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COMMUNIST THREAT IN ITALY

Italian Communist leader Togliatti this week gave public warning that his party may abandon democratic methods for the conquest of power and resort to violence in its efforts to overthrow Premier de Gasperi's moderate government. In a meeting of partisans at Modena, Togliatti admitted that the Communists had 30,000 well-armed partisans at their disposal and threatened that if the government did not give "prompt proof of its democratic spirit" the Communists would "have to fight". The Italian Communists have hitherto been following tactics of "moderation", apparently confident that they will rise to power through legal methods. The imminent withdrawal of Allied troops from Italy has increased the possibility of direct Communist action to seize power and has rendered more effective other Communist methods for taking control of the country. Despite Togliatti's "call to arms", other Communist tactics appear more likely under present conditions. It may well be that Togliatti's statement was designed primarily to intimidate the government. In carrying out their offensive, the Italian Communists have open to them two main courses of action: 1) sudden overthrow of the De Gasperi Government by Communist-sponsored armed force, following withdrawal of Allied troops; and 2) Communist-inspired general strikes to paralyze the important north Italian industrial area, and thus seriously interfere with future implementation of the program for European recovery.

Indications of Possible Direct Action - By the employment of tactics similar to those used in Greece, the first course is within the realm of possibility. Although the Italian Army and Carabinieri have some 200,000 troops to oppose Communist guerrilla estimated to number as many as 50,000, the addition of partially-armed and trained Italian and Yugoslav Communists and fellow-travelers could appreciably increase the strength of the revolutionists. Furthermore, redeployment of Italian armed forces to protect the Yugoslav frontier following the withdrawal of Allied forces would remove certain troop units from important Communist-dominated centers in north Italy. Recent developments within the Communist Party in Italy may increase the likelihood of direct military action. There has long been a division within the party between

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the Togliatti faction, which has favored peaceful political infiltration, and the pro-revolutionary group headed by Luigi Longo, a member of the International Brigade during the Spanish civil war and partisan leader in Italy during World War II. The recent departure of eight members of the "direct action" group for Moscow may indicate closer coordination between this element and the USSR and consequent intensification of Communist para-military activity. Togliatti's last speech may mean that he will go along with the revolutionary faction.

Indications of More Moderate Line - Two factors militate against Communist revolution in Italy. The USSR is unwilling to support directly such a step because it might involve war with the US. An even more potent reason against it is that the failure of the European recovery program, or even failure of the US to provide Italy with emergency wheat and dollars during this critical interim period, might deliver Italy into the hands of the Communists by popular vote at the next national elections. It would therefore seem more logical for the Italian Communists to await the outcome of the elections, scheduled for April 1948, before using revolutionary tactics. The continuation of threats and intimidation is a permanent policy, and any Communist statements regarding the necessity for violence can be considered to be made partly for propaganda purposes. It will be remembered that Togliatti made a speech threatening "direct action" prior to the Sicilian elections in April, and it is certain that the leftist majority in that former stronghold of conservatism was created in part by the Sicilians' terror of Communist reprisals.

Strikes Cause Economic Deterioration - Of the two courses of action, the second seems most likely. There is evidence that it has already been embarked upon. Paralysis of the north Italian industrial section, which is perhaps second only to the Ruhr in its importance to the European economy, through "spontaneous" general strikes could defeat the operation of the European recovery program and eventually throw not only Italy into the Soviet orbit, but possibly France as well. The strike of 600,000 agricultural workers in the Po Valley, which began on September 9 indicates that the Communists are now making every effort to bring production to a standstill. Communist-sponsored strikes are causing a further deterioration of the critical economic situation, which has already compelled the Premier to appeal for emergency wheat from the US in order

to restore Italy's essential pasta ration. The De Gasperi Government must cope in some way with the desperate economic crisis before the September 23 meeting of the Constituent Assembly, when a vote of no confidence proposed by Left Wing Socialist Nenni will be discussed. Whichever course the Communists follow, their chances of success are excellent unless the De Gasperi Government can ameliorate the economic crisis by procuring sufficient wheat or through successful operation of the European economic recovery program.

US View on Broadening of Government - Representatives of smaller Italian parties have recently given indications that they would favor a broadening of the Italian Government and reinclusion of the Communists, apparently believing that the Communists would genuinely cooperate in the government and failing to realize that the real issue in Italy today is between democracy and totalitarianism and not mere rivalry between individual political parties. We have informed Ambassador Dunn that we would welcome participation in the Italian Government of the greatest possible number of the moderate left, center and right groups prepared to work together for the best interests of the Italian people. Such representation in the government would give it the greater strength and stability that it needs at this critical time. We will not support extremists and we cannot support those who, while not themselves of the extreme left or right, make common cause with extremists. Bringing the Communists back so soon after forming a government without them would certainly add to their prestige in Italy and abroad, and they would exploit it as evidence of the inability of any Italian cabinet to govern without them. Recent international events such as the Soviet attitude on European reconstruction have tended to weaken the influence of the Communists--a trend which would only be reversed by bringing them back into the government. In our opinion collaboration between the real democratic forces in Italy and the Communists is impossible since their ultimate aims are entirely divergent.

ANOTHER CRISIS IN FRANCE

The French Government of Premier Ramadier has survived another crisis, receiving a vote of confidence from the Assembly by the narrow margin of 292 to 243, but there seems little doubt that its prestige has seriously declined. The latest vote of confidence came over the government's program of coal subsidies as a means of preventing a rise in industrial prices. None of the parties, including

Ramadier's own Socialist party, was satisfied with the government's program. Ramadier survived merely because leaders of the non-Communist parties did not want to overthrow him before the municipal elections scheduled for October, fearing that Ramadier's fall would play into the hands of the Communists on one side and of de Gaulle on the other.

Split Within Socialist Party - During the crisis Ramadier was threatened with a serious rift within his own party as a result of demands from the left wing of the party that he follow the economic directives of the recent Socialist Congress and introduce legislation for greater "direction" of the economy. The left-wing Socialist group attempted to persuade the directing committee of the party to call a special congress to "discipline" Ramadier and his Socialist Ministers for insubordination in failing to follow party directives. These efforts were unsuccessful, however, and the directing committee simply announced its desire that the economic policy of the government continue to "evolve" along the lines of the resolutions of the party congress, stating that a special congress would be held after the municipal elections. The overt struggle in the French Socialist Party concerns control over: 1) current economic and colonial policies, 2) the ideological orientation of the party, and 3) the party's mission in continental Europe. This struggle has divided the Socialists into two nearly equal factions. On the right of the cleavage are Leon Blum, Premier Ramadier, most of the Socialist ministers and parliamentarians, and about 40% of the party's local executives. The left wing, led by Guy Mollet, the party's secretary general, has the support of 49% of the local executives and a majority on the Socialist Executive Committee. Policy clashes between the factions have occurred over Socialist concessions to the MRP on Indochina and Algeria and to the Radicals and the MRP on price controls. Ramadier defends these actions as realistic compromises necessitated by the Socialist minority position in both the cabinet and the legislative body. Mollet's group insists on greater concessions to native nationalisms and on a planned domestic economy favoring the working class--or, failing the latter, withdrawal from the government. The practical motivation of the left-wing stand is a desire to capitalize on worker discontent with Communist leadership in order to register Socialist gains in the October municipal elections.

Disillusionment Over Present System - Qualified observers believe that the Ramadier Government will probably be able to hang on until after the municipal elections

but that it is not likely to last much longer than that as it is now constituted. While most of the French people admit that Ramadier has tried to meet the problems which his government has faced, the conviction is growing that he has neither sufficient authority to dominate his own party, let alone a coalition government, nor sufficient forcefulness or prestige to galvanize the people to make the sacrifices on which the country's very survival may depend. There is an increasing belief that France cannot be governed effectively under the present system with its division of political forces and the limitations of the constitution. More and more Frenchmen are agreeing with de Gaulle that a strong government with greater authority is imperative. A return to power by de Gaulle is now considered to be a definite possibility since Frenchmen who are disillusioned over the present governmental system see only two alternatives--de Gaulle or Communism--and most Frenchmen would infinitely prefer an unknown adventure with de Gaulle to a Stalinist police state. The Communists, however, still the strongest party in France, can be expected to use all the resources at their disposal to keep de Gaulle out.

Reaction to de Gaulle - French popular reaction to De Gaulle's recent charge that the US is giving preference to plans for German recovery over plans for France has increased his chances of returning to power and may endanger US objectives in Europe. Although most Frenchmen are pro-US and fundamentally anti-Communist, they are apparently beginning to fear that US policy threatens French security by proposing to re-build a strong Germany at the expense of France's prosperity and hence of France's safety. Because only the Communists had emphasized this view prior to DeGaulle's speech of September 7, his new tack will further weaken Communist appeal, while strengthening his own, and draw to him popular support now flowing away from the Ramadier Government. If DeGaulle accedes to power and the economic situation continues to deteriorate, he is capable of leading the French into a nationalistic adventure (opposed to both Soviet and US policy) which would make the implementation of the European recovery program virtually impossible.

COMMUNIST INTENTIONS IN WESTERN GERMANY

The Communists in the bizonal area of western Germany are accelerating their penetration of German labor organizations. The success of this penetration will enable the Communist Party in that part of Germany if it should later

be suppressed as a political organization, as its leaders apparently anticipate, to continue its activities as an underground movement through the workers. At present the Communists are attempting to infiltrate the unions while preserving simultaneously the appearance of non-Communist control by permitting Social Democrats to remain in prominent offices temporarily. The current Communist strategy is to win over the individual worker and thus assume command of the union through control of the rank and file. Marxist sentiment is particularly strong in the Rhenish-Westphalian industrial region and especially powerful in the Ruhr. In addition, a reliable American trade unionist reports extensive expansion of Communist influence in Greater Hesse. The overall plan is to gain sufficient strength to be in a position to shut off or seriously curtail bizonal production.

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