MEMORANDUM

NATIONAL SECURITY COUNCIL

MEMORANDUM FOR MR. KISSINGER

FROM: Helmut Sonnenfeldt

SUBJECT: Italian Politics and Pier Talenti

Al Haig, Art Downey and I met with Talenti yesterday and this morning to receive his more specific suggestions in connection with the memo he had previously left with the Attorney General, and which you had had passed (without attribution) to Helms for comment (Tab A). Talenti pressed very hard for a swift decision either way.

You will now have to decide on the next step -- whether to move this to the President immediately, or first to consult with Helms, or to reject it.

Basis. The basis for the Talenti plan is that there is a risk that the Communists or Fascists will take over Italy prior to our November 1972 elections with consequent domestic implications. The main reason for this risk is that the economy is about to collapse, he reports.

(Comment: According to the CIA study at Tab A, the Italian economy's current mild recession is not in danger of a serious decline, but recovery is unlikely before mid-to-end-72. In addition, the CIA's estimate is that there is no chance (an uncharacteristically flat assertion) that the new Italian President will come from the Communist or Fascist parties.)

OBJECTIVES. The overall objective of the Talenti plan is to centralize the Christian Democratic (DC) Party and move it and the Italian Government to the right, and at the same time to force the Vatican to turn away from its "liberal" course. The immediate objectives are to:

-- influence the mid-December Presidential elections (by creating a groundswell of pressure via certain Parliamentarians and the core personnel and structure which several months ago secured an unprecedented 1,300,000 signatures on the anti-divorce referendum) to ensure the election of "a decent pro-Western President" who, Talenti feels, should be Rumor; Talenti regards Rumor as weak but honest, moderately intelligent and subject to our influence. (Talenti is personally close to him.)
arrange for President Rumor to appoint a Prime Minister guaranteed to fail, and then another, and another;

- after quick succession of Government collapses, President Rumor would dissolve Parliament and call for new National elections;

- finally, the new elections would provide the electorate an opportunity to install a Parliament and Prime Minister with a view to the right, just in time to pick the economy out of the depression.

(Comment: In the history of the Republic, this would be the first time that a President has prematurely dissolved Parliament. The Presidential election is decided by the 1100 electors by secret ballot; neither the CIA nor Ambassador Martin (Tab B) believes it is possible to guarantee the election results or even to offer any speculation.)

If it proves impossible to secure the election of Rumor, then it can be arranged, according to the Talenti plan, for Rumor to become Secretary General of the DC. From that position, and with some financial assistance, Rumor can unify the party and shape its direction. The target then will be the 1973 general elections (a left-wing President, Talenti argues, would not call for elections in 1972 despite the probable collapse of the economy).

METHODS. Talenti's original proposal called for an expenditure of ___(Tab C), but we asked him to scale that down to around ___ for 5 months operation (Tab D). The money would be disbursed to three main groups:
That in essence is Talenti's plan. Without being able to bring special and detailed expertise to bear, it is very difficult to assess its risk and worth. I can only take Talenti's word that his program would reach his objectives. The objectives themselves seem to me in many respects worthy but perhaps not altogether realistic. There would be some risk of disclosure. Yet, there is always the possibility that the program might be useful. I cannot judge the interplay between Italian and US domestic politics. Talenti obviously feels the Italian-American vote is sensitive to what happen in Italy.

Talenti is awaiting a signal in Italy, to be sent by a code message with whom Talenti is in almost daily communication.

Your choices:

_________ Move this immediately to the President with a positive recommendation. (I do not recommend this course.)

_________ Discuss it with Helms and request an assessment by his single best Italian expert. (This was done last month, and is the course I recommend; there is also the issue of making this program compatible with the current 40 Committee approved program.)

There also remains the question of when and how to break this (assuming approval) to Graham Martin.