

208. Memorandum for the Record<sup>1</sup>

Washington, March 10, 1971.

## SUBJECT

Minutes of the Meeting of the 40 Committee, 10 March 1971

## 1. Italy—Political Action Program

Mr. Hart described for the Committee the program outlined in the CIA paper dated 18 February 1971.<sup>2</sup> He noted that CIA had been involved in political action and labor activities in Italy over some 20 years until 1968 when the 303 Committee agreed that the remnants of these activities should be terminated since it was felt that the booming Italian economy provided ample sources of funds for political parties to support their own activities. Recent Italian political and economic developments suggest that a new political action program be considered.

Mr. Hart stated that the CIA proposal is essentially a broad charter encompassing a number of activities designed to strengthen the center and right center between now and the national elections scheduled in 1973 and that the program could conceivably extend beyond that. He pointed out that the largest expenditures would be in support of political candidates and their parties, [*less than 1 line not declassified*] but that there would also be a fairly major effort against the Italian Communist Party (PCI), [*less than 1 line not declassified*]

Mr. Kissinger, referring to [*less than 1 line not declassified*] asked if it was in our interest to have a moderate CP and an extreme CP in Italy, since the moderates might wind up in the government.

Mr. Hart opined that any schism would be in our interest because the PCI brags constantly of its monolithic qualities whereas factionalism does exist which might successfully be exploited.

Mr. Hart stated that another portion of the proposal involved resumption of support to [*less than 1 line not declassified*] non-Communist labor union, which support had been discontinued in 1968. This effort would be designed to strengthen the control of the union's leader who is currently coping with a minority faction favoring unification of the labor movement which would result in its being PCI dominated and

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<sup>1</sup> Source: Department of State, INR/IL Historical Files, Records of the 40 Committee, Minutes. Secret; Eyes Only. A note on the memorandum reads: "Minutes shown to Mr. Hillenbrand and Mr. Beaudry, EUR, by Mr. Wellons on 5/10/71."

<sup>2</sup> Not printed. The paper included a detailed history of covert operations in Italy since 1948 together with a justification for resuming covert involvement and a series of information memoranda. (Ibid.)

thus give the PCI a dangerous degree of control over the Italian economy.

Mr. Hart noted that the proposal calls for efforts in the media field to attempt to get the media to be more responsive to centrist groups. He stated the major problem is with radio and T.V., which are predominately of strong leftist orientation. Mr. Hart commented that this is a problem which has defeated a lot of influential Italians, and he was not certain that these efforts will successfully change this orientation.

Mr. Hart referred to the [*less than 1 line not declassified*] activities outlined in the paper as essential first steps to be taken in order to update our information on the Italian scene and establish firm bases for the other actions.

Mr. Mitchell<sup>3</sup> asked if, in view of the magnitude of the problem, there was anything else that could be done.

Mr. Hart responded that the CIA proposal is a broad general charter with a number of activities in support of its objectives and that the degree and emphases of these activities can be varied as necessary as the program develops.

Mr. Mitchell expressed his assumption that there would be periodic reporting back to the Committee as the program progresses.

Ambassador Martin stated he would like to speak to Mr. Mitchell's query concerning the magnitude of the problem and the adequacy of the effort proposed. He noted that he had been pointing out over the past several months the necessity for helping our Italian friends. He felt it essential to assist [*2 lines not declassified*]. He observed that the [*less than 1 line not declassified*] tendency is to get together and work hard only for three or four weeks before an election, whereas the PCI works very hard every day of the year. Ambassador Martin therefore considered it urgent to [*less than 1 line not declassified*] and focus now on the 1973 elections.

Ambassador Martin drew a comparison between the scope of the CIA proposal and the total subsidies received by the PCI. He commented that official estimates of support received by the PCI is on the order of \$9,000,000 annually, but based on recent information he had received he judged \$20,000,000 to be a more realistic figure. Addressing himself specifically to Mr. Mitchell's previous query, he expressed the view that while the proposed support under consideration may not prove to be enough, it was enough to make a good start in the right direction. He stated that after initial explorations and talks with appropriate Italians, recommendations for increased efforts might prove to be in order.

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<sup>3</sup> Apparently Attorney General John Mitchell. No record explaining his participation at the meeting was found.

Ambassador Martin observed that current propaganda from the PCI stresses that the U.S. Government and the President, personally, have effectively written Italy off; the Socialists are being inexorably driven to the left and this will continue; Madame Binh, chief NVN negotiator at the Paris peace talks, on a recent visit to Italy was warmly received at shockingly high levels in and out of the government. For these and other reasons cited, he recommended approval of the kind of program under discussion.

Ambassador Martin strongly endorsed the need for [1½ lines not declassified] emphasized that the program would have to be handled covertly, and recognized additional personnel would be required. He also endorsed the support to [2 lines not declassified] With regard to the political action aspects, Ambassador Martin expressed the hope that this could be carried out with great flexibility. He estimated that if the program was not implemented at all there was a 55–45% chance the elections will come out fairly well from the point of view of U.S. interests. But with the program he believed the net result would be greatly increased DC parliamentary representation and a reduced PCI representation following the 1973 elections.

Ambassador Martin concluded with the hope that the Committee would approve this program and give him the flexibility and authority to direct the mix and implementation of the activities.

Mr. Johnson, noting that the U.S. had put some [less than 1 line not declassified] in covert action funding into Italy over a 20-year period and then decided to get out of this kind of activity in developed countries, expressed his natural reluctance over seeing it resumed. He recalled that the Committee a couple of years ago had concluded that there were ample resources and people in Italy who should be depended upon to save themselves rather than requiring the U.S. to do so. He asked for Ambassador Martin's views on this point.

Ambassador Martin stated that it is hard to envisage Italy as a member of NATO, as an important Mediterranean, European and indeed world power as a neutralist country. He agreed that it is true that money is available in Italy, but despite its long history Italy is really only 100 years old as an independent country and Italians have no faith in government. They have faith in themselves and in their families but tend to ignore their central government and their factionalism is intense. Ambassador Martin stated that there is in fact Italian support for the DC and for other pro-Western parties but they need help. He views the proposed program as exercising a catalytic effect which he hopes will generate additional Italian support for these parties.

Mr. Kissinger asked why the Italians do not do this themselves since they have the money.

Ambassador Martin responded that what is needed is the beginning of a reinforcement of a psychological attitude of confidence that the slide to the left is not inevitable. It will then be possible to enlist the support of the industrialists. The problem is that they do not want to see their money frittered away on factionalism. He reiterated his hope that this program will serve as the catalyst to generate the necessary confidence and elicit the financial support for the pro-Western parties. He expressed his belief that the proposal as constituted will be a good solid start in this direction, but it was certainly conceivable that more funding might be required. Ambassador Martin cited the statement of an Italian financier who told him that if he had \$200 million he could take over all of the left-oriented Italian radio and T.V. and has in fact spent some \$25 million of his own acquiring some radio and press facilities. Ambassador Martin concluded that he was somewhat more optimistic than Mr. Hart that something can be accomplished in reorienting the radio and T.V. media.

Mr. Kissinger asked if it will be possible for our support to remain secret or if the Italians are so cynical that this will make no difference.

Ambassador Martin replied that he believed the operation could be handled securely but conceded that there are probably a number of politicians in Italy who still think the U.S. is providing covert support even though they themselves are not receiving it.

Mr. Johnson expressed his basic reluctance against resumption of a political action program in Italy but commented that Ambassador Martin had made a strong case and he would therefore vote in favor of the proposal.

Mr. Packard stated that he thought it very important to take steps to prevent a further slide to the left and agreed that this program might provide the desired catalytic effect. He also suggested that the program should be strongly supplemented with overt steps such as encouraging the organization of Italian business groups, inviting appropriate Italians for visits and meetings in the U.S., etc. He thought the Department of Defense could help in overt ways and requested that he be provided guidance along these lines. He cited as an example the question of whether or not it might be politically useful to base some U.S. naval ships in Italy. Mr. Packard concluded by urging that the initial [*less than 1 line not declassified*] and public opinion and [*less than 1 line not declassified*] be commenced right away.

General Knowles<sup>4</sup> expressed his support of the proposal and agreed with the desirability of getting started as soon as possible with the [*less than 1 line not declassified*]

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<sup>4</sup>Lieutenant General Richard T. Knowles.

Mr. Mitchell voiced his approval of the program and expressed interest in being kept informed of its progress, particularly on developments in the media field.

Mr. Kissinger noted that it was the consensus of the Committee that the program as submitted was approved with the understanding that Ambassador Martin will control the mix and implementation thereof and will forward recommendations for additional overt activities which might be undertaken in support of U.S. objectives in Italy. He stated that the Committee will look to Ambassador Martin and Mr. Johnson for submission of appropriate progress reports.

**209. Backchannel Message From the Ambassador to Italy (Martin) to the President's Assistant for National Security Affairs (Kissinger)<sup>1</sup>**

Rome, April 2, 1971, 1146Z.

1405. 1. In other messages through normal channels, the Embassy has reported the public reaction to the Borghese affair—the revelation some four months after the fact of the activities of the night of last December 7–8.<sup>2</sup> The present public attitude is one of amused disbelief that such a childish operation presented a real threat to the state. This was certainly a disappointment to the Communists, both in the fact that their cries of alarm were not credible, and also in encouraging government investigation of the activities of the para-military left.

2. The Borghese affair has had another by-product. Two of the five individuals taken into custody had been in touch with some senior mil-

<sup>1</sup> Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 65, Country Files—Europe, Martin, Ambassador (Italy). Secret; Sensitive. It was received at the White House and subsequently transmitted from the Situation Room to Haig at the Western White House in San Clemente at 1305Z, April 2, with the instruction "Deliver in sealed eyes only envelope." Martin forwarded a more detailed assessment of the factors, political and personal, motivating unrest in the military high command to the Department of State in telegram 2114 from Rome, April 4. (Ibid., NSC Files, Box 695, Country Files—Europe, Italy, Vol. III)

<sup>2</sup> Reference to an attempt by right-wing extremists led by Junio Valerio Borghese to stage a coup d'état on December 7, 1970. The "affair" was a plot involving a few hundred neofascists who were supposed to occupy government offices in Rome. Borghese called off the venture at the last moment after his collaborators had already gathered at the pre-assigned locations. According to press accounts, the conspirators improvised a spaghetti dinner together instead and then went home. Several of Borghese's lieutenants served four years in jail for their activities. Borghese himself fled the country and died in Spain several years later. See also Document 196.