

MEMORANDUM

NATIONAL SECURITY COUNCIL

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INFORMATION

September 10, 1974

MEMORANDUM FOR SECRETARY KISSINGER

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10/7

FROM:

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SUBJECT:

Italian Debate on "Historic Compromise"  
Resumes as Fall of Rumor Government  
Taken for Granted

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The fall of Prime Minister Rumor's government in the near future is now taken for granted by many leading personalities in the four governing Italian parties. The Italian press is referring routinely to an imminent political "clarification." No viable alternative to the center-left coalition formula -- Christian Democrats, Socialists, Social Democrats and Republicans -- is yet in sight, but the Communists are again pressing hard for a "new relationship" with the coalition partners. With President Leone's visit to the United States only two weeks away, the following  is of topical interest.

Italian political leaders have resumed their public debate on the question of relations between Italy's major governing party -- the Christian Democrats -- and the Communist opposition. Communist leaders cite the country's new austerity program -- passed by parliament in mid-August -- as fresh evidence that the four-party coalition cannot govern against them. In parliamentary debate over the austerity measures, Communist-sponsored amendments attracted enough support from left-of-center elements within the coalition to secure their passage. The amendments did not significantly reduce the amount of revenue that will be taken in by the program, but they did lighten the tax burden on low-income groups at the expense of corporations and the more affluent.

The Communists do not appear to be angling for direct participation in the governing coalition at this time. In line with their policy of gradually conditioning the ruling parties to accept such an eventuality,

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the Communists want some official recognition of their "potential" for sharing power with the other parties. Accordingly, they would probably be satisfied with a limited step, such as the formalization of parliamentary consultations between the Communists and the coalition parties.

Christian Democratic leader Fanfani recently recited all the practical reasons why the Communist overture should be turned down, but he did not refer to the familiar argument that the Communists were ideologically incompatible. He noted instead that a deal with the Communists would mean a loss of votes for his party, the souring of relations between the Christian Democrats and their coalition partners, and another round of right-wing violence.

Fanfani also claimed that such a development would create security problems in the Mediterranean and upset US-USSR detente -- charges that were immediately denied by the Communists. The Communists implied in a series of statements that they could live with NATO, providing Italy did not increase its commitment to the alliance by agreeing to accept bases or US troops displaced by Athens' withdrawal from NATO's military structure.

In what was perhaps the most significant part of his statement, Fanfani emphasized that any change in the Christian Democrats' relations with the Communists would have to be decided by a national party congress. Fanfani may have intended this remark as a trial balloon to determine whether a majority of Christian Democrats are prepared for a full-scale airing of the Communist issue.

The Christian Democrats, however, would probably prefer not to schedule such a meeting before next summer. They would want to await the outcome of two events -- the Italian Communist Party congress, set for early 1975, and the regional elections next June, which will provide an important test of strength for the two parties.

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