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24 Oct 56 DOCUMENT NO. 15
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CLASS. CHANGED TO: TS S © 1992
NEXT REVIEW DATE:
AUTH: HR 70-2
DATE: 24 MAR 82 REVIEWER: 103430

MEMORANDUM

SUBJECT: Proposal to Establish US Contact with Pietro Nenni

REFS: "Proposed Approach to Pietro Nenni and the Italian Socialist Party (PSI)" dated 6 June 56; "Possible Realignment of Nenni Socialists" dated 28 June 56.

1. Reference memoranda presented and developed the following propositions:

a. A merger of the Saragat Socialists (PSDI) and Nenni Socialists (PSI) would be desirable from the viewpoint of both Italian and US interests, as providing a viable opposition to the present Christian Democratic hegemony and laying a broad base for economic and social reform in Italy, as symbolized in the so-called "Vanoni Plan".

b. It is essential that such a merger, if it occurs, should be on a truly democratic basis.

c. Central to the problem is the position of Pietro Nenni, specifically the determination whether he is an irreducible agent of Moscow or ~~an~~ ^{whether he} opportunist who sincerely desires to break his links with the PCI and assume a role within the framework of Democratic Socialism.

d. The leaders of Western European Socialism have a major interest in the outcome of the Italian merger efforts.

2. The June 6th memo recommended that the US Government establish contact with Nenni through [redacted] and through the [redacted] 25X1X4

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It also suggested that, depending on the outcome of these exploratory contacts, the US might consider bringing Nenni to the US at a later date. 25X1A6a

3. On my recent visit to Italy I had extensive discussions with [REDACTED] and State Department personnel, which confirmed my belief that the above propositions and recommendations are basically sound.

4. The merger question completely dominates Italian politics. Major negotiations have been in progress involving direct and indirect Nenni-Saragat contacts and the intervention of western Socialist leaders, notably Pierre Commin. It is my belief that these negotiations have been and are continuing to be conducted to a large extent below the surface, without US participation and even awareness. This situation arises, in my opinion, from the essentially negative attitude toward Nenni and probably toward the merger itself, which is widely assumed to be held by the US. Under such an assumption it is only natural that there should be a tendency on the part of many to tell us what they believe we would like to hear, and to be less than frank.

5. It is not the purpose of this memorandum to discuss the basic problem of merger, its feasibility, desirability or probability. Nor does it address itself to the controversial question whether Nenni remains a political agent of Soviet Communism or has in fact made the basic decision to join the forces of Democratic Socialism. I merely state my personal view that the judgment of those, such as Commin, who hold the latter, should not be lightly dismissed.

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6. The purpose is to restate the two basic recommendations of reference, 6 June memo, viz. that we establish direct contact with Nenni and that we work as closely as possible with the International Socialists in monitoring the course of merger negotiations. I leave in abeyance the question of inviting Nenni to the US, although I still believe that such a step eventually will prove desirable.

7. The central argument in support of these recommendations is simple: the need of knowing what is going on. A rather careful examination of intelligence, diplomatic and news reporting convinces me that the US Government is not being informed completely and impartially. I am convinced, for example, that Gronchi, about whom almost nothing has been reported, is deeply involved in current negotiations. I believe that Nenni and Saragat have a degree of contact of which we have very little coverage. This was indirectly confirmed in Rome Embassy cable, 1523 (8 October), in which Mrs. Luce quotes Saragat precisely to this effect.

8. I also feel that the International Socialist leaders are still being less than open with us. In a situation of such importance and delicacy, it is essential to have objective and complete intelligence coverage. The only way in which this can be insured is by establishing direct liaison with the protagonists themselves. Under present circumstances, we cannot afford to be guided by likes or dislikes, moral approval or disapproval.

9. It is my understanding that there has been a consistent policy on the part of the Rome Embassy to avoid contacts with the PSI leaders.

There have been numerous approaches from individuals who have represented
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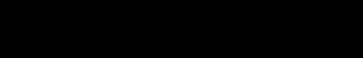
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themselves as emissaries of Nenni; these have been consistently turned down. No doubt this has been justified in many cases, since the bona fides and the motives of the would-be intermediaries may have been in doubt. Nevertheless, I deem it probable that Nenni has felt at various times in the past a desire, or at least a willingness, to have some contact with the Americans and has extended feelers for this purpose.

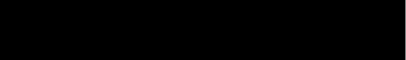
10. The principal argument against either initiating or accepting a contact with Nenni has been that it would be impossible to keep it secret, and that the leakage of such an approach would cast Italian politics into a turmoil. While there is obvious cogency in this argument, I believe it is outweighed by the need to obtain a direct insight into the processes which are taking place. I am not convinced that such a step would unduly confound our friends in Italian politics, if we give the appropriate assurances.

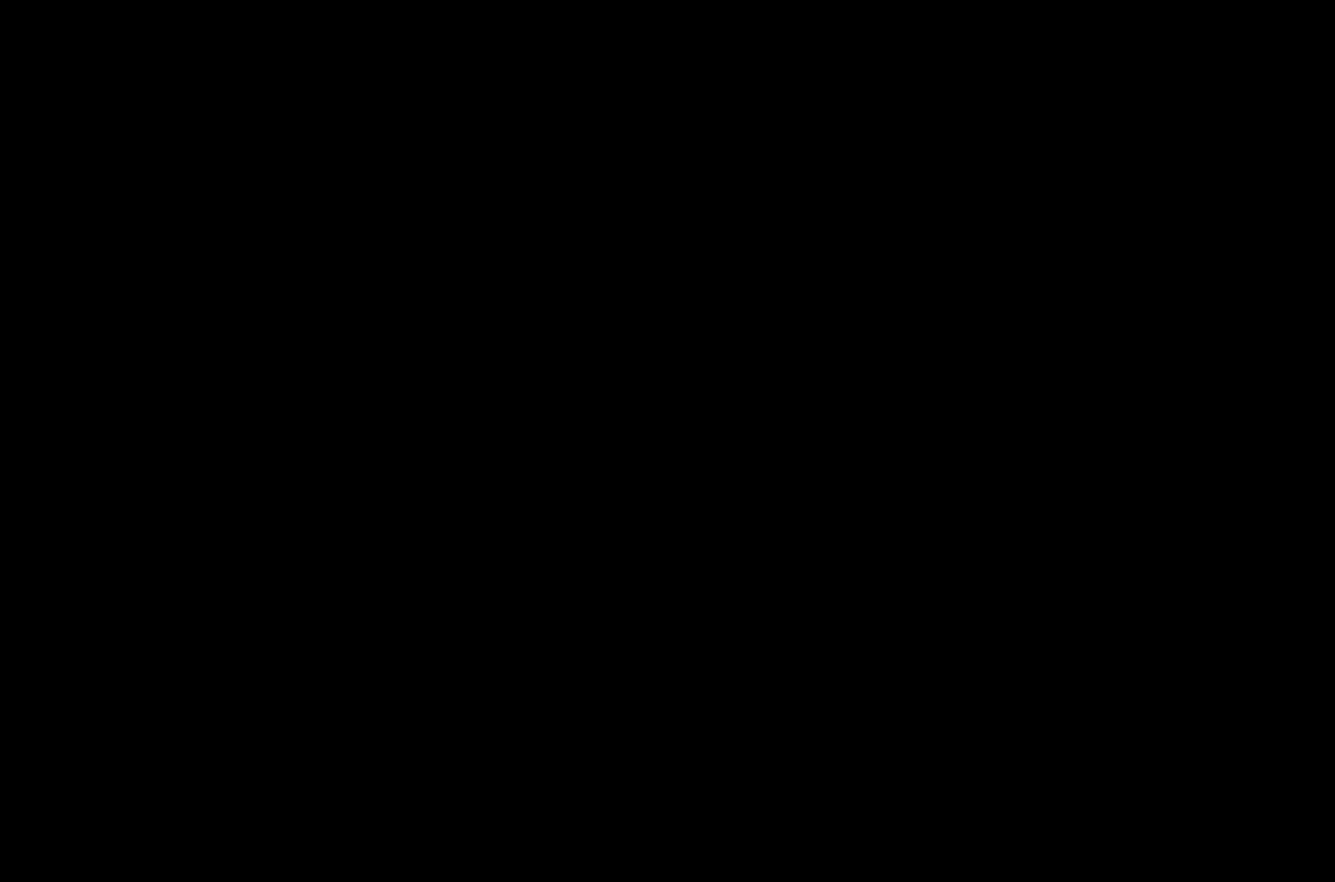
11. There are several types and levels of contact which could be established. It would be possible to broaden the base of our coverage of secondary leadership in both the Socialist parties. Concerning Nenni himself, my original proposal of contact through 25X1X4 [REDACTED] still seems valid. The recent intervention of Montana (representing the AFL) in the Italian merger question, does not appear to have been felicitous. There has been some expression of resentment on the part of the Italians themselves over Montana's activity, and there is considerable evidence that, in effect, he is acting and reporting in support of a strongly anti-Nenni position. It would seem desirable, if not essential, that any emissary

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 seeking to establish contact with Nenni should not be of Italian origin and should be personally able to conduct a mature, sophisticated and open-minded discussion with that great master of equivocation.

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25X1X4 12. The second level of contact might be through 



Specifically, Nenni might be asked to develop his views on current events in Poland and the Orbit. He has already made an interesting statement which would seem to indicate a partial step away from Togliatti and the Communist line:

"Attempts to contain developments arising out of the denunciation of Stalinism have been futile. It was inevitable that it should involve the condemnation of a political system and put into motion forces not content with the denunciation of the personality cult, the destruction of myths, and with a mere change in leadership,


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and to whom effective guarantees of freedom and democracy have become indispensable.

"It would be an error to believe that the movement of democratization of public life and public power can be either stopped or hampered. In this case, not only political superstructures but also the social structure as such would be jeopardized."

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 might easily extract from him an elaboration of his views concerning "democratization" which have figured prominently in the dialogue between him and Togliatti ever since the publication of the Khrushchev speech. Elucidation of this important theme might contribute not only to the clarification of our own judgment on Nenni's motivation but also to launching a basic campaign on our part to purify the word "democracy" of the taint which the Communists have so successfully laid upon it.

14. A third level of contact might be through a government official, preferably from the Rome Embassy. It should be informal, discreet and noncommittal. An excellent instrument for such contact is at hand in the person of Richard Eldridge, Labor Attache in the Rome Embassy. It is my understanding that Mr. Eldridge has asked permission to make such contact in the past but has been refused.

15. Finally, it might be possible to arrange a genuinely covert contact, utilizing Agency personnel. I do not feel qualified to develop this suggestion. It might, however, be useful as a supplement to any or all of the types of contacts proposed above.

16. In addition ^{to} the above possibilities of an American approach to Nenni, there remains the possibility of indirect contact through the Socialist leaders of Western Europe. The London Bureau Conference of COMISCO,

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20 September 1956, showed that there are very mixed views among these leaders concerning Nenni's motivation, but a high degree of interest in the merger of the two parties. The appointment of a three-man committee to monitor the development is obviously a wise step. So also is the adoption of a reserved, "go slow" attitude which our own influence may have contributed to bring about (though I have never had doubts concerning the political wariness of these experienced anti-Communists).

17. It remains my firm conviction that the Socialist leaders are determined to see the affair through either to a consummation of the merger or to a clean-cut repudiation by Democratic Socialism of Nenni and his tribe. In view of the remarkable range of our contacts with Western European Socialist leaders, there should be little difficulty in keeping abreast of what is going on. Such an effort does presuppose, however, that we maintain a detached and sympathetic attitude. If we appear to prejudge the effort and, above all, if we display the slightest misgivings about the desirability of a broad based Democratic Socialist party in Italy, the Western Socialist leaders will almost certainly revert to that "conspiracy of silence" which seems to have characterized their relationship with us in the period prior to the Commin intervention.

18. The adoption of the above steps would undoubtedly provoke repercussions in the Italian Government coalition. While it would be fairly easy, I believe, to reassure Saragat and the PSDI, it would not be so easy to reassure the Christian Democrats. At some point it may be necessary

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for our policy to examine squarely the question whether the political hegemony of the DC can in fact be maintained without modification. This, however, is a separate topic which is beyond the scope of the present memorandum. I feel, however, that it would not be difficult to convey to the DC leaders the impression that our establishing contact with Nenni does not mean that we have withdrawn our support of a moderate right and left of center formula for Italian Government.

19. I am submitting these reflections to you at this time because of the dramatic convergence of internal Italian and external events in the world of Communism. The underlying concern of this staff is the countering of International Communism. In this connection, I believe that the Saragat-Nenni-Togliatti maneuvering is of far more than internal Italian interest. It seems to contain two possibilities: One prospect is that Italy will fail to emerge from its present anomalous condition as the only country in Western Europe which has: a major under-developed economic region within it, a vital clerical issue, a dominant political coalition without a viable opposition, and a Left sharply fragmented in three major parts, and a Communist Party which retains a serious chance of taking over power by parliamentary means, i. e. via a United Front. The other prospect is for a country in which a balanced and prosperous economy can be achieved, the clerical issue removed from politics, a normal right and left of center governmental dualism established, and the

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Communist party reduced to isolation and impotence. Unless the latter prospect is realized, the outlook for Italian political stability seems rather somber.

20. The policy problem presented to the US is of great moment. It is canvassed in OCB "Outline Plan of Operations with Respect to Italy" (NSC 5411/12) with especial emphasis on the dangers involved in the merger. It emphasizes the need for discretion and flexibility of approach. Particularly striking are the rueful sentences of summation: "If, as is conceivable, Nenni should, in spite of our efforts and those of the Italians who are opposed to his success, achieve a Socialist reunification on something less than the terms indicated above as acceptable to the US. it may be necessary, as a practical matter, to accommodate ourselves to the new situation." It is my own belief, influenced by the judgment of a number of qualified authorities, that the negotiations for merger are firmly on the track and their success is at least probable. Whether the outcome will be favorable for our interests remains to be seen, but we must face the hard fact that our ability to influence it may prove to be rather limited. If we attempt to impose a cordon sanitaire around the merger movement, we may find ourselves virtually alone outside it.

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Chief, SRS/DDI

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