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By VR NARA Date 8/7

~~Answer to the memorandum.~~

1) Present situation in the "liberated" zones. Owing to the uncertainty and contradictions of allied policy, the provinces of southern Italy which had always been politically moderate, are rapidly becoming more radical. Should the present situation continue, the population will partly join the communists and partly the neofascists. It is for the USA to take the initiative ⁱⁿ ~~of~~ democratic revolution in the liberated zones, by helping the antifascist parties to obtain power and by taking those anti-feudal measures which are necessary ~~in order~~ to help economic reconstruction. Large estates (latifondi) both in Sicily and the Puglia should ^{even} ~~already~~ now be handed over to the peasants.

2) Present activities and future possibilities of the party:

The socialist party has made great progress in the last few months, despite the fact that many of its members have been arrested and executed in the German occupied zones. Socialist sections are particularly strong in Milan, Turin, Genoa, La Spezia, Brescia, Novara, Biella, Bologna, ^{the} Veneto, Tuscany and Rome. The last provincial federation to be restated ~~xxx~~ has been that of Trento. The official organ of the party "Avanti" is regularly printed in five editions in Rome, Milan, Padua, Bologna and Turin. The newspaper "Terzo Fronte" is published every fortnight in Genoa. The Milan edition is printed in 20,000 copies. The socialists have ~~xxxxx~~ played a big part in partisan resistance and in the strikes. Some internal political difficulties have been solved. The possibility of ~~xxxxx~~ merging the socialist and communist parties has been removed. In the small industrial centers, the socialists are the strongest ~~xx~~ antifascist party. Its members are ~~xxx~~ specialized in syndicalistic questions and local administration.

3) Leaders ~~whom~~ enjoy confidence: The direction of the party is in Milan while there is an executive committee in Rome and several interregional committees. Among the leaders Saragat, who is presently in Naples must be pointed out for his ability. The same can be said of prof. Colomi in Rome.

4) The best solution of urgent problems: We suggest the appointment