUT EFFORT WHICH I BELIEVE THEY ARE INCLINED TO DO. THEY WILL NEED HELP.
3. THE COMMUNIST PCI, STILL SMARTING FROM THE SEVERE PSYCHOLOGICAL SHOCK OF THE PUBLIC HUMILIATION OF THEIR MISCALCULATION IN THE PRESIDENTIAL ELECTIONS, WILL GO ALL OUT AND WILL RECEIVE CONSIDERABLE SUPPORT FROM THE SOVIET UNION. THEY ARE DEEPLY WORRIED ABOUT THE THREAT FROM THEIR LEFT AND ARE DESPERATELY TRYING TO PREVENT THE MANIFESTO GROUP FROM FILING SEPARATE ELECTORAL LISTS.
4. SARAGAT, MOTIVATED PRIMARILY BY A BURNING DESIRE TO RECAPTURE CONTROL OF THE PSDI FROM WHICH HE WAS ON THE VERGE OF BEING PRACTICALLY EXCLUDED, HAS SUCCEEDED IN FORCING AN ELECTORAL LINE WHICH, WHILE STILL ANTI-COMMUNIST, WILL BE MORE TO THE LEFT THAN THE MAJORITY OF THE RANK AND FILE OF HIS PARTY WOULD HAVE LIKED. CONSEQUENTLY, THE PSDI WILL LOSE SEVERAL HUNDRED THOUSAND VOTES THEY MIGHT OTHERWISE HAVE COUNTED ON. THESE VOTES WILL NOT ALL BE LOST TO THE CENTRIST FORCES, HOWEVER, AND THE PSDI MAY ENTER THE NEW PARLIAMENT WITH ABOUT ITS PRESENT STRENGTH. SARAGAT'S PRESENT LINE MAY ATTRACT SOME SUPPORT WHICH WOULD HAVE GONE TO THE SOCIALISTS.
5. THE REPUBLICANS ARE EXPECTED TO MAKE CONSIDERABLE GAINS, WHILE THE OUTCOME FOR THE LIBERALS IS UNCERTAIN. IF THEY WAGE AN AGGRESSIVE CAMPAIGN, THEY MAY DRAW VOTES AWAY FROM THE MSI ON THE BASIS THAT A VOTE FOR THE LIBERALS MAY CONTRIBUTE TO A SOUND BASE FOR A CENTRIST GOVERNMENT WHILE A VOTE FOR THE MSI WILL BE WASTED.
6. LEONE, IN DISSOLVING PARLIAMENT HAS TAKEN AN UNPRECEDENTED AND DANGEROUS STEP. HE HAS ARRANGED CHANNELS TO KEEP THE TWO OF US IN QUIET, UNOBTUSIVE BUT INTIMATE CONTACT. HE BELIEVES THIS ELECTION TO BE AS IMPORTANT TO ITALY AND TO OVERALL AMERICAN POLICY AS WERE THOSE IN 1948. HE HAS REQUESTED THAT WE HELP AS MUCH AS WE CAN. I HAVE SAID THAT WE WOULD DO WHAT WE COULD.

7. I HAVE NOT YET SEEN FORLANI BUT EXPECT TO DO SO IN THE COMING WEEK. I HAVE INDICATED IN PREVIOUS CONVERSATIONS THAT WE WOULD BE INCLINED TO BE HELPFUL IF THE CHRISTIAN DEMOCRATIC PARTY SHOWED MORE COHESION AND COMPACTNESS THAN HAD BEEN EVIDENT IN RECENT YEARS. HE BELIEVES THAT THEIR SUCCESS IN THE PRESIDENTIAL ELECTION, AND THE SUBSEQUENT COHESION THAT BRINGS US NOW TO EARLY ELECTIONS, HAS MET THAT PRE-CONDITION. I AGREE.

8. WE HAVE REVIEWED THE SITUATION THIS MORNING AND HAVE ARRIVED AT THE FOLLOWING PRIORITIES AND GENERAL ORDER OF MAGNITUDE OF \$10,000,000 FOR A VASTLY EXPANDED POLITICAL ACTION PROGRAM OVER THE PERIOD BETWEEN NOW AND MAY 7:

A. FOR THE CHRISTIAN DEMOCRATIC PARTY AND FLANKING ORGANIZATIONS, SUCH AS CIVIC COMMITTEES, COLTIVATORI DIRETTI, MOCLI LIBERI ACLI, ETC., \$6,750,000.

B. FOR OTHER CENTRIST AND CENTRIST INFLUENCE FORCES (SELECTED TARGETS WITHIN PSDI, PLI, PRI, ETC) \$2,000,000.

C. DISRUPTION AND HARRASSMENT ACTIVITIES AIMED AT REDUCING PCI VOTE, \$1,250,000.

9. UNDER EXISTING AUTHORITY, I HAVE TODAY COMMITTED \$1,700,000 TO THE CIVIC COMMITTEES TO GET THE PRELIMINARY ORGANIZATIONAL ACTIVITIES UNDER WAY. THIS LEAVES US WITH ONLY A LITTLE MORE THAN ONE MILLION DOLLARS LEFT FROM THE \$ 3,515,000.00 AUTHORIZED BY THE 1971 MARCH 10 DECISION OF THE 40 COMMITTEE. I WOULD PREFER TO KEEP THIS SEPARATE AS A RESERVE RATHER THAN BLANKET IT INTO THE NEW AUTHORIZATION I HAVE REQUESTED IN PARA 8 ABOVE. IF MORE IS NEEDED AS TARGETS OF OPPORTUNITY PRESENT THEMSELVES DURING THE ELECTIONS, I SHALL NOT HESITATE TO ASK.

10. I DO NOT KNOW WHETHER YOU ACTUALLY HAVE TO HAVE A MEETING OF THE 40 COMMITTEE BEFORE GOING AHEAD WITH THE ADDITIONAL AUTHORIZATION, BUT OBVIOUSLY TIME PRESSURES WILL BE VERY GREAT. I ANTICIPATE NO DIFFICULTIES EXCEPT PERHAPS WITH MY INFLEXIBLE AND CONTINUING PRE-CONDITION-- THAT THE AUTHORITY FOR THE MIX AND IMPLEMENTATION BE LEFT ENTIRELY UNDER MY AUTHORITY. I JUST DON'T INTEND TO HAVE ANOTHER CHILE HERE.

11. OUR FRIEND MENTIONED IN YOUR LAST PARAGRAPH IS CELEBRATING HIS BIRTHDAY IN SWITZERLAND. HE IS HAPPY AS A CLAM SINCE WE HAVE HELPED HIM UNTANGLE SOME OF HIS PERSONAL PROBLEMS HERE. HE HAS ACCEPTED THE FACT THAT THERE IS ONLY ONE REPRESENTATIVE OF THE PRESIDENT HERE.

HE WOULD BE QUITE HAPPY WITH THE ABOVE PROGRAM IF HE WERE TO KNOW ABOUT IT ALTHOUGH HE HAS NEVER LEARNED FROM ME THAT SUCH A PROGRAM EXISTS AND I DO NOT INTEND TO DISCUSS ANY DETAILS WITH HIM. NOW THAT ELECTIONS ARE UPON US, HE WILL BE QUITE RELAXED.

WARM REGARDS.

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