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THE PROSPECTS FOR A STABLE GOVERNMENT IN ITALY

- I. Scelba coalition government's situation is precarious
- A. Scelba's narrow majority (300-283) in Chamber of Deputies depends on his Christian Democrats retaining support of the three minor democratic parties.
- B. Cabinet's prestige weakened by the Montesi scandal:
1. Resignation of police director Pavone, appointed by Scelba when latter was Interior Minister under De Gasperi;
 2. Foreign Affairs Minister Piccioni still under fire because of son's alleged connection with Montesi affair.
- C. Minor parties will nevertheless try to keep Scelba from falling because:
1. They see it as the first government since June elections capable of offering strong competition to popular appeal of Communists and Nenni Socialists:
 - a. Its cabinet composition, containing minor party representatives for first time since June, reflects leftward trend of electorate;
 - b. Its program offers possibility of socio-economic reform measures considered necessary by them and by dominant left wing of Christian Democratic Party.

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c. On 19 March Scelba announced programs of policing Communists' ties with Moscow and restricting their access to government-owned printing presses.

II. Government parties are anxious to avoid new elections now:

- A. Gradually growing economic distress and unemployment (already over 2,000,000) would tend to benefit opposition.
- B. Communist-Nenni Socialist bloc's percentage of popular vote rose from 31 percent in 1948 elections to 35.3 percent in 1953, and in sporadic local elections since has continued to rise.
- C. Government parties have still not developed a new program on which to campaign.

III. Possibilities of an alternative government including Monarchists

- A. Monarchists anxious to be included in new coalition should Scelba fall and De Gasperi be unable to form new cabinet.
 - 1. Monarchists can contribute 40 parliamentary seats
- B. Party leaders opposing Monarchists inclusion, however, have indicated that such a move would probably mean:
 - 1. Social Democrats, with 19 seats, would withdraw their support.
 - 2. Republicans, with five seats, would also withdraw support.

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3. Christian Democratic Party would tend to split, leaving the new Monarchist coalition without a majority.

a. Sentiment among party members against collaboration with the Monarchists is strong, and widespread.

1. Ex-premier Pella became increasingly unpopular in the party because of his ties with the Monarchists.

2. The 1 February statement of party policy, used as the basis for negotiating the formation of the Scelba coalition, endorsed the principle of a government confined to the center.

3. Ex-premier De Gasperi expressed to Ambassador Luce on 2 March his strong opposition to including Monarchists.

b. Left wing groups within the party, which are particularly opposed to collaboration with the Monarchists, gained strength in the June elections. These factions, with their estimated strength in the Chamber of Deputies, include:

Iniziativa Democratica (left-wing led by
Taviani) 105 seats

CISL-ACLI (CD and Catholic labor groups) 23 seats

4. Social Democrats and certain left-wing Christian Democrats would be influenced to cooperate with Nenni Socialists in opposition.
- C. The fall in late December of the Pella Christian Democratic government, which relied on external Monarchist support, is a further indication that a Monarchist coalition would be unstable.
1. Pella, though aided by the Trieste dispute in retaining Monarchist support, made additional concessions to the Monarchist dislike of domestic reform measures and was eventually thrown over by his own party on:
 - a. The land question, and
 - b. His informal ties with the Monarchists in defiance of his party's disapproval.
- D. Monarchist party leaders in the past have been wavering on, and occasionally opposed to, American foreign policy objectives:
1. They have been unusually insistent on making Italian participation in EDC conditional on satisfactory Trieste solution.
 2. They have been likewise insistent on a larger policy-making role for Italy in NATO;
 3. Industrialists prominent in the party have been among the most vociferous advocates of expanding Italy's trade with the Orbit.

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objectives, relations with neo-Fascist MSL, and struggle for party leadership.

- E. Though firmly anti-Communist in sentiment, the Monarchists have consistently opposed socio-economic reforms calculated to undermine the Communists' electoral appeal.
- F. Monarchist party generally an unstable element on political scene;
 - 1. Party leadership split on foreign policy and relations with the neo-Fascists;
 - 2. Party's advocacy of institutional change tends to increase polarization of Italian politics, between extreme right and extreme left.

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ITALIAN POLITICAL LEADERS

<u>PARTY</u>	<u>Secretary General</u>	<u>Actual Leader</u>
<u>Government Coalition</u>		
Christian Democrats (CD)	Alcide de Gasperi	Same
Liberals (PLI)	Bruno Villabruna	Same
Republicans (PRI)	Ugo la Malfa	Randolfo Pacciardi
Social Democrats (PSDI)	Matteo Matteotti	Giuseppe Saragat
<u>Far Left</u>		
Communists (PCI)	Palmiro Togliatti	Same
Socialists (PSI)	Pietro Nenni	Same
<u>Far Right</u>		
Monarchists (PNM)	Alfredo Covelli	Achille Lauro (struggle with Covelli for leadership)
Italian Social Movement (MSI)	Augusto de Marsanich	Same

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