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ITALIAN POLITICAL SITUATION

1. The Republican leader La Malfa gave up the attempt to form a government on 2 March. He reported to President Pertini that he had not been able to reconstitute the former 5 party parliamentary majority, nor had he found a sufficient measure of agreement among the parties to enable him to form a government based on any other formula.
2. The Communists had somewhat modified their position during the past week: they had announced that they were prepared to settle for inclusion in a La Malfa Government of members of the Independent Left elected on the Communists' list, rather than insisting on fully fledged members of their own party. But this was still clearly unacceptable to the Christian Democrats, particularly if they did not even have a Christian Democrat as Prime Minister. As the same time the Socialists were eventually unwilling to dissociate themselves from the Communists to the extent of allowing the formation of a new 4 party majority, including the Socialists but not the Communists. La Malfa thus had no option but to report that he had not been able to find a basis for a solution.
3. President Pertini will himself conduct a further round of consultations with the parties today and tomorrow (5 and 6 March) and is then expected to announce his decision about the next move. If his consultations suggest that there is still some hope of finding a solution without dissolving Parliament, he will probably give the mandate back to a Christian Democrat - the names of Piccoli (Party President) and Forlani (Foreign Minister) are being spoken of, though

it could also be Andreotti again. Alternatively, if all ways seem blocked, the President may decide to dissolve Parliament and call early elections, though in view of his concern for constitutional propriety it is thought that he would probably not do this without first sending back the outgoing Andreotti Government to face a vote of confidence in Parliament.

4. A possible compromise, which was apparently favoured by the Socialist Party Secretary Craxi, is for the President to give a mandate for the formation of a limited term government to see the country through the European Election in June and to enable the Communists and Christian Democrat Party Congresses to take place as scheduled (the former on 20-25 March, the latter not yet fixed). In this way the Socialists would hope to avoid having to face a National Election before the European Elections (in which they expect to do well enough to bolster their vote in any subsequent national poll). But such a government would almost certainly leave the Communists outside the supporting majority, and for the solution to be viable the Socialists would have to agree to distance themselves in some way from the Communists (for example by abstaining if the Communists were in Opposition). Although Craxi himself appears to be willing to do this, it remains to be seen whether he can bring the rest of his party with him. Berlinguer for his part said in a weekend speech in Naples that the Communists would be ready to "go into a constructive position", and would not put obstacles in the way of a government supported by a more limited majority.

5. The situation is thus still obscure, and there is no immediate end to the crisis in sight. The likelihood of early elections is certainly increased following the failure of both Andreotti's and La Malfa's attempts to form a new government, but nobody (except the extreme Right) wants early elections, and at this stage the possibility of a limited term government with the Communists in position seems to be coming to the fore as the most likely solution. Meanwhile Andreotti and his Ministers are carrying on in office and there seems every prospect of their remaining there at least until after the forthcoming European Council.

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