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14 June 1979		

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cf Mr. Ferguson's r. m  
ED(1)

Ewen Fergusson Esq CMG  
Foreign and Commonwealth Office  
LONDON S W 1.

Mr. Vereker R 186  
Mr. Nash - for alt. ack p1  
(perhaps after we have seen the  
Am/Andreotti record)  
Mr. Fergusson may

Dear Ewen,

with 13 reply  
11/7

FAREWELL CALL ON SIGNOR ANDREOTTI

Aug 1976

1. In paragraph 5 of my telegram No.204 I made a brief reference to Signor Andreotti's remarks about the Italian political situation when I called on him on 11 June. I thought, however, that you .... might like to have the enclosed fuller record of this call.
2. I think that the record generally speaks for itself but there is one point which perhaps deserves some further explanation on my part. I should not like colleagues in London to assume from the contents of paragraph 3 of my minute that Andreotti is either pro-Communist or soft in his attitude to that party. But, as we have heard from members of his entourage over a long period, Andreotti, who is above all a political realist, does tend to believe that in current circumstances it would be counter-productive to try to govern Italy in a way which was overtly antagonistic to the Italian Communist Party. In his view their position in the country, particularly in the trades union movement, is such that one must try to work for consensus with them as far as possible. Moreover, he believes that the Communists, for their part, regard him as a man with whom they can do business on a pragmatic, day-to-day basis, despite their withdrawal of support from his Government in January and disagreement with him on a number of issues, eg Italian membership of the EMS.
3. It is very difficult to say how Andreotti expects to put these ideas into action in terms of the current political crisis. On the one hand, the Italian Socialist Party, whose support, in one form or another, appears vital if a parliamentary majority is to be achieved, seems determined that Andreotti should go

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and preferably as soon as possible. On the other hand, Andreotti may be relying on the fact that the Socialist Party as a whole is unlikely, on recent past form, to accept any solution to the crisis which attracts the outright condemnation of the Communists. Andreotti may conceivably (though this is pure speculation) be banking on the possibility that alternative candidates for Prime Minister who might, as such, be acceptable to the Socialists would not in the end prove acceptable to the Communists and that Andreotti might once again seem to be the only credible choice. Whether or not these represent Andreotti's inner thoughts, he probably sees advantage in playing the crisis long and prolonging the life of his caretaker government until the autumn when a Christian Democrat Party Congress is expected, and when he may hope to obtain considerable support from certain sections of his party. But it is anyone's guess whether Andreotti, for all his skill, would succeed in such a lengthy delaying tactic and one is bound to admit that his allies in the current caretaker coalition government, namely the Republicans and the Social Democrats, are currently showing certain signs of restlessness.

y  
pms etc  
A H Campbell

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(A H Campbell)

11.15.79  
H. C.  
The Fellow

FAREWELL CALL ON SIGNOR ANDREOTTI ON 11 JUNE 1979.

1. Wierfirst spoke about Signor Andreotti's forthcoming visit to London later this week. He said that he had welcomed the opportunity of having a talk with Mrs Thatcher and other Ministers before the European Council. If I were able to give him any indication before he went (through his Diplomatic Adviser) of the sort of approach which the British Government had in mind, this would be very useful to him. I said that I hoped that tomorrow or on Wednesday to be able to give some indications to Signor Ruggiero about the way in which we thought of tackling the question of "convergence".

2. Signor Andreotti then made a number of flattering remarks about the success of my mission in Italy and the good state of Anglo/Italian relations. He said that he was particularly gratified that our partnership inside the EEC had lately prospered. He saw no reason why it should not continue to prosper but he hoped that the British Labour Party would manage to get over its present extreme disenchantment with the EEC. He thought that this could cause all of us great difficulty in the long run if the disenchantment could not be exorcised.

3. In reply to my question he then spoke with apparent openness about the Italian internal situation. He said that he had made no secret in the course of his speeches in the election campaign that in his view the Government of Italy in present circumstances should be, if not supported at least acquiesced in by the Communists. He quite understood why they had decided to break up the previous arrangement, and it would be too much to hope that they would completely change their tune in the near future. But he still would like to bring them into a position of "non-belligerency" in order that the Government of Italy could go on and in particular the necessary economic measures could be taken without violent opposition by the Unions. As regards the Socialists, it was true that Signor Craxi was personally very sour at present. He believed that this was partly because he had got it into his head that he as a Socialist ought to be the principal Italian to have dealings with Mr Callaghan and Chancellor Schmidt, even when the latter were actual Heads of Government (which Andreotti said was of course nonsense); and partly because he had been annoyed at the selection of Pertini to be President of the Italian



Republic contrary to his own wishes. However, Signor Andreotti said that he hoped he would calm down and would in fact also be willing to adopt an attitude of non-belligerency even if he was not prepared to be more friendly than this.

4. Signor Andreotti went on to say in reply to my question that it was difficult to be at all precise about the probable timing of moves towards forming a new government. The latest idea was to have a sort of freeze of the present government while the arrangements were being worked out to form a new one. The name of Saragat had come up as a possible new Prime Minister but he wondered whether Saragat, for all his excellent qualities, was not a little antique. He himself, he added, was no longer a boy but nor could he be regarded as absolutely past it. He went on to express some considerable satisfaction at his own success in the recent elections.

5. I conclude from what Signor Andreotti said about the internal situation that he is by no means without hope of forming a new government which enjoys the abstention of the Communists and Socialists.

11 June 1979

(A H Campbell)