

30 October 1957

MEMORANDUM FOR RECORD

SUBJECT: Conversation with Adriano Olivetti, 24 October 1957

This conversation was held at the request of Mr. Olivetti, to whom I had spoken about a year ago. I had the impression that he was interested in conveying:

- a. His views on the current Italian political scene.
- b. His views on the international situation, especially developments in the Satellite areas;
- c. A discreet and very indirect indication of hope that his Comunità movement might receive some form of moral and perhaps other support from US sources.

I must make it clear that this latter was in no way explicitly indicated. As in my conversation last year, I was struck by Mr. Olivetti's combination, unique among Italian businessmen, of hard-headed practicality and intense idealism.

Mr. Olivetti's judgments on the current political scene in Italy were rather pessimistic. He sees much to criticize in all the political parties. With respect to the DC, he fears a growing trend toward corporativism. As the party is growing stronger organizationally, it is indulging in the all too human practice of discrimination against other parties through political patronage. Mr. Olivetti cited several instances of pressure in the various ministries, especially Interior, to create virtual DC preserves. He also cited pressures via the prefectorate upon municipalities where Christian Democrats were not in control. As a result of this expanding DC infiltration of government offices, there is a growing tendency in the universities and lower career levels of administration to feel that adherence to the DC is a requirement for advancement. Mr. Olivetti felt that in the long run the prospect of a one-party monopoly without the possibility of an effective opposition was a serious danger for Italy. He was not sure how Fanfani himself would develop as a political figure, but felt sure that he

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regarded himself as a second de Gasperi, having before him the possibility of 20 years dominance in Italian politics. On the other hand, Mr. Olivetti felt it unlikely that the DC could in the next elections achieve the maggioranza, which would permit it to dispense with a political coalition. He did feel, however, that it would not be necessary for the DC to revive the quadri-partite but that an alliance with either the PSDI or the PSI would be sufficient. He seemed to feel that either of these alliances was more probable than an opening to the right.

With respect to the PSDI, Mr. Olivetti was distinctly critical. He feels that the party is dominated by its parliamentary group and by the overwhelming electoral concern of the latter rather than by broad political considerations. In this political, as opposed to moral or other, context, he feels that the PSDI is in some measure "corrupt". He was not surprised by the narrow margin of Saragat's victory in the party congress, and doubted whether there was any danger that either of the left-wing groups would secede. As he put it, if Zagari were to come to Comunità and ask for admission, he was sure that the movement would be very hesitant about accepting him.

Mr. Olivetti said that Comunità had been negotiating with the PSDI for some time to establish a close working arrangement but had been put off until after the party congress. Even now, he doubts whether Saragat would be disposed to conclude any agreement, since the latter probably fears that such access of strength as Comunità could bring (Mr. Olivetti spoke in terms of 3 to 4 seats) might jeopardize the electoral chances of individual PSDI candidates. He feels that the PSDI may show a slight gain in the coming elections and in any case, like all the smaller parties, will secure additional seats as a result of the revision of the electoral law which had hitherto worked in favor of the larger parties.

Mr. Olivetti feels that the PSI remains divided on the central issue of maintaining the tie with the PCI, approximately 40% being in favor of it. Nenni, he is convinced, (and he feels that many others are) sincerely wishes to consummate the break with the Communists. On the other hand, it is understandable that Nenni is reluctant to force a split within his own party at this stage when so large a percentage still are unprepared to cut the Communist link completely. Nenni is also presumably very much limited in freedom of action by financial considerations.

Nenni told Mr. Olivetti that he is not anti-American and not opposed to the Atlantic Alliance so long as adequate assurance is given of its defensive nature. Mr. Olivetti feels that it would be desirable for the US to make some approach to Nenni through non-official labor channels and to invite him to make an unofficial visit to this country. He said nothing about any political agreement or negotiations between Comunità and the PSI.

The Communist party will probably suffer some losses - Mr. Olivetti suggested about 500,000 votes. This might not take place in the event that some viable issue is discovered by the Communists between now and the elections, but in any case, he feels that there is no prospect that it will gain. It has lost considerable ground in the north and even in the south the rising level of prosperity has accrued to the benefit of Lauro's party or the DC.

Mr. Olivetti seemed rather discouraged by the labor union situation. He felt that the attitudes and policies of the industrial management were militating against a sound development of the democratic trade unions and that a considerable number of potential defectors from the CGIL were still, as he put it, in a sort of "no-man's land". He felt, if anything, that the policies of the industrialists had become more benighted during the past year. Specifically, he claimed that an honest and confidential canvass of Turin workers would indicate that at least 70% believe that many of CISL leaders are in the pay of Valletta. Whether this is true or not (and apparently Mr. Olivetti believes that there is some truth in it) the fact that this view is widely held has a demoralizing effect on the labor situation.

Mr. Olivetti feels that the incubus of unemployment could be lifted from Italy through the opening up of the Western European labor market by the recent integration moves. He noted, however, that in the case of France, this is being prevented largely by the CGT, motivated both by fear of pressure on domestic employment and by Communist obstructionism. In the long run, he seemed optimistic about the resolution of this problem.

We did not discuss the broad aspects of Italian economic prosperity or of the future of the Vanoni plan. He did mention, however, that the implementation of the Tremelloni tax laws (the initiative for which he attributed to Vanoni) was disappointing and that Italian fiscal morality continued to be deplorable.

Our discussion of the international scene was rather brief. He called attention to a speech which he had delivered at Bruges in August 1956 (a copy of which he gave me) in which he had discussed the problem about to be foreshadowed by the Polish and Hungarian uprisings, viz. the nature of a post-Communist society. (I shall comment on this separately after studying his paper).

With respect to the Comunità movement, Mr. Olivetti continued to be quietly enthusiastic and optimistic. He felt that considerable progress had been made in the past year but added that the future of the movement was in some doubt. He and its directors were seriously weighing whether it should become a sort of Italian Fabian society or a political quasi-party. He spoke rather candidly about the financial problems of his movement, indicating that his entire salary from his firm was devoted to the movement. This put him under considerable strain, since he had no other personal means available to put into Comunità and since the pressure to advance the business was of course very strong. He had indicated to me last year that his brother(-in-law?) whose political views are quite different, held him in considerable restraint because of his dominant financial position in the firm. He added cheerfully, however, that he seemed able to cope with strains and pressures fairly well.

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Chief, SRS/DDI

TRANSMITTAL SLIP		DATE
		30 Oct 57
TO: Deputy Director/Intelligence		
ROOM NO.	BUILDING	
354	Admin	
REMARKS		
<p>25X1A9a I sent a copy of this memo in draft to [redacted] (WE Division, DDP) who has made no comment on it. Accordingly, I put it in final form. Although the Director doubtless has enough on his mind, 25X1A9a might be worth while to send this to [redacted] with the suggestion that he brief the Director on the substance of page 4.</p> <p><i>If DCI is in direct contact with [redacted] currently, don't bother with this.</i> DBD</p>		
FROM: Chief, SRS/DDI		
ROOM NO.	BUILDING	EXTENSION
304	2210 E St	2455

FORM NO. 241 REPLACES FORM 36-8  
1 FEB 55 WHICH MAY BE USED.

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