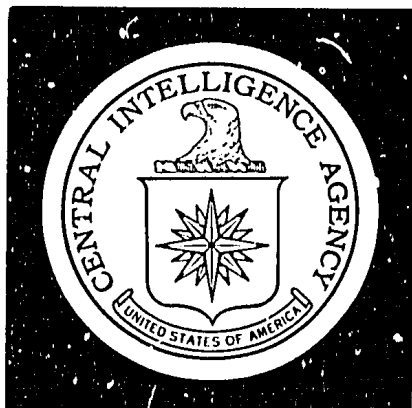


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OFFICE OF
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MEMORANDUM

Italian Elections in May: Will They Help?

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

3 March 1972

MEMORANDUM

SUBJECT: Italian Elections in May: Will They Help?*

1. A decade of center-left cooperation in Italy has foundered on a formidable combination of political rivalries and pressing domestic issues -- the latter including inflation and a stagnant economy. The center-left parties were unable to paper over their differences just one more time after the bitter presidential election in December. As a consequence, Italy now has a Christian Democratic minority caretaker government, and unprecedented early national elections are scheduled for this May. The Christian Democrats are certain to remain

* *This memorandum is narrowly focused on the pre-election political scene in Italy and some post-election possibilities. Some of the more fundamental social, economic, and political problems underlying the present difficulties are dealt with in NIE 24-70: "Prospects for Italy", 12 November 1970.*

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the largest single party and presumably either will seek to renew center-left cooperation or will try to devise a viable alternative. Neither task will be easy. Indeed, the government crisis may persist for some time, and satisfactory long-term solutions to Italy's political problems may become more elusive than ever.

THE PRE-ELECTION POLITICAL SCENE

2. When the center-left coalition was first organized, it hoped to make a serious attack on Italy's social and economic problems and thereby to undermine the political appeal of the extreme left. Reality has not matched promise. The energies of the center-left partners have been squandered on factional infighting and the pursuit of personal power and advantage; government crises have continued to be recurrent. Some of the reform program has been enacted, some has not; of the reforms enacted, some have not been implemented by the country's creaking administrative machinery. On top of this, the growth of GNP -- which averaged over five percent throughout the 1950s and 1960s -- has slowed and may not exceed one or two percent this year. Meanwhile, there has been rising discontent over the government's failure to come to grips with Italy's

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problems. Labor demonstrations and public violence have become more frequent, and there have even been violent clashes between left and right extremists. With elections scheduled for the spring of 1973, politicians were clearly looking to their prospects at that time in the light of current discontent. It was their maneuvering which made the formation of a new government impossible to achieve.*

Christian Democrats

3. Until late January, the Christian Democrats opposed early elections. They feared their party would lose seats to the right no matter when elections were held, and they were especially uneasy over Neo-fascist gains in last June's scattered local elections. But the majority of Christian Democrats now has come to believe that losses to the right can be minimized if elections are held this year rather than next. Their reasoning is influenced by their estimate that the economy is not likely to improve very much before the regular elections scheduled for 1973 -- not enough at any rate to increase their chances at the polls.

* *The distribution of seats in the Chamber of Deputies just before the dissolution of Parliament on 28 February appears on page 10 of this memorandum.*

4. Other factors helped overcome the traditional Christian Democratic reluctance to go to the polls early. Contracts for over four million workers are up for renewal this fall. A repeat of 1960's "hot Autumn" of prolonged strikes and labor violence is not likely to occur, but moderate wage increases are expected and will aggravate the inflationary problem. In addition, an unfavorable demographic trend has been worrying the Christian Democrats. The 1971 census figures, which are not expected to affect early elections, must eventually serve as the basis for a redistribution of parliamentary seats among the electoral districts. The figures apparently reflect shifts in population since 1961, movement from rural areas to cities and from south to north which could reduce Christian Democratic seats.

5. The most immediate Christian Democratic headache, however, involved a referendum on Italy's fifteen month-old divorce law. In January, the constitutional court declared the referendum legal. If held, the Christian Democrats would have found themselves campaigning against divorce with the Neo-fascists as their only political ally on this issue. With parliament dissolved, the referendum has been postponed.

6. Center and right-wing Christian Democrats, moreover, have long been concerned over the efforts of their Socialist coalition partners to establish a "new equilibrium", i.e., closer cooperation with the Communists. Some have felt that the time had come to draw back from the center-left coalition which included a Socialist Party moving in this direction. The temporary alliance between Socialists and Communists in December's presidential balloting -- and the ability of center and right forces to overcome this alliance -- served only to strengthen this conviction.

Social Democrats and Socialists

7. Both the Socialists and the Social Democrats view early elections with mixed emotions. Former President Saragat, who wants to preserve center-left cooperation and to lead his party toward rapprochement with the Socialists, now seems to be supported by a majority of Social Democrats. The party's strong conservative minority, however, would shed few tears over the demise of the four-party, center-left concept, although it does wish to preserve the party's ties with the Christian Democrats. The conservatives want no rapprochement with the Socialists, in part because they think it would lead to a loss of votes from right-leaning supporters. They recognize that Saragat's personal

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prestige may lure some voters away from the Socialists in the coming elections, but both they and the left-leaning majority fear the Neo-fascists may be the principal gainers in May.

8. The Socialists are still smarting from their defeat in the presidential election. Their alliance with the Communists on that occasion was part of their effort to stake out a position as the natural intermediary between Communists and Christian Democrats. They believe it will also help them to absorb a major portion of the faltering Proletarian Socialist Party, thus improving their parliamentary position. They admit some possible losses to the Social Democrats from their own right, but they think such losses will be more than offset by gains on their own left. An increase in left-wing Socialist strength, however, would pose new difficulties for reestablishment of four-party, center-left government.

Republicans

9. Only the Republican members of the center-left coalition have consistently favored early elections, believing that they will make substantial gains. Their moralistic approach to politics and their conservative economic policies have only limited voter appeal in Italy. They are likely to improve their position

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somewhat at the expense of their former center-left partners this spring, but their hopes for sizeable gains are probably illusory.

Communists

10. The Communists have really been in a dilemma. Perhaps more than any other party, they wished to avoid the referendum on divorce. They feared the referendum would cost them a portion of their electoral base because many of their supporters are Catholics who might leave the party fold on this issue and stay away permanently. Early elections postpone that possibility for at least a year and in any case until after the Communist parliamentary delegation has been given a new lease on life. But early elections also worry the Communists; they are concerned over the Neo-fascist resurgence and fear it is still waxing. Having embarked on a course of "responsible" opposition calculated to lead to closer cooperation with the Christian Democrats, the Communists would be seriously discomfited if Christian Democrats edged to the right in an effort to prevent a slippage of their conservative support to the Neo-fascists.

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The Right

11. The Liberals had hoped to avoid early elections and thus at least postpone their own anticipated electoral losses to the Neo-fascists. To this end, they pushed hard for a centrist solution to the January government crisis, i.e., one involving a Christian Democratic-Social Democratic government with outside Liberal support. (Such a government would have had only a nine-seat majority in the 630-seat Chamber of Deputies -- too small to last by Italian standards.) The Liberals hoped, of course, that a year of a centrist government would improve their chances in 1973 elections -- perhaps enough to make a center coalition attractive to the Christian Democrats thereafter. But the narrowness of such a centrist majority had doomed Liberal hopes from the start.

12. Though the Neo-fascists hold fewer seats in the Chamber than the Liberals, they have far more vitality and mass appeal. They look for substantial gains whether elections are held this year or next. They are trying to capitalize on the backlash to ineffectual government, labor demonstrations, and mounting violence (to which they themselves have contributed). In part, their hopes are based on last June's scattered local

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elections. We think that -- while these did represent a substantial gain in popular support -- they are not a very good index to the future. Less than one quarter of the electorate was involved, and the elections were primarily in the conservative south, where certain special conditions were operative: e.g., the traditionally strong Neo-fascist influence among civil servants and retired military personnel in Rome, and the resentment of Christian Democratic voters in Sicily over their party's long-standing connection with the Mafia there. Apart from Sicily, Neo-fascist gains were made almost entirely at the expense of the fading Liberals and the near-defunct Monarchists. And, although the Christian Democrats suffered an overall loss of 4.2 percent of the total vote (when compared to the vote in the same jurisdictions in 1970 local and regional elections), their loss is reduced to less than 1 percent if Sicily is omitted from the comparison.

THE OUTCOME OF THE ELECTION -- SOME POSSIBILITIES

13. Voting is a legal obligation in Italy -- though the law is only haphazardly enforced -- and an average of over 92 percent of the electorate has voted in each of the five national elections held since 1948. This traditionally heavy vote has

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also been remarkably stable; gains or losses by individual parties have very rarely exceeded 4 percent, and shifts usually measure no more than a percentage point or two. Even these small shifts are closely studied and endlessly interpreted by Italian politicians, however, and their impact on party policies and strategy is often far greater than the figures would seem to warrant. Especially in the highly factionalized Christian Democratic Party, implications for future elections are bitterly debated, decisions are taken concerning the composition of government coalitions, and support for government programs is volunteered or withheld -- all on the basis of the real or imagined trends discerned in minor changes in the results of national or local elections.

14. The distribution of seats in the Chamber of Deputies before Parliament was dissolved is shown in the following table.

	<u>Party</u>	<u>No. of Seats</u>	<u>Total</u>
Left:	Communists	177	199
	Proletarian Socialists	<u>22</u>	
Former Center- left coalition partners:	Christian Democrats	265	365
	Socialists	62	
	Social Democrats	29	
	Republicans	<u>9</u>	
Right:	Liberals	31	61
	Neo-fascists	25	
	Monarchists	<u>5</u>	
Other			<u>5</u>
			<u>630</u>

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The analysis in the preceding paragraph suggests that, while the shifts this spring may not be very great, they could make considerable difference to the problem of government formation. There could be some shift from the left to the former center-left (Proletarian Socialist to Socialist) and some from the former center-left to the right (Christian Democratic and Social Democratic to Liberal and Neo-fascist). There probably will be some shift within the right (Monarchist and Liberal to Neo-fascist). In the analysis which follows we suggest what some of the possibilities might be, using the distribution of seats outlined above as a base and assuming some minor shifts.

Renewed Center-Left

15. Heavy Christian Democratic losses to the right in May -- even of 25 seats -- would still leave a workable center-left majority in the Chamber (about 340 seats, with 316 required for a majority). If, as seems likely, Christian Democratic losses are at least partially offset by Socialist gains, a new four-party, center-left coalition would control only slightly fewer seats than its predecessor. There are several factors, however, that would work against renewal of four-party, center-left cooperation. The Republicans have firmly opposed enactment

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of center-left reforms which violate their concept of fiscal responsibility -- reforms which Socialists and left-wing Christian Democrats consider a *sine qua non* to renewal of the coalition. Christian Democratic center and right factions, moreover, would interpret losses to the right as a rejection of the center-left formula by the electorate. And gains by the Socialists on their left wing would probably encourage them to make unacceptable demands as their price for cooperation with their former center-left partners.

16. If, despite these limiting factors, a center-left coalition government is re-formed after the elections -- or if a Christian Democratic minority government depending on center-left support should be formed -- the result most likely would be an intensification of the trends of the past few years: government inaction, recurrent crises, and still greater manifestations of popular discontent than have occurred to date. Over time, this would lead to a deepening of the political malaise in Italy.

Return to a Centrist Coalition

17. A return to the four-party centrist formula of the 1950s is possible on the basis of current parliamentary arithmetic.

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Christian Democrats, Social Democrats, Liberals, and Republicans now control a total of 334 seats. By Italian standards, however, this is only a marginally workable majority. Among other things, it would have trouble dealing with agitation for social and economic reforms by forces on the left and by factions within the coalition itself. A loss of even ten or fifteen seats to the right after the elections, moreover, would reduce such a centrist majority to the point where it could not hope to govern effectively. It could lead to a series of government crises, which in turn would lead to a search for some new arrangement.

New Center-Right

18. On the basis of current party holdings, a coalition of Christian Democrats, Social Democrats, Liberals, and Monarchists would control only 330 Chamber seats. A center-right coalition excluding the Social Democrats but including the Neo-fascists would control 326 seats. A rightward shift in May would not make the formation of a center-right coalition any easier and probably would make it more difficult. Neo-fascist gains would make it impossible to form such a coalition without Neo-fascists, and this would be virtually impossible for the Social Democrats or the left-wing Christian Democrats (about one third of the party) to swallow. If such a coalition were formed, it would

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strongly provoke the left and could lead to a repetition of the violence which drove the short-lived Tambroni government from office in 1960 when it was tried.

Center-Left with Communist Support

19. A coalition of Christian Democrats and Socialists with external support from the extreme left is, of course, a clear mathematical possibility. Christian Democrats and Socialists already control a small, though probably unworkable, majority in the Chamber (327 seats). Communist and Proletarian Socialist support would increase that majority to 526. Assuming some Christian Democratic loss to the right and some gain by the Socialists from the left, a Socialist-Christian Democratic government might still be possible. This is the kind of situation toward which some Socialists have been working. If the Communists agreed to support such a coalition from without and if the Christian Democrats could swallow this, Italian politics would enter a new phase. If the Italian Communists are ever to participate in Italian parliamentary government, it is likely to come about by some such route as this.

20. An attempt to form this kind of government almost certainly would not be made until the other possibilities described

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above had been explored and abandoned. And if tried, it would not be easy. A leader would have to be found; unless it was a Christian Democrat with national prestige -- Fanfani comes to mind -- it could not be done, for the moderate Christian Democrats would not go along. And there are many in Italy who would do everything they could to prevent the Communists from sharing in power. Even a solution which had Communist parliamentary support without Cabinet participation could bring rightists into the streets and start rumblings within the military.

A CRISIS OF REGIME?

21. From the considerations outlined above, one can draw the inference that the results of the May elections could make the job of coalition formation even more difficult than it is now. None of the possibilities discussed is likely to provide a consensus for the kind of government the country needs. The "clarification" which Italian politicians often speak of could be a clarification which promotes rather than eases crisis. Perhaps after appraising the results and the possibilities, Socialists, Social Democrats, and Christian Democrats (the Republicans probably won't matter much) will conclude that the safest and most sensible thing to do will be to reconstitute

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the center-left which has governed Italy for the last ten years. The Italians have shown a consistent capacity for patching something together at the last moment and for making it work, at least for a while. But if they do not do so, Italy may be in for a serious crisis of regime.

22. This crisis of regime could come about in several ways. One would be through the formation of a center-right government (including Neo-fascists) which precipitated agitation and violence from the left. Another would be through the formation of a center-left dependent upon Communist support which precipitated agitation and violence from the right (including the military). A third would be through the development of political drift -- either because of inability to form any government at all (thus prolonging the present caretaker cabinet) or because any cabinet which could be formed would have such a narrow and unstable majority that it could not govern.

23. In the last case, somewhat reminiscent of the unsettled period before the Colombo government was finally formed in 1970, pressing problems would go unresolved. On that occasion there was considerable unhappiness within the military establishment and even some plotting on the madcap right. Prolonged political

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drift could start that all up again -- and even with more vigor, given the greater self-confidence of the Neo-fascists.

24. A crisis of regime from whatever cause could result in fundamental changes in Italy. A breakdown of the political process might lead to a rational reexamination of that process and the formation of a new moderate consensus capable of exerting the political muscle to effect social, economic, and administrative reforms. But a crisis of regime which led to a left-right confrontation on the streets would be an altogether different thing. It is doubtful that the right could win; if it did not, Italy's domestic balance would swing leftward and over time that could produce major changes in foreign as well as domestic policy.

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