

NSC BRIEFING

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5 May 1955

MAY DAY FLY-BY RAINED OUT

I. Moscow's weather on May Day was so miserable that it cancelled the air parade, and even washed out the grand march of "joyous" citizens.

A. Rehearsals for the air parade, however, were flown almost to the last minute and our observers have now actually seen ~~a full dozen~~ <sup>ELEVEN</sup> [REDACTED] (the 25X1D Soviet heavy jet bomber) in flight together and, as a result of photography, have established the fact that at least 13 of the jet heavies have now been flown.

B. Tentative reevaluation of ~~US Air Force~~ estimates on Soviet heavy bomber production, undertaken when only 10 [REDACTED] 25X1D [REDACTED] were known to exist, showed that the USSR's bomber program was ~~far in~~ <sup>FURTHER</sup> advanced <sup>THAN EXPECTED.</sup> ~~of intelligence expectations~~

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\*USAF Declass/Release Instructions On File\*

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C. Confirmed existence of 13 of the jet heavies, which we now possess, further emphasizes the extent of this unexpected Soviet advance.

II. Air Force evaluators are even now making new computations.

A. As a preliminary summary of Air Force findings, however, we can say that-- using the US B-52 program as a yardstick--the Soviet heavy bomber program is running a good bit ahead of ours.

~~B. Air Force tentatively estimates that:~~

~~40 [redacted] will have been produced by July of this year, of which 20 probably will be operational units.~~

~~C. By mid-1956, 120 may have been produced, with 80 in units; by mid-1957, 200 may have been produced, with 200 in units.~~

~~D. Under present program, our mid-1957 target is 150 B-52's produced.~~

-2-

~~TOP SECRET~~

25X1D0a

NSC BRIEFING

4 May 1955

ITALIAN GOVERNMENT EXPECTATIONS

- I. Italy's new President, Giovanni Gronchi, will take office on 12 May at end of anti-clerical 81-year-old Luigi Einaudi's 7-year term. Custom demands that Italian premier Scelba tender his resignation by that date.
  - A. Gronchi has been president of Italy's chamber of deputies since '48: is leader of the lefter of the two "left wing" factions in Christian Democratic Party.
  - B. An anti-Communist, who favors Italy's pro-Western alignment, Gronchi advocates a Christian Democratic government based on collaboration with, support from all "democratic" factions. Reported upset by "bad" US press on his election, which implied he was leftist tool.
  - C. In his view, "democratic spectrum" ranges from Nenni Socialists on left through Monarchists on right.
  - D. He is anxious to split Nenni Socialists away from Communists, get them into a left-center coalition which would then have majority sufficient to push through needed socio-economic reforms.
  - E. As titular head of Italian Republic, however, Gronchi will be removed from political arena.

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II. Gronchi may refuse Scelba's resignation, in view of:

A. Imminence of Sicily elections (5 June). These are first important elections since '53, and relative strengths of Italy's 8 major parties should be clarified.

III. Another factor favoring Scelba's continuation is need for time to iron out problems of badly split Christian Democratic Party.

A. New rifts revealed in course of Gronchi's election, when Party's right and left wings (natural enemies) ganged up to defeat the candidates of both Scelba (center) and Fanfani (moderate left).

B. Although Party's right and left wings still clash over question of social reform, they were united in demand that new president be a Catholic.

C. Finally, Scelba's continuation would provide needed time for re-examination of Christian Democratic relations with minor parties now in CD coalition who growing increasingly restive.

IV. Should Gronchi accept Scelba's resignation, probabilities are against Italy's new government (which will still be CD-dominated) repeating present CD centrist immobility. Policies could shift to right, but more likely to go to left in view of:

A. Strength of left both in CD Party and in country;

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- B. Common fear that Scelba government's failure to carry out reform program is giving strength to Communists.
- C. Whether to left or right of center, new government's international orientation would remain same.
- V. Whoever is next premier, he will be Christian Democrat.  
Possible candidates currently mentioned by Italian press:
  - A. Giuseppe Pella, former premier, right-wing CD economist who temporized with Communists while in office.
  - B. Adone Zoli, CD Party president, considered "non-controversial."
  - C. Budget Minister Ezio Vanoni, whose name given to large-scale 10-year Italian economic plan currently under consideration by OEEC. Vanoni has previously been mentioned as possible head of transition government between Scelba and CD Party Secretary Fanfani, currently in bad odor.
  - D. Fanfani, himself, without benefit of deorderizer.
  - E. Any but Pella might win Nenni support--or at least settle question of his sincerity--by pushing through long-delayed reform legislation.

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4 May 1955

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*The Director quoted excerpts from State Dept  
Rome Cable # 4026 of 50 April in his briefing*

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- C. In his view, "democratic spectrum" ranges from Nenni Socialists on left through Monarchists on right.
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- II. Gronchi may refuse Scelba's resignation, in view of:
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-2-

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- III. Another factor favoring Scelba's continuation is need for time to iron out problems of badly split Christian Democratic Party.
- A. New rifts revealed in course of Gronchi's election, when Party's right and left wings (natural enemies) ganged up to defeat the candidates of both Scelba (center) and Fanfani (moderate left).
- B. Although Party's right and left wings still clash over question of social reform, they were united in demand that new president be a Catholic.
- C. Finally, Scelba's continuation would provide needed time for re-examination of Christian Democratic relations with minor parties now in CD coalition who growing increasingly restive.

-3-

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- IV. Should Gronchi accept Scelba's resignation, probabilities are against Italy's new government (which will still be CD-dominated) repeating present CD centrist immobility. Policies could shift to right, but more likely to go to left in view of:
- A. Strength of left both in CD Party and in country;
  - B. Common fear that Scelba government's failure to carry out reform program is giving strength to Communists.
  - C. Whether to left or right of center, new government's international orientation would remain same.
- V. Whoever is next premier, he will be Christian Democrat. Possible candidates currently mentioned by Italian press:
- A. Giuseppe Pella, former premier, right-wing CD economist who temporized with Communists while in office.

-4-

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- B. Adone Zoli, CD Party president, considered "non-controversial."
- C. Budget Minister Ezio Vanoni, whose name given to large-scale 10-year Italian economic plan currently under consideration by OEEC. Vanoni has previously been mentioned as possible head of transition government between Scelba and CD Party Secretary Fanfani, currently in bad odor.
- D. Fanfani, himself, without benefit of deorderizer.
- E. Any but Pella might win Nenni support-- or at least settle question of his sincerity--by pushing through long-delayed reform legislation.

-5-

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NSC BRIEFING

4 May 1955

BACKGROUND--VOTING FOR ITALIAN PRESIDENT

I. Constitution provides election of new president every seven years.

A. President is elected by both houses of parliament, (total: 833) plus representatives from each of Italy's 19 "Regions", specially elected by each regional council in proportion to local party strength.

B. Because only four "regions" have been established since constitution drawn up in 1948, only ten regional "electors" voted on this occasion: three each from Sicily, Sardinia, and South Tyrol; plus a single "elector" from Aosta Valley, which rates only one.

C. Vote is by secret ballot: two-thirds majority (562 of total possible 843) is required to win on first three ballots, after that, an absolute majority (422) sufficient.

II. Candidates for presidency in 1955 election were:

A. Luigi Einaudi, Italy's President from 1948 to 1955. He was originally supported by Premier Scelba's center faction of CD's, plus minor democratic parties.

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1. Supporters believed a non-CD President could better represent the coalition government.
- B. Cesare Merzagora, an Independent who was elected deputy in 1953 on CD ticket. He was the official CD candidate, but was opposed by minor parties and CD center as being a crypto-CD.
  1. Apparently also opposed by right and left CD's as not being CD enough.
- C. Giovanni Gronchi, a Christian Democrat and president of chamber of deputies. He was the candidate of extreme "left" faction of CD's.
- D. Ferruccio Parri, a former Action Party Premier (1945), now considered non-party man. He removed his support from De Gasperi's center coalition government at time of '53 elections, in protest against CD-sponsored "bonus" electoral law (general unpopularity of which was factor in government's electoral defeat).
  1. He was the announced presidential candidate of both Nenni Socialists and Communists, but only as a first ballot demonstration.

III. There were four ballots.

A. On first ballot:

Parri got 308 (apparently Communists, and Nenni Socialists and some Republicans).

Merzagora--228 (apparently some CD's).

Einaudi--120 (apparently some CD's, plus minor democratic parties).

Gronchi--30 (apparently far "left" wing of CD's).

Blank ballots--89 (apparently Monarchists and neo-Fascists).

Remainder (68) scattered, void or absent.

B. On second ballot, Parri withdrew. Vote:

Merzagora--225

Einaudi--80

Gronchi--127 (gains apparently from right CD's).

Blank ballots--332 (mostly Communists and Nenni Socialists)

C. On third ballot:

Merzagora got 245 (reportedly some Monarchists).

Einaudi--61

Gronchi--281 (Nenni Socialist and some more CD's threw him their support).

Blank ballots--195 (apparently Communists).

D. On fourth ballot, Merzagora said he would withdraw.

Gronchi was elected by 658 (reportedly some Monarchists --including Covelli (leader of National Monarchist Party)--some Social Democrats and most CD's, plus Nenni Socialists and Communists. Communist last-minute switch is said to have been attempt to avoid isolation.

1. Einaudi got 70 (reportedly Liberals and some Social Democrats), and 92 blank ballots were cast (reportedly some Monarchists, and Fanfani group in CD).

IV. Duties and powers of Italian President:

- A. Head of state; commands armed forces; declares war, on decision of parliament.
- B. May dissolve one or both chambers, except during last six months of term.
- C. Nominates Premier (although Premier's actual investment depends on formal parliamentary approval).
- D. Can veto laws on own initiative.
- E. No other acts of the President are valid unless countersigned by the Ministers proposing them, who thereby assume responsibility for them.

NSC BRIEFING

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4 May 1955

BACKGROUND

VOTING FOR ITALIAN PRESIDENT

- I. Constitution provides new president every 7 years.
  - A. Elected by both houses of parliament (total: 833), plus representatives from each of Italy's 19 "regions."
  - B. Only four "regions" actually established to date: thus, only ten regional "electors" voted on this occasion (three each from Sicily, Sardinia, South Tyrol, one from Aosta Valley).
  - C. Ballot is secret: two-thirds majority (562 of total possible 843 this time) required to win on first three ballots. After that, absolute majority (422) sufficient.
- II. Candidates this time were:

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- A. Luigi Einaudi, incumbent. Support-- Premier Scelba's center CD's, minor democratic parties.
- B. Cesare Merzagora, Independent (became deputy in 1953 on CD ticket). The official CD candidate, he was opposed by minor parties and CD center as being a crypto-CD, by right and left CD's as not being CD enough.
- C. Giovanni Gronchi, CD president of chamber deputies. Candidate of CD extreme "left" faction.
- D. Ferruccio Parri, former Action Party Premier (1945), now considered non-party man. Candidate of both Nenni Socialists and Communists, but only as a first ballot demonstration.

III. There were four ballots.

A. On first ballot:

Parri got 308 (apparently from Communists, Nenni Socialists, some Republicans).

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Gronchi--30 (apparently far "left" wing of CD's).

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-3-

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Gronchi--281 (Nenni Socialist and some more CD's threw him their support).

Blank ballots--195 (apparently Communists).

- D. On fourth ballot, Merzagora said he would withdraw: Gronchi elected by 658.
- E. Landslide reportedly included some Monarchists--among them, Covelli (leader of National Monarchist Party)--some Social Democrats, most CD's, plus Nenni Socialists and Communists.
- F. Communist last-minute switch is said to have been attempt to avoid isolation.
- G. On this ballot, Einaudi got 70 (reportedly Liberals and some Social Democrats).

92 blank ballots were cast (reportedly some Monarchists, and Fanfani group in CD).

-4-

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NSC BRIEFING

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5 May 1955

SOVIET-IRANIAN SETTLEMENT

- I. USSR has finally okayed long-negotiated financial and border agreements with Iran.
  - A. Presidium of Supreme Soviet approved agreements on 25 April (Iranian parliament had approved in February): formal ratification expected shortly.
  - B. Border deal will demarcate 11 areas, one of them (in Azerbaijan) under dispute since 1829.
  - C. Most territorial rectifications are tiny, but USSR is net loser by few dozen square kilometers.
  - D. Financial deal provides for payment \$21 million USSR owes for services rendered <sup>By</sup> Iran during World War II.
  - E. Agreement requires that 12 million of this be paid in gold bullion, but--contrary common belief--gold is NOT something Soviets swiped during war.

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- II. Soviet "magnanimity" provides "peaceful coexistence" campaign with demonstration of settlement is terms not exclusively favorable to USSR.
- A. Iran, pro-West but formally uncommitted, is only major gap in "northern tier" defense line (from Turkey to Pakistan).
- B. Although Soviet settlement will not affect Iranian Government's pro-Western attitude, Iran will probably drag feet on adherence to "northern tier" during the months it will take to carry out agreement.
- C. Thus, in effect, USSR has bought 18 months of Iranian "neutrality" at modest cost.

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4 May 1955

BACKGROUND--DETAILS OF AGREEMENT

- I. USSR will pay Iran some \$12 million in gold, \$8.6 million in commodities:
  - A. Payment, due Iran under terms of 1943 financial agreement with USSR, is in compensation for currency furnished to Soviet forces stationed in Iran during World War II.
  - B. Repayment was to be made 60% in bullion and 40% in US dollars.
  - C. Settlement switched dollar payment to payment in kind.
  - D. Gold is due within two weeks of effective date of agreement; commodities will be forthcoming within one year.
- II. The entire Iranian-Soviet border is to be re-defined:
  - A. Most of border will remain substantially as at present: significant adjustments were made in eleven places (map), most of them--and net result--in Iran's favor.

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B. Re-demarcation of border is to be completed by joint commission within 18 months of agreement's effective date.

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