

CONFIDENTIAL
SAVING TELEGRAM

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BY BAG
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SAVING NO: 11
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TO FCO SAVING TELEGRAM NO 11 OF 28 JUNE 1979
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MY TELNO 239: ITALIAN POLITICAL SITUATION

1. The political situation has evolved slowly since the general election on 3/4 June. Political leaders wished to evaluate the results of the European elections on 10 June and the Sardinian regional elections on 17/18 June before drawing any firm conclusions about the trends emerging from the general election. A further reason for delay in starting the process of forming a new government was the desire not to undermine Andreotti's position at the Strasbourg and Tokyo summits. Andreotti has now, however, formally reconfirmed the resignation which he handed in on 31 March, thus enabling President Pertini to start his consultations about a new government on 27 June.
2. The political parties have been staking out their positions in advance of the negotiations about a new government. The present positions of the main parties are as follows:-

(a) Christian Democrats (DC)

The DC have moved perceptibly to the right. Despite the known preference of Andreotti and the Party Secretary, Zaccagnini, for a solution involving some form of consensus with the Communists, the DC National Council approved a document on 24 June calling for a new parliamentary majority to be drawn exclusively from the five non-Communist parties of the constitutional arc - ie Christian Democrats, Liberals, Republicans, Social Democrats and Socialists. Andreotti's

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idea of a further attempt to re-associate the Communists with the majority has thus effectively been overruled by his party. Another sign of this same trend within the party was the defeat on 26 June of Zaccagnini's close associate, Galloni, in the first round of balloting for the position of DC Group Leader in the Chamber of Deputies. Galloni, who was the sitting incumbent, was overtaken in a free vote among all DC deputies by an associate of Donat-Cattin, the Party Vice-Secretary, who is well known for his anti-Communist views.

(b) Communists (PCI)

The PCI are licking their wounds after their election defeats. After their losses in the national and European elections, they suffered a further defeat in the Sardinian regional election on 17/18 June when, despite some hard campaigning by Berlinguer (Sardinia being his own fief), they dropped a further 5% as compared with their general election result two weeks before. Berlinguer has meanwhile continued to call for the PCI to be either in government or in opposition. Given the DC's outright rejection of PCI entry into government, and the evident reluctance of both major parties to contemplate intermediate solutions, there seems little doubt that the PCI are now set for a spell in opposition. Berlinguer has reiterated that this opposition will be moderate and responsible. But it remains to be seen to what extent internal party pressures may in fact force the PCI to follow a more aggressive line. Meanwhile, however, there are signs that the PCI may not make undue difficulties for the Socialists if the latter decide to abstain in parliamentary voting (see para 5 below).

(c) Socialists (PSI)

The PSI continue to be the key to the formation of a new government. Under the present parliamentary arithmetic (as also before the 3/4 June general election) no respectable non-Communist majority can be formed without PSI support or at least abstention. The Party Secretary, Craxi, still has not made clear what his price will be for such support. But the main element appears to be the appointment of a new Prime Minister to replace Andreotti. So long as the Socialists persist in this position, from which they show no sign of budging at present, it is hard to see how Andreotti can in fact succeed in forming a new government.

(d) Social Democrats (PSDI)

The PSDI are calling for a lay Prime Minister, evidently hoping that their veteran Party President and former President of the Republic, Saragat, will emerge as a compromise candidate after the Christian Democrats have failed to find a Prime Minister who can command sufficient support. But, at 80, Saragat is probably too old to be taken seriously as a candidate, and he can only be reckoned to have a very outside chance.

(e) Republicans (PRI)

The PRI Party Secretary, Biasini, has come under fire within his own party for being too close to the Christian Democrats (with whom the PRI are, of course, in coalition in the present DC-PSDI-PRI caretaker government). The PRI have been somewhat directionless following the death of their leader, La Malfa, in March, and their gains in the general election were smaller than those of the other centre lay parties. Nevertheless they are likely to form part of any new DC-led coalition.

(f) Liberals (PLI)

The small Liberal Party has joined the PSI and PSDI in calling for a lay Prime Minister. The Liberals did not form part of the majority which supported Andreotti's last government. But following their recovery in the general election they would probably now be prepared to support a DC-led centre coalition, preferably under someone other than Andreotti.

Elections of Speakers

3. The only parliamentary event of any note since the general election was the election of the Presidents (Speakers) of the two Chambers at the first session of the new Parliament on 20 June. In the Senate the right wing DC leader, Fanfani, was reconfirmed as President by an overwhelming majority. In the Chamber of Deputies, however, the PCI incumbent, Ingrao, did not stand for re-election and the replacement PCI candidate, Nilde Iotti, only just succeeded in obtaining the necessary two-thirds majority on the first ballot. Nilde Iotti (1978 LP Notes no 61) is the first woman to be elected President of the Chamber, which in protocol terms is the third highest office in the

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country (after the President of the Republic and the President of the Senate). So far as the PCI is concerned, the main significance of the change is that Ingrao, who has a considerable following in the party, will now be free to devote himself to party activities. He could in due course pose something of a threat to Berlinguer's leadership.

The next government

4. The mandate to form a new government is expected to be given in the first instance to Andreotti himself (probably next week, soon after his return from Tokyo). But whether he will succeed in doing so is, if anything, more doubtful than it appeared a few weeks ago (my telno 204), given the attitude of the Socialists and the movement of opinion within the DC itself.
5. The moves by the small lay parties in support of a lay candidature, which seems unlikely to succeed, are probably merely a way of putting pressure on Andreotti to go. If Andreotti fails at the first attempt there may well be a lay candidate put forward (eg Saragat). But the mantle would probably soon pass back to the Christian Democrats, and in these circumstances the clear favourite at this stage would be the DC Party President, Piccoli. It is being said (for example by the PCI Deputy Napolitano at my house last week) that a DC Prime Ministerial candidate other than Andreotti should have no difficulty in securing PSI abstentions for a DC government or DC-led centre coalition, with the Communists in opposition, and that such a government might possibly last until the regional elections in Spring 1980. All this, however, is pure speculation at this stage, and the only thing which seems clear is that a new government is not likely to be formed for some time yet, possibly not until shortly before the start of the Italian summer break in mid-August.

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