National Security Study Memorandum 242

May 4, 1976

TO: The Secretary of State
    The Secretary of Defense
    The Director of Central Intelligence

SUBJECT: U. S. Policy Toward Italy

The President has directed a priority review of U. S. policy toward Italy in the near-term. The study should consider U. S. policy and options, based on an analysis of all pertinent factors, in the event that national elections in Italy result in the participation of the Italian Communist Party (PCI) in the Italian government. The study should include:

-- A brief definition of United States security, foreign policy and economic interests in Italy and an analysis of how these interests and those of NATO might be affected by Communist participation in Italy's national government; and

-- A description of the election outcome most likely to lead to participation of the Italian Communists in the national government.

In connection with the possible inclusion of the PCI in Italy's national government, the study should identify and recommend:

-- Possible changes in present U. S. policy toward Italy, particularly in such areas as U. S. assistance programs and bilateral consultations; and

-- Possible steps by the United States in concert with the other members of the Alliance with respect to Italy's role and participation in NATO.
The study should be undertaken by the Interdepartmental Group for Europe and submitted not later than June 7, 1976, for consideration by the NSC Senior Review Group.

cc: The Chairman, Joint Chiefs of Staff