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TELEGRAM NUMBER 70 OF 26 JANUARY

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MY TELNO 56: ITALIAN POLITICAL SITUATION

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29 JAN 1979	
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	full.

1. INTENSIVE CONSULTATIONS BETWEEN THE POLITICAL PARTIES DURING THE LAST FEW DAYS HAVE SO FAR PRODUCED NO FORMULA FOR PRESERVING THE PRESENT MAJORITY AGREEMENT. A MEETING OF THE LEADERS OF THE FIVE PARTIES MAKING UP THE MAJORITY IS TAKING PLACE TODAY (26 JANUARY). UNLESS THERE IS SIGNIFICANT PROGRESS AT THAT MEETING, MOST PEOPLE NOW THINK THAT SIGNOR ANDREOTTI WILL RESIGN IN THE COURSE OF NEXT WEEK AND WILL PROBABLY BE INVITED SOON AFTERWARDS TO TRY TO FORM A NEW GOVERNMENT. HE IS HOWEVER UNLIKELY TO RESIGN UNTIL THERE HAS BEEN DEBATE IN PARLIAMENT, SINCE PRESIDENT PERTINI IS KNOWN TO BE INSISTENT THAT CONSTITUTIONAL PROCEDURES BE OBSERVED.

2. IT IS NOT YET CLEAR HOW FAR THE COMMUNISTS WILL PUSH MATTERS, BUT IN THE DIFFICULT POSITION IN WHICH THEY NOW FIND THEMSELVES (PARA 4 OF MY TUR), THEY SEEM TO HAVE DECIDED THAT A MOVE TOWARDS OPPOSITION, EVEN AT THE RISK OF PROVOKING EARLY ELECTIONS, IS A LESSER EVIL THAN CONTINUED ASSOCIATION WITH THE GOVERNMENT MAJORITY. MANY POSSIBLE ALTERNATIVE FORMULAE ARE BEING SPOKEN OF, INCLUDING THE IDEA OF A CHRISTIAN DEMOCRAT GOVERNMENT WITH SUPPORT FROM THE SMALL PARTIES, SOCIALIST ABSTENTION AND COMMUNIST OPPOSITION. SUCH A SOLUTION MIGHT POSSIBLE BE NEGOTIABLE WITHOUT A LENGTHY CRISIS OR RECOURSE TO ELECTIONS. BUT THIS IS ONLY ONE OF A NUMBER OF HYPOTHESES AT THIS STAGE.

CAMPBELL

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