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STATE DEPARTMENT SYSTEMATIC REVIEW

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Declassify with concurrence of EO 12958, 28X (1) (6)

FPC/HDR by DA Date: 11/27/96

DATE: November 11, 1975

Withdrawal No. \_\_\_\_\_

SUBJECT: Secretary's Meeting with Ambassador John A. Volpe

PARTICIPANTS: The Secretary  
Ambassador John A. Volpe, American Embassy, Rome  
Robert M. Beaudry, DCM, American Embassy, Rome  
Arthur A. Hartman, EUR  
Helmut Sonnenfeldt, C  
Robert E. Barbour, Director, EUR/WE  
Harlan G. Moen, EUR/WE (notetaker)

COPIES TO:

The Secretary: Good to see you, John. Sorry to have kept you waiting.

Volpe: That is quite all right. I want you to meet Bob Beaudry.

The Secretary: Who?

Beaudry: The DCM at the Embassy in Rome.  
(Secretary shakes hands with Beaudry.)

The Secretary: What have you been up to John?

Volpe: Oh, we are watching closely what is going on.

The Secretary: I wanted to talk to you about the situation in Italy. First, I would like your assessment and then give you our views.

Volpe: We are delighted that you called us back to give you our assessment as we see it. June 15 resulted in some change but this has been going on for some time. In fact, it was going on when Bob was there.

*HM*  
EUR/WE:IGMoen: 11/13/75  
(Drafting Office and Officers)

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EXEMPT FROM GENERAL DECLASSIFICATION SCHEDULE OF EXECUTIVE ORDER 11652 EXEMPTION CATEGORY XGIX-2~~

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DECLASSIFIED UNDER AUTHORITY OF THE  
INTERAGENCY SECURITY CLASSIFICATION APPEALS PANEL,  
E.O. 13526, SECTION 5.3(b)(3)  
ISCAP APPEAL NO. 2010-083, document no. 1  
DECLASSIFICATION DATE: September 19, 2016

The Secretary: When were you there?

Barbour: '67 to '71.

The Secretary: Are you putting the blame on poor Barbour now?

Volpe: No. They were a bit like the Republicans, concentrating on trying to get a majority. Then they wouldn't have anything to worry about.

The Secretary: It is hard to know what the Republicans would do if they ever had a majority. They might impeach their own President.

Volpe: As you may know, there are only 7 Republicans out of 40 Senate seats in Massachusetts. Now they only have 47 Republicans in the House in Massachusetts.

First, let me say that June 15 produced two fundamental changes. It put the PCI in striking distance of being the plurality party in Italy. The breakdown now is 33% to 35%. That is a fundamental change. They are within distance of becoming the single largest party in Italy in 1977.

The Secretary: Does anyone want coffee?

Volpe: No thank you.

The Socialists gained about 2 percentage points, far less than they thought.

The Secretary: Who?

Volpe: The Socialists.

The Communists, with a gain of 5.5 percentage points, even surprised themselves. We called the elections on the nose with the exception of the PCI.

The Secretary: I remember you told me in Rome that the DC would lose about 2 1/2 percentage points.

Volpe: The Socialists, with their gains and with those of the Communists, have shoved their chests out pretty far. Now they think the center-left government has weakened them.

The Secretary: Arthur Schlesinger's great achievement -- the center-left in Italy.

Volpe: We got blamed for something we are not responsible for. I wish we could reverse history.

The Secretary: But we are responsible.

Volpe: The PSI knows that if they get close to the PCI they will be devoured. At the same time, they don't want the DC because it is so weak. They do know what they don't want. They don't want a DC-PCI alliance. They do not want the "Historic Compromise".

The Secretary: The Socialists?

Sonnenfeldt: They would be squeezed out.

Volpe: Yes. They don't want to leave the PCI off scot free. Yet, even if the DC was on the ball and put their record out on TV, it would not be enough. They know what they are against.

I had De Martino to lunch. He said that he just had to put the blame on the PCI but he didn't know how he could do it. De Martino said that he hadn't figured it out yet.

The Secretary: Do you know Max Ascoli?

Volpe: No.

The Secretary: He is an old friend of mine, the former editor of "The Reporter" magazine. He once told me when I said that Fanfani was shrewd that shrewdness is the national form of stupidity of the Italians.

Volpe: If they go with the Socialists, the Communists might be able to come up with 51%. They don't want that. However, it wouldn't take them long to take over once they did. They have put on an unbelievable propaganda program in Bologna on their administration there. Every place you go you hear about how good the mayor is there. But I say to the Christian Democrats -- and I told Forlani this when I called on him just before coming back here -- I said, look. You have a young mayor in Ancona -- I was there a few weeks ago -- who is only 41 years old. Why don't you ever talk about him? And I mentioned to Rumor --

I saw him just before I left; I can talk to him -- I said, why does everyone talk about Bologna and not the 43-year-old mayor of Padova? Padova is up near Rumor's district. I was up there, let's see, maybe a month, six weeks ago. When I get back I'm going to have some material ready on their local administration, and I'm going to give it to those fellows to use. But all you hear about are the Communists in Bologna.

The Secretary: Is it any good?

Volpe: Yes, the streets are clean. It is so-so. I told Moro that...

The Secretary: Does Moro stay awake when you talk to him?

Volpe: Sometimes. Remember during the President's visit to Rome he slept for 15 minutes during the meeting?

The Secretary: I have never discovered a subject that interested him.

Volpe: Nor have I.

Beaudry: He likes porno movies. One of the movies advertised that "this film has been seen by the President of the Council".

The Secretary: Moro seems to be in an unassailable position. There is no alternative.

Volpe: Yes, as long as there are no early elections.

The Secretary: How about my pal Rumor? He want to head the "Historic Compromise".

Volpe: He is weak in many ways but on that one thing he is not. He is against the "Historic Compromise". He was astounded by Moro's speech at Bari on the confronto, who put it in such a way that it sounded close to the "Historic Compromise". Rumor said he was against the "Historic Compromise" and for that reason took himself out of his faction. He wants to be a statesman. I told him that a statesman is a dead politician. He said he had no intention of being a dead politician.

The Secretary: What are we going to do?

Volpe: We cannot afford to stay still. We have already started. Our young officers are already meeting with young politicians. I went down to Colombo's district. I may have rubbed Colombo the wrong way. Remember when the President told me to tell Colombo what we thought of the Italian vote against Taiwan in the UN? I mentioned it in my toast, too. Moro heard about that. Then when Moro gave a dinner for me he just lifted his glass and said "To good relations between Italy and our friend the United States of America". That way he didn't let me make a toast and made a point about the vote.

The fact is we have got to get going. Bob and I have already talked about this. We have started reprogramming.

The Secretary: What does that mean?

Volpe: We are moving people around, adding more people to the political section.

The Secretary: Are they working for or against the "Historic Compromise"? How many of the junior officers are working for it? From what I know of them, I can't see them putting much effort into what we must try to do.

Volpe: I would say that there is no question in my mind that the Embassy is solid with us on this and can do the job. I may have some doubts about two or three. We want to look at them. We can't afford to have them if they are not with us. I may move some people out.

The Secretary: You should.

Volpe: I preach the gospel. There were a lot of people in favor of getting rid of Fanfani after four straight losses. Someone had to go. However, they dumped him in a public way. The man they chose is a Moro man -- Zaccagnini. He is 63 and has been a President of the DC for many years. His name is not a household word. Fanfani ran the party and he did not have much exposure. He has a bad ulcer.

The Secretary: He seems like a great guy to run a tough campaign against the Communists. As I think about this, the DC must be reformed. But how can the DC reform itself and win an election at the same time? That present bunch is not going to win any election.

Volpe: Some will have to stay but we are looking to the young ones to bring new leadership to the party.

The Secretary: Another thing that bothers me is the left wing of the DC. My assessment is that they are not Communist only because they are Catholics.

Volpe: Mr. Secretary, for example, Donat Cattin -- he's among the strong opponents to the "Historic Compromise", and he's a leader of one of the left factions. Incidentally, he took a swipe at me some time ago....

The Secretary: Is he still alive?

Volpe: Yes, he is the leader of the left wing of the DC but he is anti-Communist.

The Secretary: His name doesn't mean anything to me.

Beaudry: That is the Secretary's point. His Catholicism prevents him from being Communist.

The Secretary: My primary problem is to keep Italy from becoming a test case for the rest of Europe. We have already had some soft heads from Germany urging the "Historic Compromise" to tame the Communists. That is Ehmke's point of view.

Hartman: Yes.

Volpe: We understand that Brandt wants to see some of the Communist leaders. This must be avoided. At the summit meeting this week if the President and you can talk to the British about this.

The Secretary: Isn't Palme in New York today? Why aren't we seeing him?

Hartman: It is a question of free time before your departure for the summit.

The Secretary: But why don't we see him?

Hartman: It is the time schedule.

The Secretary: What time schedule?

Hartman: I will have to check.

The Secretary: We shouldn't turn away any opportunities.

Hartman: He has not asked to see anyone. We don't know if he wants to see the President. He is here on other business to make a speech to the Council and at the UN.

The Secretary: I'll be in New York on the 18th. I could see him then.

Sonnenfeldt: We'll check.

Hartman: On timing, there's got to be a clean sweep. One group is that of Forlani, which can probably come up on time.

The Secretary: That will do it?

Hartman: There are no new leaders in position at this time.

Volpe: Leone wants the Congress in January.

The Secretary: Who is the leader of the DC, the Secretary?

Hartman: Yes.

Volpe: In my talk with Moro, he said that his government had a 60-40 chance to last until the Congress. After the Congress he just didn't know.

Leone wants an early Congress. Moro and Zaccagnini want it later in the fall of 1976. In my view that would be disastrous. They need time to put everything together before the elections.

The Secretary: What will the new Secretary do? Who is he?

Volpe: He is 49 years old, no taint of corruption, not involved in any shady things. All the major

leaders -- Andreotti, Piccoli, Bissaglia -- support him. Arrigo Levi, the editor of La Stampa, says there is no one else.

The Secretary: Why is he so dominant?

Volpe: Well, he was party secretary.

The Secretary: He didn't do so well. But what is his strength? Is he able?

Volpe: Yes. He is able. He is uncorrupted.

The Secretary: I understand that if you can get things done corruption is not necessarily a bad word in Italy.

Volpe: When you look around, there isn't anyone else. All the others are four to five years away. I told him one of the things he had to initiate was a system of deputy chairmen of the party and position them around Italy. In that way he would know what was going on in all parts of the country. He has been around for years and he doesn't think that he knows everything. With the right kind of support he could do a good job. He is dependable. He is opposed to the Moro/Zaccagnini crowd. He opposes the "Historic Compromise" and he is against the dialogue. For him they are the opposition party.

The Secretary: The PCI?

Volpe: Yes.

Hartman: Does Leone think he is good?

Volpe: He thinks he is the only man.

The Secretary: My concern, John, is this. I need a systematic operation, not a lot of political scientist mumbling. Our people must know that this is not a tactical thing. I don't know just how to do it. We cannot defeat the Communists with Socialists. I know that my people here think we should work with the Socialists.

Hartman: No, that's not right. Have you read the paper?

The Secretary: What paper?

Hartman: The paper on Italy. It is in your Volpe folder.

(Secretary gets paper from his briefcase.)

The Secretary: I think the Socialists will be effective only as long as the DC is strong.

Volpe: That is absolutely right.

Hartman: That's the whole point of our paper.

The Secretary: The DC is the thing, not the PSI. There is nothing we can do to talk sense to De Martino until the DC is strong.

Volpe: If the DC could govern without the Socialists, they would be delighted to do so. De Martino for his part said he is not prepared to rejoin a weak alliance. The DC will have its council meeting within the next ten days. If De Martino sees renewal he will be more amenable to the DC. He is receptive to accepting an invitation to come here January 8-12.

Not that I love the Socialists -- I hate their guts -- but that is all that we have to work with.

There are the smaller parties but you need a 55-60% majority to govern effectively. Therefore you need the Socialists. There is no alternative to having them in a coalition.

We need to show De Martino this great country and have him hear what you think about the PCI. He does not want to associate the PSI with the PCI at the national level. There is already some evidence that the PCI can be opposed at the local level. At a recent council meeting in Florence the PCI was defeated by the other parties. Here, let me read you this telegram. (Reads telegram from Florence.) As the PSI and the DC voted with all the other parties against the Communists, I think this might be the beginning of something. They can do it if they want to.

The Secretary: What I want to avoid is that we sit around for another five months with all our bright ideas. There still is no coherent program. We have talked about three guys on this and two guys on that.

Hartman: This is the covert part, but it is only one part of the whole program. We have already started on the overt side, and we want to move with this. We have time up to the party congress.

The Secretary: Why can't we start on the newspapers?

Volpe: If you approve the covert program, we can start. You have to give us your blessing.

The Secretary: You have my blessing. I approve it. The Forty Committee will approve it.

Hartman: There are some local elections coming up. If the DC can win, it will have a great psychological benefit.

Beaudry: I think some US electoral techniques can work in Italy. Using these techniques, one group was able to elect 110 of their 126 candidates in the June 15 elections.

Volpe: They were not even endorsed by the leaders of the party. They got in just the same.

The Secretary: What do you think, Hal?

Sonnenfeldt: What specifically?

The Secretary: Italy.

Sonnenfeldt: We should let it be known that we support Forlani.

Volpe: Not openly, of course.

The Secretary: He is strong in his own right. Why do we have to support him?

Volpe: Our support would be useful against the Moro/Zaccagnini opposition.

Sonnenfeldt: We would back him not as a man who supports a more elegant form of the "Historic Compromise". The "Historic Compromise" is a process which has already begun. It is already working in the regions. The Communists look upon it as an organic process. We are already in the beginning phases. We are even beyond the beginning phases of the "Historic Compromise". We need a counter current against the "Historic Compromise" in the media, for example.

Volpe: Yes, the media are very important.

The Secretary: What does counter current mean?

Sonnenfeldt: We need the Italians to speak out for the government and against the Communists.

The Secretary: What does La Malfa do?

Volpe: He is a hard man but Moro has softened him up a bit. He also is old and has had two eye operations. Also his Republican Party is very small.

The Secretary: But he has a lot of prestige.

Sonnenfeldt: That is another point. I have already raised the question of additional support for the small parties. Why do we not help them to pick up votes?

The Secretary: What is His Holiness doing?

Volpe: The Holy Father came out to praise publicly the courageous sagacity of the Rome vicar who spoke out against Communism.

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Volpe: The young priests are part of the problem. A Cardinal told me how he had to fight with the young priests who were taking a pro-PCI stance. The Cardinal threw them all out.

Barbour: At the same time, however, it was the Cardinal of Milano who said he wished the Christian Democrats would stop calling themselves "Christian". He didn't want the identification with them.

Volpe: That's right, they feel tainted by the corruption and malgoverno. After we boil it all down we can see that there are many risks involved, but the stakes are even greater.

The Secretary: You have my blessing. But I am not sure that  
25X1 and 6, E.O.13526 [redacted] can do this. I have never believed that there is any merit in losing with moderation. I want a major effort. I want the Embassy organized. I don't want any Yale students working on their own. How you do it is up to you. I don't care. As for the PSI, it probably has to be in the center-left government, but the DC must be stronger. All the chowder heads in this country -- that is, the intellectual groups -- are favorable to the "Historic Compromise". Don't send me any more PCI visa applicants. I will refuse them, so why don't you do it yourselves.

Volpe: Mr. Secretary, the Department sent me a cable, approving my recommendation and that is what we acted on.

The Secretary: Yes, I approved that cable.

Volpe: On this basis, for example, we gave a visa to a Communist journalist. After he got his visa he started saying he was coming here as a Communist official. Your folks got after him and told him that he was here as a journalist and as nothing else.

If you want a change in policy, let us know.

The Secretary: Will we know here what is going on in Italy?

Hartman: John will set up a team under Bob Beaudry [ ]

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[ ] This is not just a covert action program, it is a major effort that will involve the whole mission. There will be status reports.

The Secretary: Do not feel constrained by money. Ask for whatever you need.

Volpe: If we need more we will come back, but I shall not ask for more than that. But we shall need more travel money, and for other programs.

The Secretary: Obviously you should not ask for money just for its own sake. But you must have what you need. I want a structured program spelling out in detail what you plan to achieve at each stage. I want the Embassy organized to carry out this program, and I expect you to see that you have what you need. You will have my complete support. Now it is not just a matter of organization. What can we do about that damn Moro?

Volpe: He will be around until the Congress. He is being propped up by a number of people. Labor, for example, knows that he is the best thing they have got.

Barbour: If Forlani gets in as party secretary, they may have to buy Moro off by letting him stay on as Prime Minister.

Beaudry: He controls the left.

Sonnenfeldt: Moro is dealing with the PCI. He is not dealing with them as an opposition party. When you and the President spoke to him at Helsinki it is not at all clear you were on the same wavelength. I think he believes that you don't know that he meets with them, or that you don't know how he deals with them. I believe he needs a much tougher talking to. It could be done at the summit meeting.

The Secretary: Maybe the President could have a word with him. Hal, would you see to it. Make sure that there is a note in the documents. Remind me to talk to Schmidt, too.

We will approve this program. Do you need a new political counselor?

Volpe: We are not entirely happy with him. He has much ability. It depends on what he does.

The Secretary: Why don't we get a new one?

Volpe: It depends if there is someone else around. It doesn't do any good to get someone else if he is no better. We might look at the press attache, too.

The Secretary: John, you have to be detached about this. You need to see the top politicians. The day-to-day work must be done by others. There will be things you will not want to be involved in. But it must be under your general control but with the details and implementation left to others. Therefore we need one or two strong men under you. I don't know anything about your political officer. I don't even know his name. What's his name?

Hartman: Alan Ford.

The Secretary: Was he the one in Lisbon?

Hartman: No, he was not.

Sonnenfeldt: There are also the consulates. They are extremely important as well.

Hartman: We need to move now.

Volpe: We are bringing John Di Sciullo to Genoa. Perhaps we could bring him early -- put him on TDY.

The Secretary: We need good men in those consulates, too. I will talk to Carol about all this, if necessary.

Sonnenfeldt: On this kind of program you will need a short leash on the consulates.

The Secretary: Can we do it? This will be terribly important for the political future of Europe. Italy is a test case. If the "Historic Compromise" comes to Italy there will not be an "Historic Compromise" in Germany, but the Socialists there will shift to the left.

Volpe: I recall what President Nixon said to me. He told me that Italy is the leg of Europe which supports the rest of Europe and it is a damn good thing that it is there.

The Secretary: Rome is the most important Embassy we have today. We have one hell of an important problem, and you have a very big job ahead of you.

Volpe: It is as important as the 1947 period.

The Secretary: It is more crucial than the 1947-48 period. At that time we had potentially healthier situations elsewhere in Europe, and we were stronger at home, too.

Volpe: The Italians are aware of a change in the US. La Stampa has said, for example, that the US is starting to reemerge with vigor.

Hartman: As for the economic summit, the French are putting out the line that that will be a 5 plus 1 conference and that any follow-on activities will be of the 5.

The Secretary: Well, it will be 5 plus 1.

Sonnenfeldt: No, 5 plus 2.

The Secretary: John, I want you to know just how important this is. The Embassy has a big job to do and little time to do it. You have my complete support.

Volpe: I am fully aware of just how important it is.

The Secretary: You have to get this thing organized and keep us informed of what is going on. If you need anything at all and cannot get it, let me know.

(To Beaudry): I look to you to carry out this program and to keep it under your full control.

Beaudry: I understand. We will get started as soon as I get back tomorrow.

(12:30 p.m. - participants withdraw).