

SECRET

ITALY

The composition of the present Fanfani government has shifted sufficiently to the left of center so that it should make greater headway than its predecessors in social and economic reforms, but not so far as to threaten any substantial change in Italy's pro-Western, pro-NATO foreign policy. The main threat to the new center-left formula is a bolt by either extreme of its necessary parliamentary support--the Christian Democratic right, or the left wing of the Nenni Socialists. The election of Antonio Segni as President after a prolonged and bitter contest will increase this threat to Fanfani's government.

25 YEAR RE-REVIEW

SECRET