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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

4 April 1958

MEMORANDUM FOR THE DIRECTOR

SUBJECT: The Italian Pre-Electoral Political Situation

1. Summary: No major change is likely in the proportion of the popular vote which the various parties will obtain in the Italian elections, but minor changes could have a profound effect upon the kind of government which will emerge. The operation of the new electoral law, which treats the large parties less favorably and the smaller parties more favorably than in 1953, would produce changes in the disposition of party strength in the new chamber even if no changes in percentages of popular vote occurred. Thus, in order to retain its present strength in the Chamber the Christian Democrat Party must receive more popular votes than 1953. The best for which the CD's can hope appears to be a majority formed with either the Saragat Socialists or the Liberals. The worst foreseeable outcome would be the failure of the CD's, Liberals, Republicans, and Saragat Socialists collectively to obtain a majority -- and it would probably take only a slight decline in their collective popular vote to produce such a result. It will obviously be difficult, in the best of

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circumstances, to constitute a stable and reliable parliamentary majority for any government. Should it prove impossible to do so, Italian governments in the future would be even less effective than in the past; this in turn would probably increase the popular appeal of extremist groups on the right and left.

2. Pre-electoral condition of the parties. The Christian Democratic Party (CD) is entering the elections under the usual handicaps of a party which has held power for a long time. The present minority CD government is not popular, and the party has been embarrassed by both the clerical and anti-clerical reactions to the conviction of a Roman Catholic bishop. Although some of the furore over this affair has abated, the party will probably lose some Catholic votes because of it; on the other hand, the government's moderate and sensible policy of non-intervention in the judicial process may encourage some anti-clericals to feel that the party is worthy of their support.

3. A more serious problem for the CD's is that, under the existing electoral law, the party will not be treated as favorably as in 1953. The parliamentary results will be more closely proportional than those under the preceding law. Thus, the CD's will probably have to increase their share of the total vote by about 2 to 3½ per cent in order to retain/^{their}

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present position in the chamber.* If these gains are made at the expense of the CD's former coalition partners, the prospects for forming a democratic parliamentary majority will be reduced.

4. The prospects that the CD's can gain at the expense of the Communists are not good. Recent advances in Soviet prestige and continuing popular frustration with the existing political situation have now largely offset the party losses which resulted from Khrushchev's revelations at the 20th Party Congress and from the Hungarian affair. The PCI seem well prepared for the coming elections; its campaign apparently will concentrate on issues such as peace, independence, security, and unemployment. The chances for successful exploitation of these issues are better now than would have been the case as late as six months ago.

* The results in 1953 were as follows:

	<u>Percent of Popular Vote</u>	<u>Percent of Seats in Chamber</u>
Communists	22.7	24.2
Nenni Socialists	12.7	12.7
Saragat Socialists	4.5	3.2
Republicans	1.6	.8
Christian Democrats	40.7	44.9
Liberals	3.0	2.5
Monarchists	6.9	6.8
Neo-Fascists	5.9	4.9
Others	1.9	---

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In addition, the party retains a broad organizational base and still abundant financial resources. Because it is a large party, the PCI -- like the CD -- will need to win more votes than it did in 1953 to retain its position. While the Communists will probably gain some votes in the South, where they have been organizing vigorously, they will also lose some votes, particularly of those who remain disaffected over the events of 1956. We think they will lose a few seats, but these losses probably will not produce much gain for the center. They are more likely to benefit the Nenni Socialists or the extreme right.

5. The parliamentary positions of both Socialist parties may be improved. Despite the failure of the merger negotiations, the maneuvering involved did separate the two parties somewhat from their political allies -- i.e., the Nenni Socialists from the Communists and the Saragat Socialists from the Christian Democrats. This greater degree of independence might make these parties more attractive to leftist voters who are unwilling to vote Communist. In both Socialist parties there will be considerable in-fighting between pro-merger and anti-merger groups for favored positions on the two parties' respective electoral lists. How the factions fare in these intra-party fights may have considerable effect upon their vote in particular areas and upon their willingness after the elections to enter into parliamentary or governmental collaboration with each other or with other party groups in the chamber.

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6. Although the minor center parties, the Republicans (PRI) and the Liberals (PLI) stand to benefit from the electoral law, the trend over the past decade has consistently been against them; since 1948 the strength of both parties has been halved. Moreover, because both parties until recently have been closely associated with the CD, each has had difficulty in establishing an independent identity in the eyes of the electorate. The Liberals seem likely to suffer some losses to the extreme right in the South, but may make gains in the North at the expense of the CD, and thus they have a chance to retain their 13 seats in the chamber.

7. Recent efforts to form a "great right" of monarchists (PNM and PMP) and Fascists (MSI) have foundered on personal rivalries and political differences. The principal obstacle to unity is the determination of Achille Lauro, Secretary of the PMP, to be the recognized champion of the right. In view of the size of Lauro's personal fortune and the success of his campaign methods in the regional elections in Saudinia there is reason to believe that he will make further gains this spring toward realizing his ambitions, principally at the expense of the PNM and the MSI. Thus, the aggregate strength of the right would remain about the same.

8. The cabinet-making problem. In view of the foregoing, a major political realignment appears out of the question. Any shifts in voting strength are likely to be minor; i.e., they will probably not involve

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more than one or two percentage points in the total vote. Yet, these minor shifts, largely unpredictable on the basis of existing information, could make a considerable difference in the construction of post-election governments. Since it appears that the CD's will not even come close to winning an absolute majority, the three major possibilities are: (a) a situation similar to that now existing, when the votes of all the democratic parties are required to constitute a working majority, (b) a sufficient CD parliamentary gain to permit the formation of a majority with only one of the other democratic parties, and (c) a failure by the democratic parties combined to gain a parliamentary majority.

9. Even if the four center parties together should win enough seats to enable them to form an effective working majority, the establishment of a quadri-partite coalition would be more difficult than it was in 1953. Both the Saragat Socialists and Liberals are fed up with being in the same government. Saragat has said so rather forcefully. Although he probably would reconsider his position if this were necessary in order to permit a government to be formed, the left wing of his party would probably create serious difficulties for him. Perhaps the Democratic Socialists and Liberals could again learn to live together, but the resulting coalition would be unstable and probably short-lived.

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10. A result permitting the CD's to form a government with either the PSDI or the PLI is the most favorable for which the CD's can hope. For this result to obtain, the CD's would formally have to increase their share of the total vote by about six percent. Such a situation would be a considerable improvement over the past five years. Yet, it would not be without its problems, too. A CD choice of a coalition leftward would produce dissension on the CD right, and vice versa. Probably the CD party would hold together under such conditions, but it could not always accede to the wishes of its coalition partners. Hence such governments likewise would be unstable and probably also essentially immobile.

11. The most disturbing outcome for Italian democracy would be the failure of the democratic parties collectively to obtain a majority. It would probably take only a slight decline in their aggregate popular vote to produce such a result.* Under such circumstances a CD coalition with one of the more extreme parties of right or left would become the subject of considerable political maneuvering. For example, Lauro of the Popular Monarchists would probably make a strong bid for a coalition with the CD, and he would probably win some support for this among right-

* If the four parties won exactly the same aggregate percentage as in 1953, they might or might not be able to constitute a majority. The parliamentary results would be extremely close.


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wing CD's. On the other side, Nenni might see in this situation the opportunity to deal himself into the government by splitting finally with the Communists and with the pro-Communists in his own party and by merging with the Saraget Socialists. Such maneuvering on the right and left would put a severe strain upon the CD leadership and upon the unity and discipline in the CD party.

12. It is obvious from the above that Italian politicians will have great difficulties in constituting a stable and reliable parliamentary majority, even under the best of circumstances. If the worst of circumstances should materialize -- as may well happen -- it may be impossible to form any government with a working parliamentary majority. In this event, Italian governments will be even less effective than in the past, and this in turn will probably increase the popular appeal of extremist groups on the right and left.

FOR THE BOARD OF NATIONAL ESTIMATES:



SHERMAN KENT
Assistant Director
National Estimates

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