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TO IMMEDIATE FCO

TELEGRAM NUMBER 126 OF 15 MARCH

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16 MAR 1979

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		GROUP TALK

INFO SAVING TO WASHINGTON, UKDEL NATO, UKREP BRUSSELS AND OTHER EEC POSTS.

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MY TELNO 109: ITALIAN POLITICAL SITUATION.

1. MOST COMMENTATORS NOW ASSUME THAT THE NEW GOVERNMENT WHICH ANDREOTTI IS EXPECTED TO PUT TOGETHER IN THE NEXT WEEK OR SO WILL FAIL TO OBTAIN A VOTE OF CONFIDENCE. IF THIS HAPPENS THE PRESIDENT WILL ALMOST CERTAINLY DISSOLVE PARLIAMENT AND THE NEW GOVERNMENT WILL MERELY SERVE AS A CARETAKER UNTIL AN EARLY GENERAL ELECTION.

2. ACCORDING TO CONSTITUTIONAL PRACTICE AN INTERVAL OF 45 TO 70 DAYS IS REQUIRED BETWEEN THE DISSOLUTION OF PARLIAMENT AND THE HOLDING OF ELECTIONS. ELECTIONS COULD THUS IN THEORY TAKE PLACE AS EARLY AS 6 MAY IF PARLIAMENT IS DISSOLVED NEXT WEEK. BUT THERE IS SOME PRESSURE, PROMOTED LARGELY BY THE SOCIALISTS AND SOCIAL DEMOCRATS (WHO ARE ANXIOUS TO AVOID A NATIONAL ELECTION BEFORE THE EUROPEAN ELECTIONS), TO DELAY MATTERS FOR LONG ENOUGH TO ALLOW THE TWO ELECTIONS TO BE HELD TOGETHER ON 10 JUNE. IN THIS CASE THE DISSOLUTION WOULD HAVE TO BE DELAYED AT LEAST UNTIL EARLY APRIL (IE 70 DAYS BEFORE 10 JUNE). THIS WOULD ALSO ALLOW THE COMMUNISTS TO HOLD THEIR CONGRESS, WHICH HAS NOW BEEN RESCHEDULED FOR 30 MARCH - 3 APRIL, BEFORE VOTING DOWN A NEW GOVERNMENT.

3. THE INCREASED LIKELIHOOD OF ELECTIONS FOLLOWS THE FAILURE OF ANDREOTTI'S LAST MEETING WITH THE COMMUNISTS ON 9 MARCH TO FIND A FORMULA WHICH WOULD HAVE ALLOWED THE COMMUNISTS TO COME BACK INTO THE MAJORITY. BERLINGUER APPARENTLY INSISTED ON A NUMBER OF NEW CONDITIONS IN ADDITION TO THE INCLUSION OF MINISTERS FROM THE INDEPENDENT LEFT, EG A COMMUNIST RIGHT OF VETO OVER THE CHOICE OF MINISTERS.

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/ THESE CONDITIONS

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THESE CONDITIONS WERE CLEARLY UNACCEPTABLE TO THE CHRISTIAN DEMOCRATS. ANDREOTTI WAS THEREFORE LEFT WITH NO ALTERNATIVE BUT TO FORM A GOVERNMENT (PROBABLY INCLUDING BOTH THE REPUBLICANS AND THE SOCIAL DEMOCRATS) WHICH WILL BE OPPOSED BY THE COMMUNISTS PLUS THE EXTREME LEFT AND THE EXTREME RIGHT. SUCH A GOVERNMENT IS UNLIKELY TO OBTAIN A MAJORITY IN PARLIAMENT UNLESS THE SOCIALISTS CAN BRING THEMSELVES TO ABSTAIN (THOUGH THERE MIGHT IN THEORY BE A FRAGILE MAJORITY - IF THE NON-FASCIST, RIGHT WING NATIONAL DEMOCRACY PARTY WERE INCLUDED - EVEN WITH THE SOCIALISTS IN OPPOSITION).

4. THE SOCIALISTS ARE MEANWHILE IN DISARRAY. IT IS STILL POSSIBLE THAT THEIR DESIRE TO AVOID NATIONAL ELECTIONS BEFORE THE EUROPEAN ELECTIONS MAY INDUCE THEM TO FIND A WAY OF ALLOWING A NEW ANDREOTTI GOVERNMENT TO SURVIVE WITH SOCIALIST ABSTENTIONS. BUT THE LEFT WING OF THE PARTY APPEAR FIRMLY AGAINST THIS, WHATEVER CRAXI HIMSELF MAY WANT, AND THE ODDS ARE NOW ON A DISSOLUTION AND EARLY ELECTIONS.

5. FCO PLEASE PASS TO SAVING ADDRESSEES.

CAMPBELL

[PASSED AS REQUESTED]

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