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November 29, 1963

MEMORANDUM FOR: Governor Harriman

FROM: George Lister

SUBJECT: Comments Regarding Rome Embassy's Memorandum on the Italian Political Situation.

In accordance with your request, there are set forth below my frank personal comments on the "informal memorandum" submitted by Counselor William Fraleigh on the Italian political situation. In brief, the memorandum is useful and encouraging in that it looks squarely at many of the unpleasant reasons for Communist strength in Italy, something the Embassy frequently has been reluctant to do. The memorandum is discouraging because the section on what we should try to do in Italy has been sent in "incomplete" and generally is weak. Also, the fact that the memorandum is both informal and unfinished is disappointing because it smacks of previous reluctance to go on record and to assume responsibility for anything which might sound "risky" or could be considered "wrong" and thus be criticized, now or under some future administration. I do not know whether Francis Williamson (the Minister at Rome) sounded out the Department informally on its initial reaction to the memorandum while he was here on home leave recently. At any rate, the memorandum was written on June 25. The Embassy's tentative, off the record, unfinished draft is dated September 4. Not a very fast pace or a very clear reply if, as the Fraleigh memorandum claims, "Italy is drifting now to an alarming degree" (page 6). And if the drift is alarming, why did not the Embassy urge various ways to improve our performance without waiting for your memorandum? In short, the Embassy has taken a step in the right direction - but not a very long step. Judged on the basis of past performance, the memorandum is an improvement. Judged on the basis of the present situation and what needs to be done, the memorandum is inadequate.

After thinking over the Fraleigh memorandum and reflecting on what I have learned, both at Rome and in Washington, regarding our policy and performance in Italy, I have prepared a second memorandum, in addition to this one, which I am submitting to you simultaneously, urging various specific steps to be taken without further delay.

It is recommended that the Department inform the Embassy that the Fraleigh memorandum is quite good and useful so far as it goes. It is also recommended that the Department send the Embassy an instruction on policy and tactics as proposed in my second memorandum. I believe all of

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By cbm, NARA, Date 1-18-07

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this can be done deftly and diplomatically without hurting or offending anyone. I am certain that such an instruction is badly needed and would be most beneficial.

The remainder of this paper comments only on Mr. Fraleigh's memorandum. The comments are divided into two sections, along the lines of the Fraleigh memorandum's discussion, as follows: I - What is Wrong in Italy; and, II - What We Can and Should Do.

I - What is Wrong in Italy

This section, which runs up to page 16, is the best part of the 21 page memorandum. I thoroughly agree with Mr. Fraleigh's inclusion of such points as the protest element in the Communist vote, anti-clericalism, inadequate pensions and social relief, rising living costs, outdated share-cropping systems and contracts, impatience with outmoded bureaucracy, scandals in the government, the problems of migrant workers, the difficulty of obtaining divorce, the heightened expectations of Italian voters, the ease and openness with which so many wealthy Italians avoid paying taxes, etc. I would add a few other items to his list - such as the widespread denial of dignity to manual labor, the tendency of a considerable part of the population to feel that it is generally "out of things", the failure of many Italians to sense any real identity with the future of their country, and the fact that the Christian Democrats, having been in power ever since the war, inevitably have centered upon themselves all the popular irritation and impatience with government. And it is really difficult to exaggerate the cynicism, skepticism and disgust of the average Italian towards government, politics, and politicians. In general, however, I would say that this part of the Fraleigh memorandum is quite good.

As a bit of background for perspective, I might mention in passing that Mr. Fraleigh's comments, and the fact that they are submitted in "memorandum" form, remind me of the 24 pages I drafted in the spring of 1960, referring to some of these same problems and recommending that we should not regard a center-left government supported from the outside by Socialist abstention in parliament as unacceptable (that is, we should not prevent such a government from coming to office). The similarity lies not only in much of the subject matter covered, but also in the fact that my paper, too, was finally sent in as a "memorandum", rather than as an official Despatch. In that case it was because the Embassy, or rather the Embassy leadership, thoroughly disapproved of my views and recommendation and was only willing to submit it, under cover of a brief despatch (1062 of May 4, 1960), as a personal memorandum.

There are some disappointing aspects in this section of the Fraleigh memorandum. For example, the memorandum (page 4) still does not make clear

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the nature of the terms which were offered to the Socialists by Moro in June, not does it state outright whether the Embassy feels the terms should have been rejected or accepted. I, myself, have never seen any reliable report of Moro's terms, so that I can have no opinion of my own on this matter. But it should not be very difficult for any Embassy political officer to find out. And the estimate of whether it was better, from our viewpoint, to have the terms accepted or rejected, is precisely the kind of key point and difficult problem which the Embassy should be facing up to and on which it should go on record. In June, almost everyone who favors the center-left assumed that Lombardi was most reprehensible for refusing to support the tentative agreement with the Christian Democrats. The Embassy's reporting certainly strongly implied this censure. But if we do not know the terms, we cannot really judge. And of course we do not know the terms now being offered by the Christian Democrats. It is not at all difficult to obtain reliable information on such matters when one is on the spot and in close contact with the key men.

Nevertheless, the memorandum does take a clear if only "informal", position on some other points. It states that the center-left seems to be the best solution at the moment. Even more important, it explicitly recognizes that the center-left formula by itself is not enough, and that it must "show positive results in terms of reforms and a social program" (page 5). The memorandum also expresses an outright affirmative opinion to the question of whether or not the DC program and leadership has been failing to appeal to popular opinion and to the expectations of the Italian people (page 5). The memorandum borders on the absurd when it suggests that the Christian Democratic conservatives "fear that a social program on terms such as the Communists demand will redound more to the Communists' credit than to that of the DC". But the memorandum puts the basic issue bluntly enough when it expresses the opinion that there is no alternative to such a social program if eventual Communist government in Italy is to be avoided (page 5). The memorandum urges that such a program be started with a minimum of delay, although it then claims that it would be beyond the scope of the paper to say what that program should be (page 6)! And on page 9 it sums up forthrightly the great advances which have been achieved in Italy since the war by pointing out that "there has only been a bare beginning so far in righting the wrongs of the past in a way which can hope to remove the deep feelings of class difference felt by the have-nots against the haves". It might also be added that not only has Italy's so-called economic miracle been very uneven in the manner in which it has benefitted different geographical areas, but also in its effect on various types of industry and commerce and on various sectors of the population.

One point which the memorandum makes (no. 5 on page 13) concerns the absence of strong leadership. This is certainly true, (and I am glad to see

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the memorandum include as an example of such Italian weakness the manner in which Segni and Leone forced President Kennedy to change his original plans to exclude Communists and Fascists from his Rome luncheon last July). However, I think we should recall the post-World War I Fascist experience and remember that a so-called "strong man" can develop very quickly in a country like Italy. I would not expect him to come from the Fascist ranks, and I doubt that would be aspirants to the role of an Italian De Gaulle, such as Segni or Pacciardi, could really succeed, although the former has more chance than the latter. But a point to remember is that a relatively little known man could develop very quickly in Italy.

II - What We Can and Should Do

The fact that this section is inadequate and incomplete is all the more vexing because it discusses what is, after all, the heart of the matter. I doubt whether any objective and informed observer would deny that Italy is lagging far behind, by Western European standards, in economic and social reforms. Thus, Section I is considerably less important than Section II. What we must do is get on with our plans and operations. The memorandum's suggestions are discussed below.

The memorandum states that there is much for us to do in Italy, that the stakes are very high, and that the United States has not been making the best use of its assets in recent years (page 16). I agree with all of these statements and am very encouraged to see them included.

The memorandum then suggests (page 17) that "one important way to help Italy would be to increase its international prestige and hence its self respect". This is disappointing. There is no question but that there is something that can and should be done in this direction, but to claim that this could be an important means of helping Italy is unrealistic. We should always look for opportunities to consult with the Italians on foreign affairs in order (among other things) to enable the Italian Government to appear in a good light at home, and I agree with the memorandum's various suggestions for building up Italian international prestige and bolstering Italian self-respect. I believe that if we do this gracefully and without undue exaggeration, and if the Italians feel we are not so naive as to take them for utter fools, they will be quietly grateful and, more important, their respect for our savoir faire in international affairs will rise. But after all they are not Congo savages, and they know, even better than Americans, just how weak and backward Italy really is, and how limited the possibilities for maneuver available for Italy's "gaining a new role of leadership in Europe" (page 17). I am afraid most Americans who deal with Italians fail to realize how quick the latter are to size up, and to see through, foreigners.

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And of course most Italians are very suspicious and skeptical. To help them make the bella figura in international affairs is one thing, and will be appreciated, but it will be counterproductive for us to try to make them believe they are something they are not. Anything which makes it seem we think they are naive on this score will only confirm their suspicion, or conviction, that we are naive and that we are trying to fool them. There was nothing strange in Andreotti's negative reaction to Professor Neumann's approach regarding MLF (page 17). I believe that the main interest of Andreotti (who is as sophisticated and cynical as they come) in MLF would be as an issue which might prevent or disrupt a center-left government or as a factor to be considered in conservative Christian Democrat relations with us and De Gaulle. At all events, the building up of Italy's international prestige is only a secondary tactic to be included in our plan of operation. I am all in favor of it but the field is so peripheral and the opportunity so limited that even maximum exploitation cannot hope to yield us more than a quite modest return.

The memorandum then suggests that we continue to strengthen Italy's democratic parties and their most promising leaders. This section is prefaced by a remark warning against trying "to achieve results merely by administering periodical financial or other injections to ailing democratic parties". This, of course, is quite true, and this section is, or should have been, one of the key parts of the memorandum. But at the same time, and before proceeding, it should be noted that while financial help is by no means everything, it is very important and, in my opinion, it is indispensable in the case of the Socialist autonomists, for psychological as well as for very practical reasons. I would also say that, in the past, one of the reasons, conscious or otherwise, for reluctance about helping the Socialist autonomists financially has been that this is the sort of specific, positive decision that can jeopardize the career of the responsible official. Refusal of such aid is not really "risky" for an officer (although it may be very dangerous for the United States), but authorization of assistance, and especially assistance to Socialists, may later be recorded as a "mistake" and held against the offender. Errors of omission are seldom if ever penalized. The fact remains that our financial assistance to the autonomists is extremely important, and should be continued unless, of course, they start moving in directions which we feel are contrary to our interest.

This section of the memorandum further states that "we must not only cultivate the left and center of the DC leadership, but also keep on close and good terms with the DC right wing" (page 19). There is no question but that this is absolutely essential. I have always urged that we maintain close and continuous contact with all parties and leaders of parties except the Communists and Fascists. Nevertheless, there is often

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a tendency on our part to forget about the faction or leader temporarily ousted from power, as if each change in the continual ebb and flow of Italian domestic politics were positively the last one. It sounds impressive to come to a staff meeting and solemnly announce that "Fanfani is a dead duck" or that "if Nenni doesn't come through this time we're going to wash our hands of him". But of course Italian politics are not that way. Leaders and factions keep bobbing up and down, and our friendship and interest are most appreciated by a politician when he is out of office or power. The Embassy should immediately make clear to Scelba that he is wrong in thinking that he is forgotten. And I am all in favor of the Embassy's suggestion that we invite Malagodi here as well as left-wing democratic leaders. As a matter of fact, I distinctly remember proposing the Liberal chief for a leader grant, although I believe that particular method was disapproved because he has been here several times before. At all events, the sooner Malagodi comes, under one arrangement or another, the better. The remedy for a policy of consorting with the right and ignoring the left is not to pursue the reverse policy. I am certain that things have not gone that far, but we must make sure that there is no misunderstanding among Italians on that score, wilful or otherwise.

I also thoroughly agree with the memorandum's warning that we must avoid helping to create the impression that the Socialist autonomist leaders have sold out to us. Equally important is the memorandum's support for Lombardi's view that the PSI is not of much use unless it is able to win votes away from the Communists". This is a key point which should never be forgotten, and one which I have used repeatedly in opposing the argument that if Nenni were really "sincere" he would just break off all Socialist relations with the Communists in CGIL, the municipal governments, the cooperatives, etc. Such a move undoubtedly would have satisfied those who like their politics clear and simple, but it would have been most unwise from the viewpoint of the Socialists and ourselves vis-a-vis the Communists.

The memorandum suggests there may be better ways of influencing Nenni and Lombardi than by inviting them to Washington. If I recall correctly, in the case of Nenni the idea originally was to have him invited to lecture at one or two places in America, and then to come down to Washington quietly before returning to Rome. I certainly think Lombardi should come here for the full leader grant treatment and should stay for at least one month. He needs it much more than he realizes, and he has been to Moscow at least twice. As a matter of fact, when I invited him officially he accepted with pleasure. However, I have always felt we should be most careful not to embarrass the Socialists, and that we should be very flexible in dealing with them. But we should also keep urging them to come. As regards the memorandum's reference to Oronzo Reale, we should

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certainly invite him again. I invited him repeatedly in 1960-61, but his wife was dying and he always declined. He should come by all means, as should Ugo La Malfa, also of the Republican Party.

The memorandum is entirely correct in stressing the need for the creation of a strong, democratic Socialist Party comparable to the British Labour Party and capable of presenting a reliable democratic alternative to the Christian Democrats. I have always proposed this as our long-range goal as regards the Italian Socialists. This is not something we should hope for within the near future.

After urging that we help maintain Italy's economic forward progress and strength (with which I am certainly in general agreement), the memorandum peters out with such recommendations as catering to the youth of Italy and improving Italy's knowledge of major world affairs. These latter are certainly tactics which should be included in our overall program, but they are not really of major importance, especially compared to the memorandum's omissions.

The foregoing comments have been set down in all candor because that is what is needed. The memorandum is not intended as a criticism of any individuals or organizations, and is concerned solely with improving our performance. As stated above, this can be accomplished without criticizing or offending anyone.

The Fraleigh memorandum is attached.

cc: Arthur Schlesinger, jr.

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