

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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January 27, 1970

MEMORANDUM FOR MR. KISSINGER

FROM: Helmut Sonnenfeldt NSS/NSC, State Dept.  
reviews completed

SUBJECT: Italy: Political Situation, NSC Meeting, et al

Sharp attention has been focussed on Italy from various quarters lately. This memo attempts to put these pieces together.

The NSC Meeting. The timing for an NSC meeting can be geared to the fact that the center-left parties will probably resolve their immediate differences and agree within two weeks or so to return to a four-party coalition. At that time, the first act in the process of forming a new government, Rumor's resignation, will take place. The next high point will occur in the spring with the regional and local elections. Depending on the outcome, there may be a drift to the right or left. Thus, an NSC meeting in early March could set the tone for action we might take in an attempt to influence the spring elections. I have attached at Tab A a memo to Secretary Rogers informing him of the President's desire for an NSC meeting and requesting that Ambassador Martin be called home to attend as the President requested. (If you want to broaden the meeting to the Mediterranean as a whole, what about other Ambassadors? How do you wish to proceed with preparations? An NSC staff paper on the whole region for Review Group consideration? Who should do it? What themes?)

Secretary Rogers' Report. The Secretary has sent a memo for the President (Tab G) outlining the prospects in the Italian political scene. He makes the following points:

- Rumor <sup>will</sup> probably be able to form a center-left coalition prior to regional and local elections;
- if the elections do not confirm the status quo, there is a chance of Saragat dissolving Parliament and holding national elections;
- the Christian Democrats will remain in any foreseeable democratic government, but the Communists are not expected to participate;

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- while the US can accept either a continuation of the center-left or a move back to the center, it is essential to have a government capable of carrying out needed reforms in the government and social structure.

I have attached at Tab B a memo to the President enclosing the Secretary's report, as well as informing him of the Redcoste issue and other related actions. The Secretary's report in its present form is an insufficient base for the NSC meeting.

Saragat's Signals. Mr. Buchanan sent a memo to the President on January 12 reporting a conversation between President Saragat and Ambassador Tasca on December 31. John Brown informed you by memo (Tab H) that the President had reviewed the Buchanan report, had asked you to note the "deadly pattern," and asked that you pass the information on to Ambassador Martin and Mr. Flanigan. At about the same time, Mr. Robert Murphy wrote to you enclosing a copy of a letter he had received from Ambassador Tasca reporting in detail his December 31 conversation with Saragat (Tab I). The gist of the conversation is that

- Saragat has learned that high Vatican authorities believe that the world is headed for Communism, and that the Church did not intend to repeat its 19th Century error of fighting the Liberal movement; this attitude will undercut the Christian Democrats and will encourage Communist participation in government; (This differs from the thrust of what Benelli said to you.)
- the President of Fiat told Saragat that it would be useful to allow the Communists participating in the government, since it would bring peace to Italy;
- the trade unions have become a revolutionary force, a Communist Trojan Horse in Italy.

Saragat also had a long conversation December 30 with Brosio. Saragat asked Brosio to convey his feelings to the President through Bob Ellsworth. (Ellsworth has reported this in a memo to you - Tab J.) Saragat conveyed his depression over the "inevitable" development of "cooperation" between the Communists and the Christian Democrats, possibly within 1970. He hinted that he might resign before the end of his term (this may be a garble

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for others report that he is thinking about dissolving Parliament and calling for national elections after the spring elections). Saragat would be interested in the President's reaction, and Brosio has made himself available as a communications link.

I have included these messages in your memo to the President, and suggested that he not respond to Saragat at this time -- perhaps after the NSC meeting. I have attached at Tab C a letter from you to Ambassador Martin reporting these Saragat observations, as the President has requested; a similar memo to Mr. Flanagan is at Tab D; at Tab E is a brief letter to Mr. Murphy thanking him for his letter. I think it would be a mistake to use Brosio as yet another communications link to Saragat. Aside from the danger of getting too close to the players, it would undercut Ambassador Martin's role at just the time you have written to him about the Saragat-through-Murphy report that his Embassy has been ineffective. At Tab F is a letter to Bob Ellsworth suggesting that we will probably not wish to use Brosio as a vehicle.

Contingency Study on Communist Party Entry. In response to your memorandum of October 6, Under Secretary Richardson has submitted to you a study prepared by an inter-agency ad hoc group on the possible entry of the Communist Party (PCI) into the Italian Government (Tab K). The conclusion is that PCI entry is unlikely in the next 2-3 years. The study sets out the various factors which might lead to PCI entry (lack of institutional reforms, left-right polarization, and transformation of the PCI toward democratic responsibility), and suggests a range of actions we could take to encourage the center and center-left parties. The Under Secretary has asked EUR to work out the steps necessary to carry out these actions (which he considers are marginal in potential effect), and has also requested a re-examination to ensure there are not more effective measures we can take. Portions of this study will be useful at the NSC meeting, but the section dealing with our possible actions to encourage stability is inadequate for the NSC discussion. This comment is reflected in your memo to the Secretary.

#### RECOMMENDATIONS

That you sign

1. The memo to Secretary Rogers on the NSC meeting at Tab A.

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2. The memo for the President on the Secretary's report, the Saragat messages, and the Redcoste reduction telegram, at Tab B;
3. The letter to Ambassador Martin on the Saragat messages, at Tab C;
4. The memo to Mr. Flanigan on the Saragat messages, at Tab D;
5. A letter to Robert Murphy on the Tasca/Saragat letter, at Tab E;
6. A letter to Bob Ellsworth on the Brosio/Saragat exchange, at Tab F.

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MEMORANDUM FOR THE PRESIDENT

Subject: Evolution of the Italian Political  
Situation

I know you are deeply interested in political developments in Italy and the unstable situation which has characterized the political scene there in recent months.

Following the fall of the center-left coalition last summer as a result of a split in the Socialist Party, Prime Minister Rumor has endeavored to govern with a minority government. He has done so with a fair degree of success, aided in part by a successful resolution of industry-labor disputes which marked the Italian scene last fall.

Recent recourse to local violence (the bombings in Rome and Milan) has now led the former members of the center-left coalition to work more closely together in an effort to reconstitute the center-left government.

First established in 1962, it was expected that the center-left by incorporating all the democratic progressive elements in the country would be able to reform the inadequate bureaucracy and iniquitous social structure. Modest progress has been made, but in the past two years--and particularly since its dissolution last summer--there has been an increased questioning of the ability of the center-left coalition to create public confidence in its capacity to handle Italy's domestic problems.

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Downgraded at 12-year intervals;  
not automatically declassified.

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Ambassador Martin in Rome has recently reported some evidence that the center-left concept in Italian politics may be losing its validity, in spite of efforts to reconstitute it at this time.

What are the prospects for the future?

The Italians may muddle through as they have done for the past twenty years. The Christian Democrats have been in power since the founding of the Italian Republic. They are likely to remain in any foreseeable democratic government. Their efforts are currently focussed on reconstituting the center-left, regarding it as the only viable political alignment at this particular time.

If this effort fails, the only other conceivable democratic alignment would involve a return to the old formula of the Forties and Fifties. This would probably consist of the Christian Democrats, Unitary Socialists, the Republicans, and the Liberals. It would differ from the center-left by replacing the Socialists with the Liberals, but more importantly by the nature of its platform. This would probably emphasize a more efficient public administration. Presently, there is little active support for this concept, principally because its achievement would require the dissolution of the Parliament and national elections two years before the end of the term of the present Parliament. The prospect of early elections does not appeal to most Parliamentarians at this time.

This could change, of course, particularly if the rank and file of the Christian Democratic Party members decide, as a result of the outcome of the local elections this spring, that the center-left is dead.

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Local political ambitions will also influence the scene. Ambassador Martin reports that President Saragat is pondering the possibility of calling for national elections well before the end of the normal term (1973)--which would be the first time that this has happened since World War II--on the theory that there may be a trend to the center-right which would benefit his new party (PSU--Unitary Socialists). Such a step, however, would not be considered until after the Italian regional and local elections are held this spring, giving some indication of the temper of the Italian public.

Immediate Possibilities

We envisage that the following scenario will probably dominate the Italian scene in the coming months:

(A) Rumor will endeavor to organize a new version of the center-left coalition prior to local elections. The chances now seem to favor slightly this prospect.

(B) Local elections are held this spring. The results will either confirm the status quo, or suggest a move either to left or right (back to the center). However, the spring elections might not give any clear-cut results and the outcome could be continued cabinet shuffling until somebody made a move.

(C) If the elections confirm the status quo, we will probably have a continuation of the center-left. If, however, the elections indicate a move either to the left or to the right, then the chances are greater for the dissolution of the Parliament and the holding of elections.

(D) We would not expect the Communists to participate in any foreseeable national governmental combination, but they will continue to be active at the local level in some areas.

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U.S. Interest and Possibilities

Where lies the U.S. interest in all this? We require a democratic Italy where neither the Communists nor the neo-Fascists participate in government. We desire a reasonably stable, prosperous partner which will meet its Alliance responsibilities and cooperate generally on the world scene. We can accept either a continuation of the center-left or a move back to the center, but what we consider essential is a government which will carry out reforms to bring the government and social structure more in line with the growing economic position of the country. Unless improvement comes, increasingly dangerous instability is inevitable.

While we do not possess the resources we once had to influence the Italian scene, there are some things we can do to let our views be known. Your invitations to Rumor and Saragat, Secretary Volpe's visit to Italy, and other high-level exchanges are important. They serve to maintain the close ties with Italian authority which are necessary if we are to have influence in Rome. We should expand exchanges at all levels with students, labor leaders, scientists, and lower level political figures. To do this, we will need to overcome the shortage of funds for this entire program. We must also take full account of Italian political needs in our day-to-day relations--for example, in considering the effect of reducing our military presence there, in looking at closing of consulates, and in handling the details of economic, financial, and commercial problems. We must avoid a stance of taking Italian support for granted.

In summary, I look forward to a period of continued unease on the Italian political scene for the next several months. We do not foresee any immediate

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threat to democratic government there, but must keep the problem under close scrutiny and continually assess the means of using our resources to make our views known in a discreet, but effective fashion.



William P. Rogers

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Date: Friday, January 16, 1970

Time: 7:00 p. m.

FOR ACTION: Dr. Kissinger

cc (for information):

FROM THE STAFF SECRETARY

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DUE: Date: Friday, January 23, 1970

Time: 2:00 p. m.

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SUBJECT:

President's request for your recommendations concerning the Italian President Saragat's comments to Ambassador Tasca.

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

*JRC*  
K. R. COLE, JR.  
For the President

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

January 16, 1970

MEMORANDUM FOR DR. KISSINGER

On reviewing the attached memorandum from Mr. Buchanan the President directed the following remarks to you:

1. He asked that you take note of this deadly pattern.
2. He asked that you pass on this information to Graham Martin and Mr. Flanigan.
3. He asked for your recommendations as to what should be done.

Please submit your recommendations to the Office of the Staff Secretary.

Thank you.

*JRB*  
JOHN R. BROWN III

THE WHITE HOUSE

WASHINGTON

January 12, 1970

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MEMORANDUM FOR

THE PRESIDENT

Ambassador Tasca saw President Saragat of Italy on the 31st of December. The President asked Tasca to relay to RN two stories:

1. Monsignor Casaroli -- described by Saragat as the equivalent of a Foreign Minister at the Vatican -- informed a trusted newspaper friend of his that the "world would become Communist and that the Church had no intention of repeating the error it had made during the 19th century with the Liberal Party of the period." President Saragat is appalled at this attitude high in the Church -- it helps to explain, says Tasca, the weakness of the Christian Democrats in Italy's struggle against Communism. ✓

2. Agnelli, President of FIAT, told Saragat that he believed that Communists in the government in Italy would be a good way of taming them and bringing peace to Italy.

(Note; Crosby Noyes has a very pessimistic piece on the political future of Italy, feeling that the Right will move as Mussolini did before it allows the Communists to get close to power.)

PATRICK J. BUCHANAN

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