

~~CONFIDENTIAL~~

Approved For Release 1999/09/08 : CIA-RDP80-01446R000100050011-0

X-915

24 January 1957

MEMORANDUM FOR: Deputy Director/Intelligence

SUBJECT: Speculative Comments on the Merger Negotiations
of the Italian Socialist Parties

1. Negotiations for the merger of the Nenni Socialists (PSI) and the Saragat Democratic Socialists (PSDI) have now been actively in progress for at least half a year. The process has been both intensified and complicated by developments in Hungary and Poland, and by the crisis of the Italian Communist Party (PCI) which they induced. It is generally recognized that the next major step will be the Congress of the PSI which is scheduled to take place in Venice, February 6-10.

2. There has been a widespread impression that the merger process has entered into the doldrums, pending the outcome of the Congress. This may be justified in the sense that no decisive steps will be taken by any of the principals until the results of the Congress are known. Nevertheless it would be a mistake to suppose that this is a period of inactivity. Rather, it should be recognized that important moves are being made, not only by the two protagonists, Nenni and Saragat, but by the Communists, by the Christian Democrats, and, in all probability, by President Gronchi and by a number of the Socialist leaders of other Western European countries.

3. In this connection the following speculative reflections are advanced:

a. Successful accomplishment of the merger on a democratic basis is desirable. Only through it, can Italian political life achieve a healthy balance between right and left of center party groupings, making possible either a broad based coalition, or a "government-loyal opposition" relationship, free from effective Communist obstruction. A merged Socialist party offers the best prospect of providing a democratic focus for the great majority of the Italian working class vote.

~~CONFIDENTIAL~~

DOCUMENT NO. 12
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S © 1992
NEXT REVIEW DATE: _____
AUTH: HR 70-2
DATE: _____ REVIEWER: 103430

Approved For Release 1999/09/08 : CIA-RDP80-01446R000100050011-0

~~SECRET~~

~~CONFIDENTIAL~~

Approved For Release 1999/09/08 : CIA-RDP80-01446R000100050011-0

~~SECRET~~

b. Fears that Pietro Nenni is a "Trojan Horse" for the Communists should by now have been largely dissipated. That he remains an opportunist may be granted, but the logic of his political future - which, in view of his age, has only a limited scale of possibility - appears to dictate a step-by-step detachment from his past alliance with Communism and espousal of democratic socialist principles. It is true that Nenni has consistently evaded taking an irreversible anti-Communist position. To condemn him on this score, however, is to overlook the political realities of the leadership situation within his party and of his negotiating posture. Nenni has, in fact, rather consistently placed himself as far to the right of the PSI leadership as was feasible, and has taken advantage of the unexpected Hungarian uprising to distance himself from Togliatti, who has always threatened to overjump him in every move toward the right ("salto alla quaglia").

c. The true position of the PCI has been gradually revealed as one of irreducible hostility to the merger. Togliatti declared on 20 January ". . . unification of the two Socialist parties is harmful and dangerous. . . Under present conditions it would only mean a new rift in the workers' movement, increased confusion and a real weakening of the present position of the workers and the people. Certainly, if this happened, we would energetically work on the side of those Socialist comrades rebelling against this shameful capitulation, and we would win." The PCI has, indeed, professed from time to time that it would favor the unification, but there can be no doubt that it could only do so on a basis which neither Nenni nor Saragat would accept.

d. Apart from the PCI, the chief enemy of the merger appears to be the Christian Democratic party, or at least its leader, Amintore Fanfani. Fanfani has seen in the ferment created by the Hungarian uprising an opportunity to strengthen his party at the expense of the left. He probably believes that, in the event of early elections, his party might even achieve an absolute majority, or at least a position from which it could govern with only a minimum of dependence on its coalition partners. Although Fanfani may be right in this judgment, the tactic which he is pursuing is fraught with danger to the stability,

~~SECRET~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Approved For Release 1999/09/08 : CIA-RDP80-01446R000100050011-0

~~SECRET~~

not only of Italian political life in general, but to that of his own party. It has been reported that Fanfani and Segni - and for that matter, Saragat - believe that the outcome of the merger negotiations will be not one, but three Socialist parties. Such a fragmentation of the left could, in the long run, greatly benefit the Communists, who are clearly working toward this objective.

e. It would be a serious error to underestimate PCI determination and strength at this juncture. The party leaders are banking heavily on the prospect that International Communism, after the severe disturbances of October and November, will succeed in stabilizing itself, and recent events, such as the tour of Chou En-lai, suggest that they may not be disappointed. Meantime with characteristic resourcefulness they are taking advantage of "bourgeois" complacency to mend their organizational fences and recapture internal political initiative. The current debate on the "giusta causa" provision of the "agrarian pact" law provides the PCI with an excellent opportunity to reaffirm the unity of the industrial and agricultural working class and to place the Saragat Socialists and even substantial liberal elements of the Christian Democratic Party in the difficult position of compromising one of their accepted principles in order to appease the conservative elements of the coalition. In any event, even though it should prove that the PCI had lost a substantial part of its voting strength, it would retain far more than nuisance value in Italian politics. Even at half its strength, if the Socialist Left remained divided, the PCI would be able effectively to obstruct necessary reforming legislation, and to impose continuing immobilismo on the government, with attendant exacerbation of political tensions.

f. There is no reason to believe that the Socialist leaders of other Western European countries are indifferent to the merger negotiations. The Bureau meeting of the Socialist International (London, September 1956) wisely decided to check what appeared to be an excess of enthusiasm on the part of the French Socialists, especially Pierre Commin.

Approved For Release 1999/09/08 : CIA-RDP80-01446R000100050011-0

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Approved For Release 1999/09/08 : CIA-RDP80-01446R000100050011-0

It was also apparent that a number of West European Socialist leaders had serious doubts about the sincerity of Nenni and about the ultimate success of the merger. It may be presumed, however, that they, like the Italian political leaders, have been struck with the impact of subsequent events on the merger negotiations, and by such gestures of Nenni as his denunciation of Soviet intervention in Hungary and the return of his Stalin prize. Whatever consensus there may be among the Socialist International leaders, there is every reason to believe that in principle many of them would welcome the return of Nenni to the fold. Deep issues are at stake. Before them lies the vast perspective of European integration, within which, hegemony would be contested by the almost evenly balanced political forces of Social Democracy and of Christian Democracy. The weight of Italian Socialism in this struggle might be decisive.

4. If the above analysis is correct, a number of speculative conclusions may be drawn concerning the attitude which the United States government should maintain toward the Italian Socialist merger negotiations in the light of the current crisis of world and Italian Communism. They are presented with the awareness that they may rest on an incomplete knowledge of the existing policy and operational situation.

a. Little can be accomplished before the PSI Congress, and therefore we are obliged to maintain, essentially, the position which we have held hitherto. Nevertheless, certain adjustments may still be possible which would insure maximum flexibility in the face of an uncertain outcome.

b. We should adjust our position in the direction of detachment, emphasizing that we are not opposed to Socialist merger, per se. Furthermore, we regard it as a purely Italian and European affair in which we have no vital interest. This is important, since, whatever our actual policy in the past, there is reason to believe that it has been widely interpreted as one of considerable involvement and of basic disapproval.

-4-

~~CONFIDENTIAL~~

Approved For Release 1999/09/08 : CIA-RDP80-01446R000100050011-0