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13 September 1956

MEMORANDUM FOR : Acting Director of Central Intelligence

SUBJECT : Italian Socialist Reunification: Prospects
and Implications

1. Close collaboration as a preliminary to reunification of the Nenni-Socialists (PSI) and the Saragat Socialists (PSDI) appears probable as a result of a series of developments which culminated in a meeting of Nenni and Saragat on 25 August to explore the principles, positions, and procedures related to reunification. Indeed, a number of observers

[redacted] con-
sider eventual reunification almost a foregone conclusion.

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2. Despite the present impetus toward reunification, however, there remains a gulf between the positions of the two parties on many specific questions in the fields of PSI relations with the Italian Communist Party (PCI), foreign policy, and trade union organization. Thus far, most PSDI leaders, except for Saragat and a few others, appear anxious for reunification; on the other hand, many of the PSI leaders appear far less enthusiastic. We believe that if the PSDI were to be more deliberate in negotiation and exacting in demands for guarantees, the dangers inherent in reunification would be at least reduced, and the chances for drawing Nenni and some of his followers lastingly away from their Communist attachments might be increased.

3. The outlook regarding reunification will probably be greatly influenced by judgments and decisions to be made on the question by the Socialist International Council at its meeting in London on 20 September. A progress report on the Italian Socialist situation will be made to this meeting by Pierre Commin, the Acting Secretary General of the French Socialist Party who played a major role in bringing the leaders of the two Italian parties together, and who has been persistently optimistic that the basis for reunification exists. We believe that Socialist International members will be disposed to

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examine Nenni's bona-fides for reunification and membership in the International more carefully than Commin, and may eventually appoint a fact-finding commission to this end. However, the hope of bringing the PSI back to democratic Socialism and of broadening the democratic base in Italy so as to permit a democratic alternative to CD-dominated government may cause them to lose sight of the political dangers of Socialist reunification. The French Socialists in particular are probably encouraged by Nenni's statements supporting the Algerian and Suez positions of the Mollet government. They probably also believe that PSI-PSDI reunification would bolster their own political position in France.

4. Nenni has, during 1956, given some evidence of attempting to pursue lines at variance with the PCI or Soviet position. Notably, he attacked the present Soviet leaders for their role in permitting the tyranny of Stalin. He has partially backed the Western position on the Suez question. He has said that he would not oppose Italy's membership in NATO. He has declared that the PSI-PCI unity of action pact of 1946 is an "historical document," and in some localities permitted the PSI to vote for city officials opposed by the PCI. However, these recent statements and efforts of Nenni's are far outweighed at present by his 30-year history of intimate collaboration with the Communists, and the strong personal and organizational ties created in this period. These organizational ties, in labor unions, cooperative, veterans organizations, etc., would be difficult to break even if Nenni's intentions were sincere and even if he succeeded--as appears unlikely--in bringing the vast majority of the PSI membership and voters into the new party.

5. Socialist reunification will substantially change the political and governmental alignments that have prevailed in Italy for almost a decade, but the nature and effect of these changes cannot be firmly estimated at present. On the one hand, reunification might result in political benefits in Italy if the two parties were merged on a democratic basis and adhered to the principles of the Socialist International. Italy might then possess the basis for developing a democratic alternative on the left, for constituting a more substantial parliamentary bloc for the advancement of much-needed economic and social reforms, and for delivering a severe blow to Communist strength and prestige.

6. On the other hand, the withdrawal of the PSDI from the present government might eventually force the Christian Democrats either to include the reunified Socialist party in the government or to move to the right to include the Monarchists. Such a forced choice might cause a split in the CD with unpredictable consequences. Furthermore, the fact remains that the PSDI presently has only about half the popular strength of the PSI. Whatever Nenni's professions at the moment, the PSDI would probably find itself soon absorbed by the PSI. Unless the PSI were able to purge itself of its pro-Communist and Communist elements, which will be difficult to accomplish, the reunified group might end up under the control of Communist elements.

7. Finally, it is possible that Nenni's moves may be part of a larger Communist design not only to break the CD hold on the Italian government, but also to serve Communist purposes in Western Europe in general. It cannot be forgotten that Nenni stuck loyally by the PCI and Soviet line during the long period of Stalinist tyranny, and while many of his social democratic friends in the satellites were liquidated. It may be very significant that Nenni's movement toward greater autonomy and democracy in the PSI coincide with Soviet changes of line and efforts to achieve popular front governments and neutralism in Western Europe.

FOR THE BOARD OF NATIONAL ESTIMATES:

/s/ SHERMAN KENT
Assistant Director
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