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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

17 May 1960

Staff Memo
27-60

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: The Italian Political Crisis

Summary. The disintegration of the center as the stabilizing influence in Italian politics has left Italy in the grip of a fundamental political crisis which has been only temporarily eased by parliament's reluctant acceptance of the Tambroni "caretaker" government. The future of Italian parliamentary democracy will probably hinge in large degree on developments within the next few months. We believe it unlikely that the center coalition can be reconstituted and revitalized. The creation of a center-left government with tacit Socialist support would provide some opportunities for achieving a new political equilibrium excluding the extremists of right and left from power. However, it would risk splitting the CD, and arousing bitter opposition from the right and right center. It might also open the way for a further leftward trend in Italian politics. The only alternative appears to be a drift toward political disintegration, with

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a divided and impotent center caught between the threat of a coup by an increasingly embittered and adventurous right and growing pressure from an increasingly assertive left.

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INTRODUCTION

1. The Italian parliament's reluctant acceptance of the Tambroni "caretaker" government leaves unresolved the basic differences which left Italy leaderless and in a state of parliamentary paralysis for more than two months. The Tambroni formula, involving acceptance of neo-Fascist votes to provide a parliamentary majority, was vetoed once by the ruling Christian Democratic Party (CD) and finally accepted only after all other candidates and formulas had been discarded and Tambroni had promised to confine himself to carrying out previously agreed national policies. Tambroni himself has long been an object of fear and mistrust among his party colleagues, and his maneuvering during the present crisis has almost certainly intensified these misgivings.

2. With the important local and provincial elections normally held at this time indefinitely postponed, Tambroni may be able to survive until the end of parliamentary vacations in late summer,



thus providing a basis for passage of the budget and other routine legislation. However, Italian political leaders will sooner or later have to face up to the basic problems posed in the present crisis, which threatens to turn into a crise de régime.

The Nature of the Crisis

3. The basic characteristic of the present crisis -- and the reason for its unusual gravity -- is the fact that it represents a disintegration of the center as the stabilizing influence in Italian politics. For 12 years the CD and the smaller parties of the center -- the Liberals (PLI), Republicans (FRI), and Social Democrats (PSDI) -- provided Italy with moderate coalition government and served as a buffer between the Communists (PCI) and Socialists (PSI) of the left and the fascist-tinged extreme right. Beginning with the CD's loss of an absolute parliamentary majority in 1953, however, the strength and cohesiveness of the center has slowly declined. Especially over the last few years, the electorate's center of gravity has drifted leftward as a result of popular disillusionment over the immobilism of successive CD-dominated governments, growing disinclination to regard CD control of the government as necessary to prevent a Communist takeover, and the increased stature and respectability

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of the PSI. The latter has moved away from its former close association with the Communists at the national level, even though it still cooperates with them in the labor and cooperative fields and in many local administrations. At the same time, Italy's rapid economic growth has led to a rejuvenation and expansion of the political right.

4. As a result, strong centrifugal tendencies have developed, both among the smaller parties of the center and within the CD itself. The present crisis has been marked by a growing split between the PLI, a big-business supported party whose withdrawal of support from the Segni government precipitated its collapse, and the FSDI, which has become increasingly concerned to demonstrate its socialist principles and to avoid association with conservative elements. The crisis has also brought into the open a similar division in the CD. The CD left and much of the center has increasingly favored a deal with Nenni for Socialist support of (though not participation in) the government as a means of getting on with progressive social and economic legislation and thus refurbishing the CD's popular image. However, this has been bitterly and thus far successfully blocked by the CD right, which represents only a small fraction of the organized party, but which,

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with the support of conservative elements within the Vatican, still commands important power within the party apparatus. The CD, as the principal party of the center, has thus been left floundering and virtually paralyzed, with its popular appeal flagging and its organizational unity gravely threatened.*

The Choice Before the CD

5. How the CD will go about the task of restoring its position -- and the specific formulations that may be attempted -- involves a welter of shifting personal relationships and influences which will to a considerable extent overshadow the broader issues involved. In general, however, the CD must choose among a limited number of general lines of action -- none of which is without hazard

6. The "Opening to the Right." The CD could attempt to carry on with a government generally rightist in orientation -- either with a CD cabinet accepting external rightist support (as does the present Tambroni government) or with one in which the

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The current disposition of party strength in the Chamber of Deputies reading from left to right is: Communists (PCI) 141, Nenni Socialists (PSI) 87, Democratic Socialists (PEDI) 17, Republicans (PRI) 6, Christian Democrats (CD) 273, Liberals (PLI) 18, Monarchists (PDI) 24, Neo-Fascists (MSI) 24, Others 6.

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rightist parties are specifically included. This course would certainly appeal to some CD leaders, possibly including Tambroni who, despite his past support of a left-center formula, might follow this course to perpetuate himself in office. However, even if considerable influence and inducements were brought to bear, a preponderant number of the CD deputies, already nervous over their party's popular image, will almost certainly demand that the stigma of fascist support be removed as soon as possible. Thus we consider it unlikely that a rightist-oriented government could be long sustained except by extra-constitutional means.

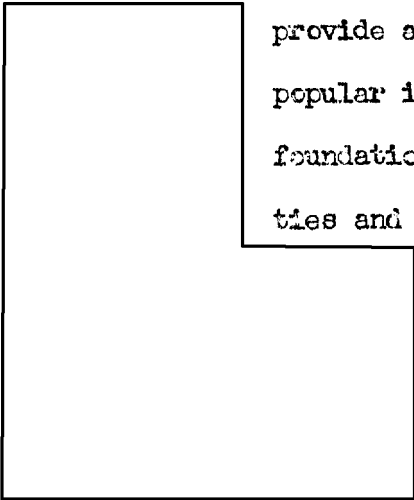
7. Restoration of the Center. Efforts to patch over the cleavages which have developed within the CD and to restore the unity of the center as a whole will almost certainly be made. However, we seriously question whether the status quo ante can in fact be restored -- except possibly under extreme and sustained fear of the alternatives. Restoration of the center would require a sudden reversal of long-operative divergent tendencies -- and under circumstances in which personal animosities among the center leaders are at a high pitch. A CD decision to close ranks would not long satisfy those who fear that a continuation on dead center would involve a further stagnation of internal policy and would

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progressively sap popular support for the party. A reconciliation of the PLI and the PSDI at this stage would appear to be even more difficult to achieve in view of the increasingly conservative attitude adopted by the PLI during the last year and the growing interest the PSDI has displayed in closer association with the PSI.

8. The "Opening to the Left." Such men as President Gronchi, ex-Premier Fanfani, and CD Secretary Moro, reflecting the probable desires of a majority of the CD rank-and-file, will probably continue to favor development of a CD-led left-center government which enjoys external Socialist support -- a solution which is being aggressively encouraged by the PSDI and the IRI. Nenni, for his part, has thus far appeared willing to commit the Socialists to support such a government by abstaining on important Chamber votes, provided that it pushed ahead with liberal, social, and economic legislation and did not insist on a clear-cut Socialist break with the PCI in all respects. Such an arrangement would provide a parliamentary basis for a CD effort to restore its popular image as a party of moderate reform and would lay a foundation for additional efforts to rid the PSI of its Communist ties and rehabilitate it as a responsible democratic party.

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9. However, the right wing of the CD will almost certainly continue its all-out opposition to such a formula, threatening that if necessary it would walk out en masse, thereby splitting the party and possibly bringing down the government in the process. It is uncertain, how many of the 30 to 60 CD deputies associated with the right wing would in fact jeopardize their positions and prerogatives by carrying out such a threat. Although conservative elements in the Vatican have been prominent among those opposing an opening to the left, it is also uncertain whether the Pope would wish to push matters so far as to risk splitting the Christian Democrats. Nevertheless, the danger of a walkout by the right, including a number of the more prominent CD leaders, is clearly one to be reckoned with. Indeed, there is some danger (discussed in paragraph 12 below) that an embittered right (including some CD members) might take even more drastic action if it felt otherwise unable to block an opening to the left. At best, a PSI-supported government would be subjected to heavy and possibly disabling pressure from the right,

10. At the same time, the possibility cannot be excluded that Nenni's present pose of respectable moderation is a cynical tactical gambit primarily aimed at encouraging the breakup of

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the CD and thus opening the way for PSI (or PSI-PCI) domination of Italy's domestic and foreign policies. Even if this should prove to be the case and Nenni later sought to raise the ante for his support, the CD would be in a better position to successfully appeal to the electorate for a new mandate of their own. In any case, however, there would also be some risk that the acceptance of the PSI as a more or less legitimate partner might lead to a shift of popular opinion and power further to the left.

11. New Elections. If all else fails, President Gronchi may feel obliged to call national elections in an effort to break the existing stalemate of political forces. However, the center parties are not now anxious to put their somewhat bruised popular image to a public test, and strong pressures will probably be brought to bear against such a move. Gronchi, himself, has no illusions about his own chances for reelection to the Presidency in the event that CD parliamentary strength (and especially that of its center-left faction) is reduced in an election, and probably hopes to delay until the electoral prospects of the CD appear brighter than they do now. Moreover, he probably has little real confidence that the selection of a new parliament will greatly facilitate his task of obtaining leaders capable of forming a

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government with a working parliamentary majority. The indications are that early new elections, while strengthening the position of the extremes (and especially the left), would not sufficiently alter the balance to provide a clear-cut solution to the crisis.

Role of the Political Extremes

12. A particularly serious aspect of the present crisis is the growing restiveness and assertiveness of the extreme right. If the trend within the Christian Democratic Party towards a liaison with the PSI becomes more pronounced -- or if a continued impasse should appear to threaten a serious breakdown of government functioning or popular confidence -- there are a number of figures on the right who might be tempted to exploit the situation and seize control of the government illegally. Although there are no concrete evidences of coup activities in Italy at the moment, such solutions have been rumored for some time. Indeed, Tombaoni, himself, who is probably Italy's most skillful opportunist, might use his present control of government machinery to consolidate his power by extra-legal means. Furthermore, the public's disenchantment with ineffective center governments over the past few

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years might keep initial popular opposition to such a move to a minimum, especially if it were advertised as an end to immobilism. However, any rightist seizure of power, forcibly or otherwise, would probably require the elimination or neutralization of President Gronchi. More importantly, it would probably drive the bulk of the CD, and most other center elements, into opposition along-side the left.

13. The Communists are unlikely to take any drastic action to influence the situation at this stage. For the moment they will probably continue to concentrate on exploiting their opportunities for discrediting and discomfiting the government and its CD leadership, meanwhile quietly attempting to head off any real accommodation between the CD and the PSI/although they have officially endorsed the concept of a center-left government enjoying Socialist support, probably for tactical reasons. While they would attempt to exploit the creation of such a government as a victory for the left they would at the same time seek to undermine it, lest it weaken their appeal as the party of reform and result in their political isolation. Should the present political impasse become more critical, the Communists might make some preparations for direct political action, but would probably

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be restrained from strikes and demonstrations by the fact that they lack the necessary strength and discipline to seize power and would probably fear precipitating a rightist coup. However, if political chaos extended over a long period, or if the right did move (or appeared to be about to move) to capture power, the old PSI-PCI pact would almost certainly be quickly revived and a vigorous popular front movement would soon be constituted. Under these circumstances the reunited left would sooner or later directly challenge the authority of any rightist government, probably in the streets.

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The Outlook



14. Italy thus faces a period of severe tension, possibly threatening the existence of the regime. Although installation of the Tambroni government may permit the crisis to drag on into fall without coming to a head again, existing political animosities could destroy his government at any time, and in any event a decisive resolution of the crisis probably cannot be deferred for more than a few months without risking a collapse of Italian parliamentary democracy. We believe it unlikely that the old center coalition can be reconstituted and revitalized. Final

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resolution of the crisis probably involves a basic shift in political power toward either the left or the right. Creation of a center-left government would provide Italy at least a fair chance of establishing a new political equilibrium with prospects for solid social progress. However, it would risk splitting the CD and arousing bitter opposition from the right and right center, and it might also open the way for a further trend to the left in Italian politics. On the other hand, failure to achieve such a solution would result in continuing political paralysis beneficial only to the extremes of right and left. In these circumstances the right would probably grow increasingly adventurous and might attempt to seize power extra-legally, either to forestall a move to the left, or to fill the vacuum created by the disarray of the CD. For its part, the PSI would probably then be driven back into close alliance with the Communists to escape isolation.

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ABBOT SMITH
Acting Chairman

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