MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
Ambassador Gaja, Ambassador of Italy
Lt. General Brent Scowcroft, Deputy Assistant to the President for National Security Affairs

DATE AND TIME: Monday, July 14, 1975
4:30 p.m.

PLACE: The Oval Office
The White House

President: We have wonderful pictures of that day in Rome.

[The press is admitted for photographs,]

It was a perfect day and we have some beautiful helicopter pictures. Also of the grounds, the ceremony, the luncheon.

Gaja: We hope we will have the honor of welcoming you there again sometime when you can stay longer.

[The press goes out.]

President: Mrs. Ford and I have been there two times before -- the last time was in 1956.

Please give President Leone and Prime Minister Moro my best. We had a very fine day there and we greatly appreciate their hospitality.

Gaja: Our elections were a surprise. What was completely new was the advance of the Communist Party.

President: Yes. Your loss was expected -- it was the Communist advance that was unexpected.
Gaja: Yes. We lost only 2-3%. But all the other losses went to the Communists, especially from the Socialist Democrats and the Liberals. They got some from the extreme left also. This is the first time the 18-year-olds could vote and that may have made the difference.

President: We wish you the best. The last thing we want is Communist influence in your government.

Gaja: It is not comparable, but we are very worried by the situation in Portugal. Soares and the PPD are now out and the situation is now very troublesome.

Gaja: Our loyalties both to NATO and to the European Community are beyond doubt. For the time being there is no danger of Communists in the government. There will be local governments controlled by the Communists and that will also be troublesome. With the Socialists we can still have a majority so there is no need for the Communists. The Socialists' position is delicate but we will have a majority with them.

President: When is the next election?

Gaja: Two years, and we won't want one earlier.

President: You have done very well with your economy.

Gaja: Yes, we have. The price of oil has made it very difficult, but we hope 1976 will be a good year.

President: Things are bottoming out for us. We see things going steadily upward in 1976, if we can avoid recreating the situation which brought about the current situation. One problem is OPEC, but we hope there will be no big price increase, and I hope the IEA can work toward reducing its dependence on OPEC.
P/ Amb. Gaja (Italy)  
14 July 75

P. We have wonderful pictures of that day in Rome.

It was a perfect day & we have some beautiful lake pictures. Also the gardens, ceramics, 

C. We hope you will have some questions if you return sometime when you can stay longer.

P. (Present)
P. Mr. Ford 1 have been there 2 time before but not in 1972.

Please join the service & PM dinner tonight.

We had a very fine day there & are writing opper their hospitality.

C. See elections are a suspense. What was

completely new was a silence of constant.

P. Yes, your base effect - it was a must &
a piano.

C. Yes, we lost only 2-3%. But all others have

want to e honest & for 50 down & a 1/2 back at some from taxing left also. The night

1. 1 to 2 hours & 1 1/2 to 2 hours & that may have made

C. We wish you a best. We think are went

car & most of them in your part. But

totally I think we will get it in Portugal. Soonest P.L. are now out

to set in our own furniture

C. With best wishes to Mrs & the C.
There is no danger of our vote in a year. 

Trade will be local goods controlled by local 

that will also be limited. We can still have a majority to work for 

most. Socialists position is difficult but 

we will have majority of them.

It's better to expect elections.

2 years we want work and decent.

You have done very well at your diary

C. Well done. This news bright has made it very 

difficult but I hope 1976 will be a good year.

Things are going better for us. We 

see things going really good in 16 if 

we continue working. we which brought 

and some others. One piece is a piece, but 

we hope we bigger. To hope fun can 

work toward achieving to the people.

D.