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10 DOWNING STREET

From the Private Secretary

25 February 1983

VISIT OF SENATOR FANFANI

At a brief tete-a-tete conversation between the Prime Minister and Mr. Fanfani before dinner on 24 February, the discussion was entirely about Italian domestic politics.

Mr. Fanfani said that he had recently faced three votes of confidence in the Italian Parliament. This had confirmed his government's majority of about 100 votes. His problem was to maintain the unity of the coalition.

The normal legislative term would end in June 1984. But there would be local elections in a substantial part of Italy in June, 1983. There was a temptation for one or other party in the coalition to use the local elections to anticipate the national elections. It was especially tempting for the Socialists to try to increase their strength in the local elections and then manoeuvre to oblige the Italian President to dissolve Parliament. But the Socialists had not yet decided on such a policy and might now be less determined to pursue it. They had recently said publicly that they were satisfied with the present government.

Meanwhile, Italian eyes were very much on the 6 March elections in Germany and the 13 March ballot in France. The latter would show the extent to which the French Socialists had managed to retain support. If the Socialists did well in both countries, and especially if they won in Germany, the Italian Socialists would be more tempted to make a bid for power in Italy.

Within the Italian Socialist Party there was a group which would prefer to break away and join forces with the Communist Party. 6 March was also the day when the Congress of the Italian Communist Party would come to an end. That Party was in a state of crisis for a number of reasons, including the question of relations with Moscow. A new factor was the introduction of secret voting in the Congress. This was a great novelty which was producing surprising results: For example, the leader of the Communist Party in the Senate had not been elected to the Congress. The leader in the Chamber had come twenty-first on the list of those elected. These developments raised the question of whether the Italian Communist Party was evolving towards democracy and whether a split within the Party was likely. So for many reasons 6 March could be an historic day in Italy. His impression was that the Italian Communist

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Party did not want Vogel to win in Germany because it feared that Vogel would establish good relations with Moscow, which would not suit its own attitude to Moscow.

The Prime Minister asked what the effect had been on the Italian Communist Party when President Mitterrand had taken Communists into his government. Mr. Fanfani said the Italian Communist Party saw this move as evidence of new opportunities. But it did not want to be a mere appendage of the Socialists. Moreover, its relations with Monsieur Marchais were poor because he was Moscow oriented.

The Prime Minister recalled that when she had visited Rome as Leader of the Opposition, she had been given an analysis of the Italian Communist Party which had shown that its foreign policy was the same as the Soviet Union. Mr. Fanfani said things had changed, largely because of Afghanistan and Poland. When Breznev had died, the leader of the Italian Communist Party had visited Moscow but it was still a matter of debate as to whether he had seen Andropov or not. The Prime Minister suggested that if there had been a meeting, it could not be concealed. Mr. Fanfani was not sure, the Italian might not have wanted to reveal that he had had a meeting with Andropov.

R.B. Bone, Esq.,
Foreign and Commonwealth Office.