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CIA HISTORICAL REVIEW PROGRAM
RELEASE IN FULL

CENTRAL INTELLIGENCE GROUP

PROBABLE SOVIET REACTIONS TO
A US AID PROGRAM FOR ITALY

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5 August 1947

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COPY NO. 5PROBABLE SOVIET REACTIONS TO
A US AID PROGRAM FOR ITALY

1. The current Soviet objective with respect to Italy is to gain eventual control of that country by political processes through the increasing influence and power of the Italian Communist Party. To this end the Italian Communists exploit astutely the discontent of the working class and lower middle class resulting from unemployment, food shortages, the high cost of living, and other consequences of economic dislocation. They attribute the Government's failure to overcome these conditions to its lack of sympathy and understanding, through lack of working class representation, and to its administrative ineptitude.

2. The Communists would perceive at once that the proposed aid program, designed to promote genuine economic recovery and to strengthen traditional ties between Italy and the West, would, if successful, deprive them of their political stock in trade and tend to stabilize the political ascendancy of the moderate parties. In consequence, the USSR and the Italian Communists must regard it as imperative to defeat the program, their problem being how to do so without themselves incurring responsibility for disappointing the high hopes which the program would arouse in all classes of Italian society. A campaign of strikes, disorders, and similar direct action in obvious opposition to the program, while within Communist capabilities, would be self-defeating in that it would provoke such general resentment as to destroy any prospect of an ultimate Communist accession to power by political means. The subtlety required to obstruct and discredit the aid program without seeming to oppose it is also within the capabilities of the Communist leadership in Italy, which has proved its astuteness in escaping from equally difficult dilemmas. It is therefore probable that the Communists would seek to cope with the aid program by devious rather than overt means, turning it to their own ultimate advantage.

3. Italian Communist strategy in implementation of the foregoing concept would be designed to create and exploit disappointment and disillusionment regarding the aid program, however beneficial its actual results. It would be based on the following considerations in particular:

a. The amelioration of conditions in Italy is quite acceptable to the Communists (who intend to take over the management of Italian affairs), provided that the moderate parties and the United States can be deprived of any credit for it and, indeed, be made objects of resentment in the process.

b. The depth of existing despair is such that the prospect of aid can be made to raise extravagant hopes leading ultimately to unreasonable, but exploitable, disappointment when the program fails to produce manna from heaven.

c. Administration of the program must inevitably produce some Italo-American friction exploitable in terms of patriotic resentment of Yankee "imperialism" in general and "carpetbaggers" in particular.

d. The anticipated economic collapse of the United States in 1948 would cause the collapse of the aid program and the ultimate disillusionment.

4. The specific courses of counteraction which might be expected of the Italian Communists are:

a. Public acceptance of the aid program, not as an act of benevolence on the part of the United States, but as no more (indeed, less) than Italy has a right to expect in all the circumstances.

b. Qualification of this acceptance by reservations regarding the protection of Italian independence and sovereignty calculated to incite suspicion as to the motives of the United States and to render the Italian people hypersensitive to necessary US supervision of the program--this is to be followed up by Soviet propaganda regarding US imperialism in Italy, Communist vilification of US supervisory personnel and exploitation of every incident of friction, and a general effort to substitute resentment of US "interference" for gratitude for US assistance.

c. Attacks upon the moderate Government for accepting such "interference" and for ineptitude and discrimination in the administration of the program.

d. Covert sabotage and labor manipulation designed to obstruct the program and to impair its effectiveness without incurring responsibility.

e. Propaganda to promote the idea that the US contribution to Italian recovery is actually niggardly in relation to the needs of the country and to the benefits which might have been derived from closer association with the mighty and generous USSR. Although, manifestly, the USSR could not compete with an equivalent aid program, this notion could be supported by opportunistic grants of Soviet aid in critical situations, such incidents to be exploited as were Soviet grain shipments to France despite greater, but commonplace, US shipments.

5. By such measures, primarily propagandistic, but including the maximum degree of covert obstruction, the Italian Communists would strive to turn the US aid program to their own ultimate advantage. If, however, it were to become apparent to the Kremlin that this policy of finesse was not working--that, despite Communist efforts, the aid program was strengthening substantially the political power of the Italian moderates and consolidating the Western orientation of Italian policy--then Soviet-Communist tactics would be reversed. In these circumstances the prospects of a Communist accession to power by political means would have disappeared, so that action prejudicial to that end would entail no sacrifice. Every resource of the USSR and the Italian Communist Party would then be committed in an open, all-out effort to defeat the economic as

well as the political purposes of the program by strikes, sabotage, incendiarism, disorders, and possibly by insurrection. Such tactics would produce such an anti-Communist, anti-Soviet reaction in Italy as to consolidate Italian adherence to the West. The economic consequences would be such, however, as to disrupt the process of Italian rehabilitation and to render Italy an economic liability as an ally. Moreover, in the confusion created some opportunity might arise for a Communist accession to power by force. . . -

6. In short, so long as, in the opinion of the Kremlin, there remains a fair prospect of Communist accession to power in Italy by political means, the USSR and the Italian Communists will seek to deal with the aid program by finesse in hope of turning it to their own advantage. If, however, that prospect is eliminated, the USSR and the Italian Communists will do all in their power to disrupt the economic rehabilitation and political stabilization of Italy.