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THE WHITE HOUSE  
WASHINGTON

September 18, 1976

MEMORANDUM FOR:

BRENT SCOWCROFT

FROM:

JIM CONNOR *JEC*

The attached was returned in the President's outbox with the following notation:

"I've read."

Attachment:

Meeting Between Mr. Paolucci & Italian Premier Andreotti  
Rome, Italy 9/15/76

THE WHITE HOUSE  
WASHINGTON

Brent Snowcroft

Live read.

THE PRESIDENT HAS SEEN...

MEETING BETWEEN MR. PAOLUCCI AND ITALIAN PREMIER ANDREOTTI

Rome, Italy - September 15, 1976

Mr. PAOLUCCI opened the conversation by illustrating his twofold mission in Italy to Premier Andreotti: first as President of the Italo-American Foundation, which now has offices in Washington, and which represents the voice of the Italo-American community in the United States. This is something that never existed before, and is very important. As a matter of fact, Mr. Paolucci added, tomorrow night a banquet will take place in Washington, which will be attended by President Ford, Governor Carter, Ambassador Volpe and about 2000 Italo-Americans coming from all over the United States.

The second aspect of his visit is as a businessman and an industrialist, to visit with Italian industrialists and exchange views on an initiative which was recently undertaken in Minnesota. There, 22 Corporations agreed to spend 5% of their pre-tax profit in non-profit activities to be conducted in cooperation with the Government. They will try to obtain Presidential support for non-profit business projects, and they anticipated the President will certainly grant this support. The basic conviction is that a serious involvement of the business sector will be determinant to resist an expansion of socialism that could lead the United States into the same sort of problems Great Britain has to face.

In Italy Mr. Paolucci visited Friuli and saw the possibility of a participation of business in the relief operations. With the assistance of the Ambassador's staff and of the US Consulate in Trieste, he met the President of the Region, Comelli, the Mayors of the struck towns, and he visited the earthquake areas and the tent camps and talked to the people. He also met the representative from AID, who set up 14 schools, 6 homes for the old, and the President of the Alpini

Association. The conclusion he could draw was that the people realize there is a problem - as they express it: there are not enough "brains". The Government, they feel, has done all that was possible, and so have the local Administrations, but there are not enough people to solve the short-term problems and prepare the solutions for the long-term ones, and people do not want to become another Sicily. The Mayors indicated that they need more technical and professional help, even professional administrators to work with the Committee that Comelli has set up, more professionals to work with the Mayors themselves. After this visit, last Monday, Mr. Paolucci had a luncheon with leaders of several multinational industries, such as IBM, Olivetti, Montedison, and also of the US Chamber of Commerce of Milan. He explained to them what had been done in Minnesota and suggested that they could do something similar for Friuli, applying the same system, of a step at a time. He indicated that this is an excellent opportunity that is offered them to loan people, experts - up to 100 professional administrators or engineers - for all the time that they will be needed, be it six months or a year. These people should move to the area where their skills could be used, for no charge. By offering people, in addition to equipment and money as has been provided so far, the multinational industries would gain credibility both on the Italian plan and at world level, and prove that they are not just after profits. The people in the tent camps spontaneously said that they had not voted for the Communists in the last elections but would probably do so next time, to see if things might improve. Therefore, if the multinational industries want a stable Government they should act now, and not just count on the Government which has to operate with limited funds and limited people. The response was extremely favourable: this is a new, unique idea. However, there is a problem: if they accepted this suggestion, would the central and

the regional government accept them as partners in the reconstruction activity? For this reason Mr. Paolucci particularly appreciated the possibility to meet with Premier Andreotti and bring him this message. If Premier Andreotti wishes to call on the industrial leaders, both national and multinational, they will be ready to cooperate. This may be the beginning of a wider and more important cooperation: the industrial world is a fourth force in society (with the people, the Government and the labor organizations) which could substantially contribute to strengthen the Government, and they will respond if they are called. Tomorrow morning - Mr. Paolucci concluded - I will have a meeting with President Ford, and Ambassador Volpe will also be present. I will report on what I saw and what I did while in Italy. It would be interesting to also be able to relay some comments from Premier Andreotti.

First of all - Premier ANDREOTTI answered - let me express our sincere appreciation for the solidarity shown by the United States both immediately and successively, through activities such as the organization of schools and houses for the old. This solidarity has a great value, he said, and I would also say a political value. For the reconstruction people are important, no doubt, but they are not all that is needed. Four years ago there was a very serious earthquake in Ancona, which caused many damages. The laws were the same as exist now, but the Mayor was a very active person, and today everything has been rebuilt. In Friuli some mistakes were made at the onset. First of all it was specifically requested that the Rome Government keep out of the picture and that all responsibility be delegated to local administrations. It was decided to put people in tents and refuse sheds, because "it was only going to be for a short time". The Mayors had to put up with their respective political parties, and

also with problems such as farmers refusing to leave the land, etc. Now, with the recent earthquake, the Government has again appointed Mr. Zamberletti to act as High Commissioner on behalf of the Government. He cooperates with the Prefects of Udine and Pordenone and with General Rossi. What is essential, however, is a centralized plan. First of all housing must be found for the coming winter, and that is being found in hotels and empty houses, and then the reconstruction must be started. This will not be easy - in a way, as was the case with Belice where all the necessary funds were available. I was a Minister - Premier Andreotti said - and we had a meeting with all the Mayors ~~xxx~~ from the Belice area. They indicated the funds that were needed ~~xxx~~ and in three days a law was passed appropriating the entire amount. The problem was where should the houses be rebuilt, whether in the same area or in a safer place. (Personally, he added, I feel that there was an additional element of delay due to the fact that the people became accustomed to paying no taxes, having no military service and many welfare benefits, and did not really care to change back to normal life. In some towns a theater was built that cost up to one and a half billion lire, while no houses were built). The main problem was that all decision was left to the local administrations, and the central Government had no power at all to make and enforce decisions, but only to provide the money.

When Premier Andreotti visited Friuli two weeks ago - he continued - he agreed with Comelli on the advisability of involving the industry in the reconstruction. The private industry was called in, through the National Association of House Building Companies, and so was the State industry with IRI. Also some House Building Cooperatives were contacted to prepare a rational plan for the reconstruction. The main question is where should houses be built, whether in the same

places or not, and whether pre-built structures and industrial structures should be used, or traditional construction methods (applying anti-seismic regulations) should be reverted to to maintain the landscape. The Government will have a meeting on Friuli next week: the first consideration will be to get people settled (and just yesterday trailers were bought to house workers so that the work can continue), but in that meeting Premier Andreotti will also introduce the issue of considering the possibility of a larger cooperation from the industrial sector (other than the construction sector which is already involved). However, a law will be necessary for a general reconstruction based on a single master plan. Right now, any Municipality can do what it wishes and this tends to stretch the times. How could multinational industries cooperate is not a question that can be answered at the moment - maybe through a joint action with the Regional Committee for the implementation of the master plan. It is not enough to provide experts: a system is needed. Premier Andreotti's idea would be to divide the area into 10 sectors, including 4 or 5 Municipalities each, and assign the responsibility of each sector to a single central point. It should also be considered that it is the first time that such a wide area is struck by an earthquake in Italy (not to speak of the additional problems of mountain areas). Belice was small and the other main earthquakes essentially struck one city. This one has affected 70 Municipalities. For this reason a common plan is necessary. Premier Andreotti, in any case, expressed his intention to contact the multinational industries and the US Chamber of Commerce, to hear their ideas and suggestions, and to ask for their cooperation. Communists are not too strong in Friuli (despite some local Communist Administrations, such as Osoppo that has a Communist Mayor), but the situation is bad, and people are unhappy.

We both realize - Mr. PAOLUCCI said - that the earthquake is only one problem. The basic problem in Italy is that of a stable Government. I believe - he said - that a cooperation with the industrial sector could be the decisive element capable of controlling the erosion by the Communists.

The Christian Democracy - ANDREOTTI concluded - has been trying for 30 years to form a stable Government and to strengthen Democracy. It will continue to devote its efforts to the progress of the country's development. I also believe - he ended - that the strengthening of the European Community will also contribute to strengthening Italy.