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NSC BRIEFING 18 March 1954

PROSPECTS FOR A STABLE ITALIAN GOVERNMENT

- I. Scelba coalition government precarious:
 - A. Narrow Chamber majority (300-283) rests on support of 3 minor democratic parties.
 - B. Cabinet weakened by Montesi scandal.
- II. But minor parties want to keep
 - His cabinet first since June
 1953 elections to counter
 popular appeal of CommunistsNenni Socialists.
 - B. Government parties fear new elections now.
- II. Possibilities of alternative coalition including Monarchists:
 - A. Monarchists can contribute 40 seats.

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- B. But such a move would also mean
 - 1. Withdrawal of Social Democrats (19 seats)
 - Withdrawal of Republicans
 (5 seats)
 - Probable split of Christian
 Democrats leaving new
 coalition without majority.
 - a. Left wing Christian

 Democrats, who gained in

 June 1953 elections,

 are anti-Monarchist.
 - b. Pella Christian Democratic government fell
 in December largely
 because of ties with
 Monarchists.
 - 4. Social Democrats and some
 left wing Christian Democrats would tend to cooperate
 with Nenni Socialists.

SECRET 2 -

SECRET

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- American policy objectives.
 - Insist EDC be made conditional on satisfactory
 Trieste solution.
 - 2. Want greater policy-making role for Italy in NATO.
 - 3. Many want expanded Italian trade with Orbit.
- D. Menarchists oppose reforms

 designed to lessen Communist

 electoral appeal.
- E. Monarchists' desire for institutional change increases

 polarization of Italian

 politics between extreme right
 and extreme left.