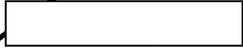


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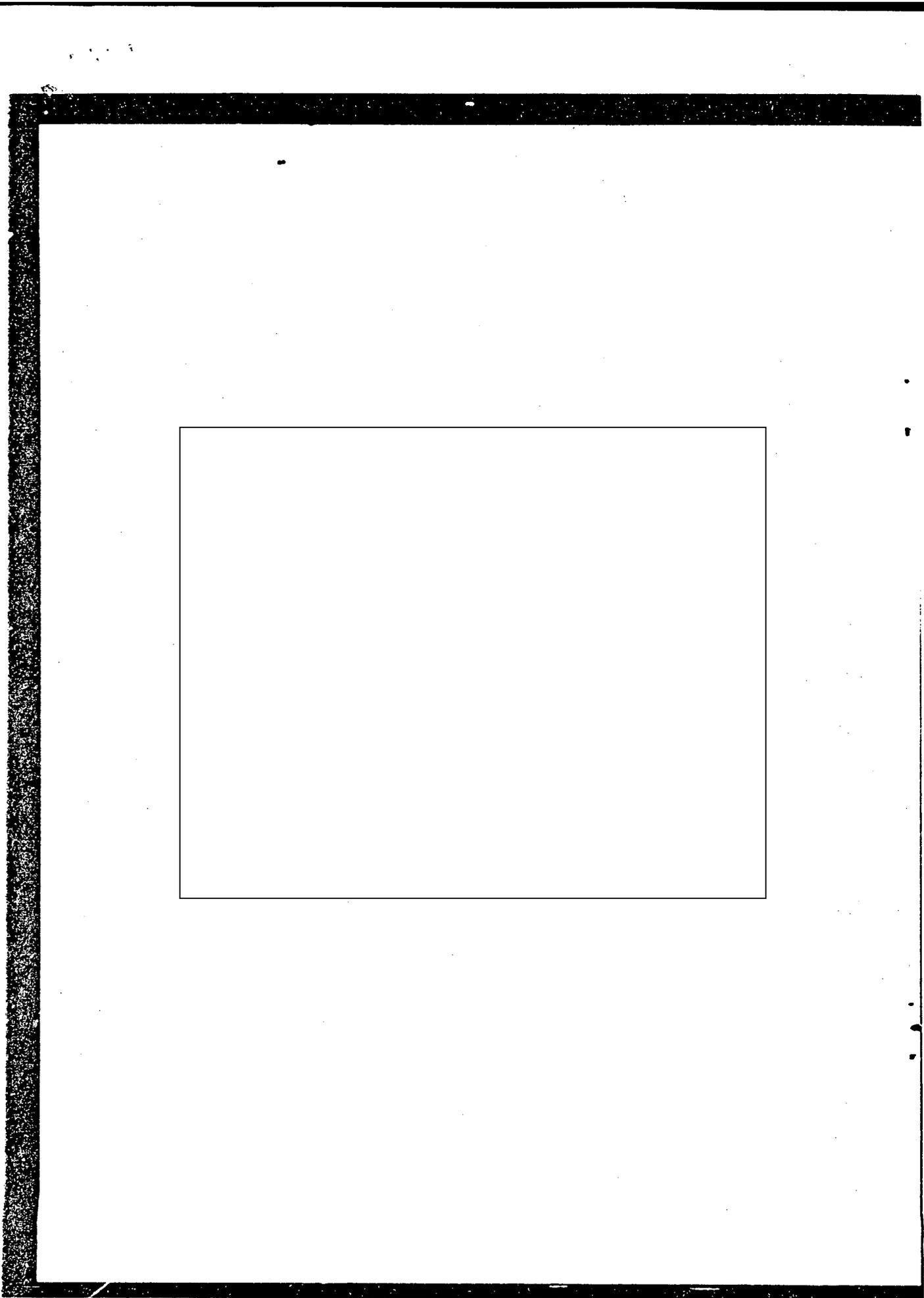


*The European Communist Parties*

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NI IIM 77-014  
6 June 1977

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6 June 1977

THE EUROPEAN COMMUNIST PARTIES

Executive Precipis

- "Euro-Communism" is thus far little more than a label. At most it has potential for growth over a long period which might produce a cohesive (but probably not monolithic) Communist force in Western Europe.
  
- For the present, the heart of the matter is the key West European parties--Italian, French, and Spanish. Despite some common positions, they are very different parties and face even more different political prospects and problems.
  
- The Spanish Communists are likely to win only a small portion of the votes in the parliamentary elections on 15 June. Although their political organization and strength (especially with labor) is more than the election outcome is likely to suggest, the Spanish Communists are much farther from a role in government than their comrades in Italy and France.
  
- The Italian Communists (PCI) preceded the others in rejecting a revolutionary path to power and the Soviet system as models for Italy. The PCI has a record of relative moderation and pragmatic compromise in dealing with other political forces. The Italian Communists are already, in effect, part of the governing establishment, and their staying power is great.

NOTE: This memorandum was prepared by an interagency group composed of representatives of CIA, State/INR, and DIA, chaired by the National Intelligence Officer for Western Europe.

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--In their claims to moderation and advocacy of pluralism, the French Communists (PCF) are much more suspect. Even if they could provide convincing proof of their independence from Moscow, the policies they espouse (with respect to the EC, for example) remain uncongenial, at best, to Western aims. The PCF may be close to a share of government power in a formal sense (cabinet portfolios), but in such a case its influence would probably be substantially less than the influence the PCI would exercise if it entered the government. More important, the French Communists are not likely to be able to stay in government more than a year or two, even if the Left Alliance does win the next election, because of deep differences between the Socialist and Communist partners.

--There is an important distinction between Communist acquisition of a share of government power in coalition and "Communists taking power in the country." The latter is not in the cards for either country any time soon.

--If and when Communists acquire cabinet posts in France or Italy, they will probably be so preoccupied with pressing contentious domestic problems and intracoalition friction that abrupt foreign policy changes seem unlikely, at least in the short term. In addition, international economic realities will impose some constraints on far-reaching departures in foreign and domestic policies.

--Nonetheless, EC member countries are fearful over what PCF and/or PCI entry into government would mean for Western Europe's economic health, EC institutions, and EC-US dialogue over the longer run.

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--The disruptive effects on NATO of Communist entry into the French or Italian governments give rise to serious concern throughout Europe. At the very least, these parties would be obstructive, Italian entry would especially raise security problems, particularly in the Nuclear Planning Group. Beyond this there would be questions concerning cohesion of the alliance and the risk of an American-German suballiance developing.

--The Soviets, of course, would welcome increasing divisiveness in NATO and the EC. At the same time, they must be concerned over what it would mean for Soviet control in Eastern Europe if the West European brand of Communism should prove effective. The evidence suggests that the Soviet leaders are looking on with mixed feelings--the more so in view of their awareness that they have little influence over the course of events in West European Communism.

--Europeans of all political stripes are keenly aware that the US has made some modification in its former attitude of flat opposition to any Communist role in a NATO government. All across the spectrum, there is considerable uncertainty about precisely what present US policy is and precisely how the US will react if Communists do enter the French or Italian governments. The dilemma is that if the US stays silent, it adds currency to the notion that it is ready to accept Communists in NATO governments; yet public (and even some private) declarations to the opposite effect trigger charges of interference.

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--Since this is an intelligence assessment and not a policy study, possible courses of action and declaratory approaches to deal with the dilemma are outside its proper scope. We have set forth, however, how the major European governments and the main European Communist parties see the US posture, and what our allies hope (or fear) US policy will be.

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NOTE ON PROBLEM AND SCOPE

The long-term prospects for the West European Communist parties--whether one or more will enter government and what the effects would be if they do--are subject to many uncertainties. The likely ultimate results are not obvious and certainly not foreordained. In this memorandum we seek to define and assess the forces at work within the Communist parties themselves, among the present governing or establishment parties, to weigh these factors in context of the national societies in which the parties must work, and to explore some implications for outside interests, including those of the US and USSR. The principal focus is on the problems in Italy and France, which are very dissimilar but which are the two most important cases.

US policy cannot determine the outcome, but the US position is clearly an important factor both in electoral prospects and subsequent behavior of the European Communists. It is not the role of intelligence to propose US policy on these questions, but it is within the proper scope to assess how major European elements see US policy at present and what directions they hope (or fear) it might take in the future.

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## I. OVERVIEW AND PRINCIPAL JUDGMENTS

A. Euro-Communism is little more than a label denoting certain shared tendencies within the Italian, French, and Spanish Communist Parties, all of which are now playing important political roles in their respective nations and may soon play more. The other Communist parties of Western Europe are marginal for purposes of this analysis.

B. The three major Communist parties are very different, and they each face even more different political prospects and problems. They have come to hold in common a few important doctrinal positions, however, which set them apart from the Soviet and East European models and which have been receiving more emphasis in each party as they have maneuvered to appeal to more voters. For example, they assert the primacy of their countries' national interests, as they perceive them, when these clash with Soviet state interests, they declare that they do not regard the Soviet system as an applicable model for their countries, and they have stated (but not proved) their commitment to pluralistic democracy. These tendencies run deepest in the Italian party.

C. There is evidence of considerable strain and debate over future strategy and tactics within each party's leadership group, between the leaders and segments of the rank and file, and between the three different national parties. Nonetheless, despite their differences with the USSR and among themselves, the European Communists are still Communists, and not socialists or social democrats. They still hold to certain classical Communist practices which distinguish them from other parties of the European left:

- They conduct party affairs by the Leninist model of "democratic centralism," i.e., requiring acceptance at all party levels of policies laid down at the top.
- They remain broadly internationalist in outlook, with considerable residual loyalty to the USSR as the first Communist state. This loyalty and several decades of opposition to the US and NATO Europe, make them instinctively hostile to the US which they see as the embodiment of capitalism and imperialism.

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--The French and Italian parties have very different views on economic policy, but they and the Spanish party profess an ultimate vision of a Europe freed from US and Soviet domination, building a Marxist society which avoids both the Soviet model and the trap they believe the other European leftist parties have fallen into--i.e., helping to administer capitalism without appreciably changing it.

-They are vague on precisely how they would do this, partly because they probably don't know themselves and partly because (like other political parties) they are reluctant to give detailed answers before they have to, lest they lose support on either left or right.

D. Similarities among the three parties are interesting, but the heart of the matter is the separate, very different problems in Italy, France, and Spain.

#### Italy

--The PCI is much the largest and most advanced European Communist party, having the longest record of working with other parties, of avoiding dogmatism and confrontation with the church, of establishing a favorable image for administrative competence in cities and regions where it has run local governments, and, at least recently, of pursuing a relatively moderate line in fiscal and labor programs--more moderate than other Italian parties on the left. The PCI has been helped by the fatigue of the Christian Democrats after 31 years in power. It is, in effect, already a part of the Italian governing establishment.

--The PCI's political leverage derives from the government's critical dependence on it for benevolent abstention in parliament and from the government's need for its cooperation in persuading Italian labor to accept austerity measures.

--Formal PCI entry into the Italian government is by no means assured, and it is even possible that in new

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elections the party would fall short of the 34 percent peak it reached in 1976. Odds are, however, that it will not lose much ground in any new elections, and in any case it will remain one of Italy's two principal parties for the foreseeable future.

--As the PCI has come nearer power in the last few years, it has shown increasing recognition that the division of Europe into blocs will not soon disappear. Communist leader Berlinguer has even stated that he feels more comfortable with Italy in NATO than otherwise. This tendency does not make the PCI pro-NATO in any effective sense, merely less militant and more cautious.\*

--The PCI is particularly concerned lest a post-Tito Yugoslavia slip back into the Soviet orbit. Italian Communists maintain close ties with the Yugoslav leadership and a Soviet move against Yugoslav independence would present the PCI with a painful dilemma if NATO were to respond in support of Yugoslavia. The PCI would be subject to conflicting pressures, but some members at least would probably support a firm NATO response.

--For some years the PCI has supported Italian membership in the EC as essential to Italy's interests. The party wants to see US economic influence (and that of multinationals generally) reduced, but it has also shown itself aware of economic constraints on what it can do in this respect.

#### France

--The PCF has a good chance of entering the government through the next parliamentary elections (probably in March 1978). But it has paid a high price in joining with the French Socialists in 1972, an alliance which has enabled the Socialists to become the dominant voice on the left in France.

--Should the Left Alliance form a government, that coalition would probably fall apart in the first year or

\* *DIA and the Air Force believe this paragraph implies a more benign attitude of the PCI toward NATO than is the case. It fails to indicate that the PCI consistently reminds its followers that the present NATO alliance is unacceptable and must be restructured to eliminate US dominance.*

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two. Principal issues of contention would be chiefly domestic, with the PCF pushing for extensive nationalizations and a radical restructuring of French society. A falling out between the PCF and the Socialists could lead to a political realignment in which the Socialists would join with some centrist elements in a new center-left alignment or it could lead to a new center-right arrangement. In short, if the PCF does enter the French government, it is much less likely than the PCI in Italy to stay in over the long term.

- The PCF's adoption of the relatively benign aspects of European Communism is far more recent and considerably less credible than in the case of the Spanish and the Italian parties. Whether the trend will accelerate as the PCF gets closer to power, or be reversed by altercations within the Left Alliance, is conjectural.
- The PCF takes a more negative attitude than either the PCI or the Spanish party toward NATO and the European Community. This is consistent with the mainstream of French sentiment as compared with Italian, and the parallels between PCF thinking on French foreign policy and the Gaullist tradition reflect deliberate strategy on the PCF's part. We doubt that the PCF would push for outright French departure from the alliance, but it would certainly press to reduce the cooperation which Giscard has fostered.

#### Spain

- The Spanish Communist Party has more in common with the Italian than with the French Communists.
- It seeks recognition from and political alliance with groups on the center-left, including its principal rival for the working class vote--the Spanish Socialist Workers Party.
- Its foreign policy appears more moderate than that of the Spanish Socialists in that it is less active in pushing for the removal of US bases. It is against Spain's joining NATO, but has indicated it would abide by the decision of the Spanish people on both the NATO and US bases issues.

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--It is thoroughly hostile to the idea of subordinating its interests to Soviet objectives. Party leaders remember that the Soviets organized an abortive counterparty in an attempt to unseat General Secretary Carrillo in the 1960s and 1970s.

E. Cooperation between the major European Communist parties is a changing and uneven pattern.

--Some Italian Communists consider their French brethren barely regenerate Stalinists. They are as suspicious of the PCF's recent "conversion" as are many non-Communists.

--In the economic sphere, the PCI wants to redirect a sick economy. It thinks the public sector is, under present conditions, already large enough. The French Communists, by contrast, want to break the power of capitalist owners and managers of all large and middle-sized enterprises in France.

--Italian and French Communist attitudes also diverge on the question of Europe. PCI leaders believe that Italy needs the European Community, and hope to alter it from within toward a more socialist orientation. The PCF sees the EC as a check on future left-wing policies and an infringement on French sovereignty. This would make it difficult for the parties to adopt consistently common programs within the European Parliament.

--The Spanish party's position on these questions is more akin to the Italian than the French, but also less precise, reflecting Spain's tentative political situation and relative isolation in Europe.

F. Notwithstanding policy differences, suspicions, and tensions among the Italian, French, and Spanish Communists, they have enough in common so that Euro-Communism has begun to take on some embryonic programmatic and structural form. In recent years a number of steps, including a series of interparty meetings (without the Soviets), have been taken to coordinate policies and tactics and to share facilities and information on issues of common interest. The Italians, French, and Spanish are joined in this by certain other West European Communist parties, with the prospect that over the longer run the Euro-Communist label will take on much more real flesh than it has today.

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G. The governments and mainstream parties of Europe look on the European Communist problem with concern, coupled with varying mixtures of hope that the Communists will not gain power in Italy or France, or that, if they do, the benign rhetoric of Euro-Communism will be confirmed and consolidated into political practices. Some Social Democratic leaders of northern Europe are hopeful with respect to the PCI, partly because of their low opinion of the Italian Christian Democrats. European governments and centrist parties repudiate the idea of open external interference to affect the political course in France, Italy, or Spain; however, they generally approve the West German approach of conditioning economic assistance to Italy on improved performance by the Christian Democratic government. Various Northern political parties, particularly West German, give moral and financial support to non-Communist forces in Italy and Spain, while in some cases maintaining dialogues with the PCI as well.

H. EC member countries, and particularly West Germany, are worried about what PCF and/or PCI entry into government would mean for Western Europe's economic health and for EC institutions over the longer run. The immediate concern is with the economic instability that many fear would ensue in France or Italy if Communists assumed a share of power. EC members also fear that Communist-influenced governments might resort to protectionist and other measures that would violate EC agreements.

I. Even more basic is the West European concern over the obvious philosophical differences between Communist economic theories and the ideological underpinnings of the EC. In addition, Communist participation in EC governments could also be expected to hinder--and perhaps even derail--a workable US-EC dialogue. Many West European leaders, encouraged by the US administration's willingness to pursue that dialogue, fear that Communist involvement would serve to abort this favorable trend and in the end incline the US more toward bilateral dealings with individual EC countries.

J. The question of the PCI or PCF entering NATO governments and the likely effects of this on the Alliance are matters of serious concern throughout Europe. At the very least, government participation would raise troublesome matters of security, such as in the Nuclear Planning Group. A more somber interpretation is that it would call into question the unity and cohesion of the alliance, and might result in fragmenting it, reducing it to a North European arrangement with the US which would in effect be a US-German partnership.

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K. Precisely what the effects would be would, of course, depend heavily on which government was involved, what government positions the Communists held and on what terms, and what NATO issues are being considered. Of course neither party stands to gain by defining its stance in detail before the fact, since any precise declarations would court adverse reactions on either the right or left at home and either from the Soviets or the West abroad.

--In general, Communist declarations about accepting NATO are probably genuine in the sense that neither the PCI nor the PCF would press for precipitous withdrawal.

--Beyond this, it is clear only that either party, once in the government, would prove generally obstructionist regarding NATO matters. And the parties would be particularly opposed to their governments cooperating with any US political or military efforts outside the NATO region itself-- e.g., the Middle East or Africa. Their efforts in these respects would be facilitated to the extent they can ride prevailing nationalist sentiments.

L. In the Soviet view, the apparently improving fortunes of the European Communist parties gives rise to mixed feelings. While the Soviets initially welcomed the trend, at least since 1975 they have shown themselves extremely concerned that it carries threats to their interests, and this ambivalence becomes more pronounced the closer to power the European Communists appear to get.

M. The Soviets obviously want the support European Communists give them on major foreign policy issues, and would welcome a weakening of NATO and divisions between the US and European governments. Offsetting these hopes, however, are fears on several grounds:

--The impact on the cohesion of the Communist movement. The Western parties' assertions of independence are one more blow to Moscow's leadership of a movement already fragmented by Chinese and Yugoslav heresies. Moscow fears that the price of a share of power for Communist parties in the West will be increasing defiance of the USSR.

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- The impact on the Soviet position in East Europe. Already concerned about stability in this area as a result of serious economic problems, Moscow shows alarm lest ideological infection from West European Communists spread to Eastern Europe, a fear intensified by the Westerners' support for human rights and dissidents in the East.
  
- The impact on general Soviet foreign policy objectives towards the West. Moscow probably fears that neither the PCI nor the PCF could enter government under conditions that held out much hope of lasting success. The risk therefore would be not only that their credibility would be damaged but the consequent turmoil would produce a conservative backlash, domestically and in the West generally, which would jeopardize detente and the advantages Moscow hopes to gain from it.

N. We do not conclude from this that Moscow would oppose the entry into government of the French or Italian parties. On the contrary, it would be publicly pleased and privately hope that a number of opportunities would open up as a result. But these hopes would be heavily qualified by apprehensions, and the net result would be to induce caution and wait-and-see into Soviet policy calculations. (There are differences of view on the question of how the Soviets weigh these pluses and minuses. These are elaborated in Section V.)

O. US attitudes toward Communist parties in Europe are an object of acute interest to Europeans of all political stripes. They are well aware that the present administration has modified the US stance on this question, adopting a more pragmatic and flexible attitude than in the past, though without abandoning opposition to Communists in NATO governments. Most of the European center-left elements see the change as realistic. They believe that the previous US policy was no longer effective in hindering Communist electoral prospects, and was in fact likely to increase the difficulties if the Communists should gain a role in the Italian or French governments. On the other hand, some of the conservative forces--especially in France and Italy--are concerned that the shift from stiff US declaratory opposition to Communists in European governments, will help the latter to power. West European attitudes toward US policy are discussed in Section VII.

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II. ITALY AND THE PCI\*

Between Political Eras

1. Most Italian politicians now agree that sharp Communist electoral gains in the last two years have pushed the country's politics out of one era and into another, in which the rules are not yet clearly defined. Aware that their day-to-day decisions are helping to shape these rules, political leaders of all stripes are maneuvering with extreme caution. For the ruling Christian Democrats, the central feature of the current period is their dependence on Communist benevolence in parliament--a situation forcing them to make concessions that are moving the Communists closer to what the Italians call the "governing area."
2. There are only two ways in which the Christian Democrats can hope to halt this process and escape their dependence on the Communists. They can keep trying to persuade the Socialists to rejoin the government since theirs is now the only party that can join Christian Democrats to form a non-Communist majority. Or, they can call another election in the hope that the Communist vote will decline substantially and that support for the center-left parties will grow.
3. There is little reason to believe that either strategy would work. The Socialists, whose experience has made them wary of alliance with either of the major parties, are deeply divided over which way to go, and the party's leaders estimate they will need another couple of years to sort out their options. But the depth of the divisions among Socialists strongly suggests that even if the party rejoins the government, it will never be a force for stability, much less a barrier against the Communists.
4. A new election is also unlikely to get the Christian Democrats off the hook. The PCI's working class base and its younger supporters, though upset by the party's growing cooperation with the establishment, would probably stick with the PCI in the absence of a credible alternative, while the party's new middle class supporters would probably view the PCI's cooperation with the Andreotti government as further evidence that

\* See Appendix I for facts, figures, and background on the PCI.

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it is becoming a moderate reformist party. The PCI vote is thus not likely to drop appreciably in a new election, which would more probably produce a further gravitation of the electorate toward the two major parties. And in any event, a new election will not free either party of the need to seek the other's cooperation in dealing with Italy's pressing social and economic problems.

5. The odds, therefore, strongly favor closer cooperation between the Christian Democrats and Communists rather than renewed confrontation. Barring a sharp deterioration of public order or the economy, either of which could provide the impetus for a broadly-based "emergency" government, direct Communist participation in the cabinet seems unlikely before the next election--which will almost certainly be called before the present legislative term expires in 1981. Even without cabinet status, however, the Communists will play a major role in the formulation of an increasing number of government policies.

#### If the PCI Should Enter the Government...

6. The PCI has not become just another social democratic party so far as domestic policy is concerned nor do its moderate foreign policy stances, e.g., toward NATO, mean that the party has switched alliances. On the other hand, the party's policy choices are not merely tactical, nor is it acting in any meaningful sense as an agent or "Trojan horse" of Soviet policy. The truth is much more complex, containing a far larger dose of ambivalence and uncertainty than these explanations would suggest.

#### A Delicate Balance

7. While the PCI is more disciplined than other Italian parties, it is clearly no monolith. There has been ample evidence over the years of sharp internal debate on both domestic strategy and foreign policy. And the differences within the PCI leadership are compounded by the heterogeneity of the PCI electorate. The PCI is no longer simply a party of the industrial working class. In fact, a socioeconomic profile of the PCI's electoral base shows that it is strikingly parallel to the Christian Democrats'. In any coalition, the party would have to attempt to preserve party unity, while balancing

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the interests of its Marxist and other constituencies. Another dilemma for the PCI stems from its refusal to drop the Leninist practice of "democratic centralism;" this gives a hollow ring to PCI advocacy of pluralism. Party leaders who discuss this issue put more emphasis on synthesizing rather than encouraging various points of view and continue to speak of "hegemony based on consensus."

8. In order to achieve its objective of government membership, the PCI must also show that it is becoming more like the other Italian parties. Conversely, the party's usefulness as an alliance partner would be greatly diminished if it lost its ability to impose discipline on its rank and file because the party is expected, above all else, to "deliver" working class support for economic austerity--something no other Italian party can do. Should the PCI fail in this respect, much of the rationale for including it in the government would evaporate. As a result, the PCI is trying to tighten control over its labor leaders who have tended lately to be more responsive to worker rather than party pressure.

9. The party would be constrained for the foreseeable future from implementing radical social and economic programs. Massive nationalizations of private enterprise can be ruled out. There would, however, be an emphasis on centralized planning of the economy. The Communists, for example, intend to use the billion-dollar industrial reconversion program now being discussed in parliament as a lever to impose planning guidelines on the firms receiving funds.

#### Ambivalence Toward Moscow

10. Although the PCI maintains ties with the Soviets, and tries not to antagonize them, it does have genuine differences with Moscow. These center mainly on the Italians' long advocacy of autonomy for all Communist parties, on their differing perceptions about the relevance of the Soviet model of Socialist society, and on their criticism of the human rights situation in Communist states. These differences with Moscow, moreover, are likely to persist, because vital interests are at stake on both sides. A PCI retreat on these issues could damage the party irreparably in the eyes of Italian voters and possibly cause an internal party split. And the Soviets can hardly afford to acknowledge the legitimacy of the PCI's positions on autonomy

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and dissent, given what that would imply for Soviet society and for Eastern Europe.

11. The PCI's overall foreign policy, however, remains strongly slanted toward Moscow's, particularly outside of Europe. The PCI seems seriously opposed to a hegemonic role for either the US or USSR in Europe, but its positions almost always parallel Moscow's elsewhere, and particularly in the Third World. Such a stance is not very costly in domestic terms for the PCI, however, since such issues do not matter much in Italy.

12. In essence, PCI support for various Third World movements reflects the party's own convictions, not dictation from Moscow. Meanwhile, such a stance helps the PCI maintain its credentials as a "revolutionary" and "internationalist" party among left-wing Italians inclined to mistrust its reformist, compromising political style.

13. Soviet financial support for the PCI is a much smaller part of the PCI's total annual revenues than it was 15 years ago. Party revenues are now derived largely from various businesses operated by the party and from public funds given to Italian political parties. A Soviet threat to cut financial support would almost certainly not force the PCI to change a policy it judged vital to its interests in Italy. PCI leaders do worry, however, about the Soviets possibly trying to stir up dissent among more militant party members who do not fully accept the PCI leadership's moderate line.

14. The USSR still represents a significant part of the PCI's ideological and historical heritage and the PCI would be extremely reluctant to break ties with Moscow. Still, the party's present attitude toward Moscow represents a marked evolution away from its posture during the first half of the postwar period, when its policies were made largely in response to Soviet guidance. The PCI's identity today rests, at least in part, on autonomy from rather than loyalty to the USSR. This trend seems more likely to continue than to be reversed.

#### The Pressures of Reality

15. Future PCI policy toward the Soviets is likely to be conditioned by the party's increasing tendency to formulate

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major policies more on the basis of pragmatism than of ideology. In domestic politics, the PCI has nearly always shown a pragmatic willingness to accept realities, to make compromises, and to negotiate with allies and opponents. In recent years, the PCI has begun to approach some foreign policy questions in the same way, as these questions have become more closely related to the goal of getting a share of power and as the climate of detente has permitted the party greater freedom of maneuver. Again, the tendency shows up mainly in Western Europe and most clearly in the evolution of PCI policy toward the European Community.

16. In 1957, the PCI was the only Italian party to vote against parliamentary ratification of the Treaty of Rome (the Socialists abstained). As it became apparent that the EC was contributing to the growing prosperity of the PCI's working class constituents, however, the party gradually shifted its position. By 1976, despite Moscow's continuing opposition to West European integration, the Communists were accusing other Italian parties of being insufficiently committed to European political and economic unity.

17. The PCI turnabout on the EC doubtless began with the calculation that continued opposition would be counterproductive electorally, particularly since public opinion polls have shown that support for European integration is higher among Italians than anywhere else in the Community. But in the process, many Italian Communists came to see participation by the party in EC affairs as one way of forestalling adverse reaction should the PCI enter the government. The PCI has supplemented its EC activity by working for closer relations with not only West European Communist parties but also other left-of-center parties, such as the British Laborites and the West German Social Democrats.

18. The PCI's new posture towards NATO is another, if less developed, example of the trend toward pragmatism in its foreign policy. Until the late 1960s, the party line reflected all-out support for Soviet attacks on NATO, but at its 1972 congress the PCI announced a shift in position, saying it "did not pose the question of Italy's leaving the Atlantic Pact" since such a development would upset the European balance of power.

19. The PCI's switch doubtless reflected its realization that opposition to NATO posed a serious obstacle for the party's governmental ambitions, but it was probably more than just an

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opportunistic political move. The party appears to have concluded from the Soviet invasion of Czechoslovakia and from its belief in "imperialist" responsibility for Allende's fall that the world was still basically bipolar and that the PCI line calling for a near-term dissolution of both blocs was just wishful thinking. The party was probably also influenced by its growing awareness that detente had become critical to the success of its domestic strategy and by evidence--such as West Germany's Ostpolitik and CSCE--that detente was occurring within the framework of the existing alliance structures.

20. Present PCI thinking on NATO questions involves a number of contradictions. There is some reason to believe that Berlinguer and perhaps other party leaders see merit in NATO's existence as a deterrent to Soviet meddling in Yugoslavia, for example, and perhaps ultimately in Italy. They recognize that Soviet interference in Yugoslavia would harm the PCI's political prospects domestically, and could result in re-creating a Soviet satellite on Italy's borders.

21. In contrast to its rather detailed proposals on EC matters, the PCI's pronouncements on NATO are vague and guarded. They generally show a lack of sophistication in military and strategic affairs. The party seeks to reduce the "hegemonic" US role in the alliance but avoids specifics on how to accomplish this or other changes in NATO.

22. In any event, proximity to power appears to be forcing the PCI to be less ideological and more pragmatic in its policy assessments. This tendency is more pronounced in the domestic field than on international issues.

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VII. EUROPEAN VIEWS OF THE PROBLEM AND OF US POLICY

66. Western Europeans are divided in their reactions to possible Communist participation in a Union of the Left government in France or a "historic compromise" government in Italy. The divisions in Europe have tended to be along north-south lines as was illustrated by the debate at the 1976 international socialist conference in Helsingor, Denmark:

--Northern Europeans, led by West Germany and the UK, voiced great apprehension over the advisability of Socialist-Communist collaboration and remained skeptical of the European Communists' commitment to democratic pluralism. Both Chancellor Schmidt and Prime Minister Wilson were concerned principally with the potential damage to the NATO deterrent and EC political/economic relationships as well as the broader implications for US-European cooperation within the Atlantic alliance.

--On the other hand, southern European Socialists, led by those of France and Italy, agreed on the need for a popular front strategy that would harness Communist support for long-neglected domestic social and economic reforms. Faced with growing political immobilism in France, the Socialist Party Secretary Mitterrand argued that domestic imperatives outweighed any concern for possible risks to international defense and economic cooperation.

67. Europeans also tend to view Communism in its various national contexts rather than as an international movement:

--A distinction is made between the PCI and PCF, whose alleged commitment to democratic traditions and autonomy from the USSR is more recent and therefore more suspect than the PCI's. Spanish Communist attitudes remain largely untested.

--A popular front government in France, even with the Communists strictly subordinated to the socialists, raises more immediate political uncertainties and problems, than a "historic compromise" government in Italy, where the Christian Democrats would likely retain a major role. Spanish Communists have little hope of a government role in the near future.

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--Finally, the more important political, economic, and security role which France plays in Europe and worldwide when compared to Italy or Spain, places the problem in a fundamentally different perspective.

68. Despite apprehensions in West European governments, about a wider Communist role in France or Italy, there is a growing feeling of resignation, particularly in north European capitals, concerning Communist prospects. Europeans generally believe that

--little can be done by outside powers to prevent Communist accession to power in France or Italy;

--past French and Italian government social and economic failures have generated much of the Communists' electoral strength; and

--external economic pressures (especially the sharp rise in oil and raw material prices) have contributed substantially to the social unrest that accompanies high unemployment and inflation and requires Communist cooperation to induce worker acceptance of necessary austerity measures.

In some European quarters there is hope that a Union of the Left government in France and a "historic compromise" government in Italy might "domesticate" the Communists and encourage them to further distance themselves from Moscow, adopt more democratic internal party procedures, and help secure more socially responsive legislation.

#### West German Concerns

69. While both Chancellor Schmidt's government coalition and the Christian Democratic opposition are against Communist participation in either the French or Italian governments, Schmidt has adopted a pragmatic wait-and-see policy toward European Communists. This is based on the belief that West Germany has limited ability to affect political events in either country. Nevertheless, Schmidt's government has used financial aid to Italy to stiffen the Christian Democrats against accepting the

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historic compromise. At the same time, the German Social Democrats do maintain channels of communication with the Italian Communists and the French Socialists, but not with the French Communists.

70. Bonn's attitude toward European Communism is shaped principally by its commitment to sustain the network of EC and NATO relationships which have formed the basis of German foreign policy and provided the economic and security underpinnings of Germany's postwar prosperity. While both the Italian and French Communists are considered threats to the continued viability of these institutions, the Germans view the prospect of a "historic compromise" government in Italy and a Union of the Left government in France under very different lights:

- With respect to Italy, some German Social Democratic leaders are partially reassured by what they consider to be the seriousness of Communist leaders and their recent record of responsible action in supporting the Andreotti government's social and economic reforms. Given the vulnerability of the Italian economy, however, Bonn is particularly concerned that full Communist participation in government might threaten Italy's economic stability and eventually require further German financial intervention. Bonn regards the potential threat to NATO security as serious but would encourage the flexible application of damage-limiting measures so as not to alienate Italy from NATO.
- The prospect of a Left government in France, however, gives the Germans cause for much greater concern. Beyond the general political and economic implications, the Germans are specifically worried about the future of French troops in Germany and French-German defense ties outside NATO. In addition, the West Germans are concerned about the repercussions of Communists in the French or Italian governments on East-West relations and the future of detente.

#### The EC Perspective

71. EC officials are concerned with the immediate repercussions of a Left victory in France or a "historic compromise" solution in Italy. In both countries there is a possibility

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of financial instability and economic disorder. The French Union of the Left, for example, is committed to an ambitious program of nationalizations to be completed within a year after assuming power. Moreover, both the Socialists and the Communists are committed to centralized planning and have expressed their willingness to introduce new protectionist trade measures to stabilize their economies if necessary. Both actions would challenge the letter and spirit of the Rome Treaty.

72. The Italian and French Communists have been outspoken in their criticism of the EC as a tool of American capitalism, and of the multinational corporation as the main exploiter of Europe's working classes. Both parties advocate "humanizing" the EC through stringent controls on these corporations and more effective Community social policies to benefit the workers. Beyond this their policies toward the EC, as noted earlier, are still quite different.

73. EC officials fear the repercussions which Communist participation in a French or Italian government might have on US-EC relations. The EC has placed great stock in US government statements supporting fuller US-EC consultations, greater EC political/economic integration, EC enlargement, and EC leadership in solving strictly European problems. A Left government in France and a "historic compromise" government in Italy would make it more difficult for the US to negotiate with the EC. There is consequently the apprehension that the US might choose to rely more heavily on bilateral ties with West Germany and the UK, where there is an identity of interests, leaving the EC to play a marginal role in the Atlantic dialogue.

74. Despite these fears, the EC would argue that its institutions still provide a better framework for containing the European Communist threat to member states than national institutions alone. The EC particularly sees an opportunity to harness the PCI/PCF to democratic institutions in an expanded EC Parliament.

#### The US Role

75. Different Europeans have reacted in different ways to what they perceive to be the Carter administration's more pragmatic assessment of an enhanced Communist role in West

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European governments. The Germans in particular favor the more flexible American approach. They were placed in an increasingly awkward position by the confrontational rhetoric of the previous US administration and were anxious not to be forced to choose between Paris/Rome and Washington. The Germans feared that a hard-line, exclusionary American policy would

- exacerbate the north-south divisions within the EC that surfaced during the recent economic recession, and
- contribute further to a de facto German-American axis within NATO which the Germans have consistently fought to avoid.

By contrast, French and Italian government reactions to the new US attitude have been ambivalent. In the past they welcomed, at least in private,

- US official statements opposing Communist entry into government,
- self-imposed restraints on American diplomatic contacts with Communist officials, and
- restrictive US visa policies.

In public, French and Italian officials have raised no objection to the changes of the last few months. In private, however, French President Giscard d'Estaing has made known his objections. He particularly objected the US failure to disavow recent French reports that the accession of the Left to power would not harm US-French relations.

76. For their part, the PCI and PCF predicted publicly that the change in US administrations would bring a relaxation of official US opposition to European Communism, and both parties have sought to capitalize politically on this perceived shift in US policy and even to exaggerate it. They continue to oppose major US foreign policies, but their opposition is tempered by awareness of French and especially Italian need for US support and their own hopes of ingratiating themselves with the US.

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- The PCI understands the key role played by the US and West Germany in the IMF loans to Italy, while French Socialists have repeatedly sought assurances of US economic neutrality, if not support, once a Left government assumes power.
- PCI Secretary Berlinguer has shown some awareness of the value of NATO to Italy and to the PCI's interests. In France, the Socialists' Mitterrand is reportedly concerned by the Soviet military buildup in Eastern Europe and has recognized the need for the US strategic umbrella.
- European Communists were reminded of the importance of detente for their domestic political success when the SALT deadlock in Moscow raised the fear of revived Cold War tensions in Europe; detente is a necessary condition for success of the present strategy of the PCF and the PCI.
- US government initiatives on human rights, particularly dissent in the Soviet Union, have placed the PCF and PCI on the defensive at home.

77. At the recent London Summit, European leaders were generally reassured by the elements of continuity in US policy toward Europe; the new administrations' commitment to close consultations with its European allies was particularly reassuring to them. Its explicit recognition of European and American interdependence, coupled with a greater willingness to accept different national economic and political perspectives, enhanced the climate of mutual understanding. For a Europe considered by many to be at a crucial political and economic crossroads, the promise of a more flexible US approach to European economic and political problems was sufficient compensation for the lack of agreement on specific courses of action to solve these problems.

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APPENDIX I

The Italian Communist Party

A. Some Facts and Figures

Membership: 1,712,084 (April 1977)

Voting Strength: The PCI has been Italy's second largest party since 1953, when it won 22.6 percent. (The Christian Democrats have remained in first place throughout the postwar period, reaching a high point of 48.5 percent in 1948 and hovering around 38 to 40 percent in most elections since then. The DC scored 38.7 percent in the 1976 parliamentary election.) The PCI has increased its share of the vote in every national election since 1953. The PCI's sharpest gains came in nationwide regional and local elections in 1975, when the party scored 33.4 percent. These gains were consolidated at the national level in the 1976 contest when the PCI took 34.4 percent of the vote. The PCI and DC are thus only about 4 percent apart--the first time that the two parties have been separated by less than 10 points.

Parliamentary Strength: The PCI has 228 seats in the Chamber of Deputies (out of 630) compared to 262 for the Christian Democrats; 116 seats in the Senate (out of 320), compared to 135 for the Christian Democrats.

Strength in Labor Movement: The PCI exerts predominant influence in the largest of Italy's three major labor confederations, the CGIL, which has about 4.3 million members. The PCI has close to a two-thirds majority in the confederation's governing council.

Socioeconomic Composition of PCI Electorate (comparable figures for the Christian Democrats in parentheses): Unskilled workers and farm laborers, 41.6 percent (32 percent); skilled workers, farmers, 25.8 percent (31 percent); white collar workers, shopkeepers, artisans, small businessmen, 21.8 percent (22.5 percent); businessmen, executives, professionals, 10.8 percent (14.5 percent).

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B. Evolution of Party Strategy

The PCI emerged from the war years with considerable domestic strength, due in large part to its leading role in the resistance movement against German occupation forces in central and northern Italy. Together with the five other antifascist parties, the Communists in 1943 formed the Committee of National Liberation and participated in a series of coalition governments formed between 1944 and 1947. Frictions between the Christian Democrats and Communists increased with the onset of the Cold War, and in 1947 the PCI was ejected from the cabinet.

During its years in opposition, debate in the party over how best to regain a share of power centered on two diverse and conflicting strategies:

- One school of thought envisioned the gradual spread of Communist influence by gathering converts from other leftist groups up to and including the left wing of the Christian Democratic Party.
- The other school argued for a "dialogue with the Catholics," on the assumption that the country's social and economic problems are so immense as to require a combined assault by the two principal forces in Italian society. The general understanding of such a course was that the dialogue would not be carried on with the Christian Democratic Party as a whole, but rather with Christian Democratic left-wingers and with the less defined "Catholic masses."

Enrico Berlinguer, elected PCI secretary general five years ago, anchored party strategy firmly to the latter course with his proposal in 1973 for an "historic compromise" involving mainly his party and the Christian Democrats, but open to the Socialists as well. Although Berlinguer's strategy is rooted in an old Communist idea, it is innovative in two important respects:

- It places the emphasis on working out an agreement with the Christian Democratic Party as a whole and not just its left wing.
- The proposal reflected Berlinguer's conclusion, based largely on an analysis of Allende's fall, that Italy

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could not be governed against an alienated middle class, even if the left won a 51 percent majority. In Berlinguer's view, "unity of the left is a necessary but not a sufficient condition" for effective government in Italy.

Berlinguer has implemented his strategy by emphasizing policies designed to neutralize anti-Communist sentiment in the Christian Democratic Party, in other key sectors of Italian society, and among Italy's allies. These policies have doubtless contributed to the party's sharp electoral gains, which have given it a pivotal position in the Italian parliament. The Christian Democrats, at odds with their traditional governing partners, have thus been forced to rely on Communist abstention in parliament in order to govern. Consistent with his gradualist approach, Berlinguer is now pushing for an agreement that would permit the PCI to join in a parliamentary majority supporting a government rather than merely abstaining. He presumably believes that would set the stage for Communist participation in the cabinet.

Berlinguer's strategy appears to be working, but he still faces a number of formidable problems, among them:

- increasing discontent among the PCI rank and file, as the party's growing involvement in the governing process forces it to make choices that sometimes have negative repercussions for the party's supporters;
- the continuing reluctance of the Christian Democrats to violate their campaign pledges by taking a decisive step toward PCI admission to the cabinet; and
- misgivings among many Italians about the implications for Italian democracy of a governing coalition that would command close to 80 percent of the seats in parliament.

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