

CONFIDENTIAL

5550

CONFIDENTIAL

FM ROME 261145Z NOV 79

TO PRIORITY FCO

TELEGRAM NUMBER 547 OF 26 NOVEMBER

INFO PRIORITY UKREP BRUSSELS

INFO ROUTINE ALL OTHER EEC POSTS.

INFO SAVING WASHINGTON, UKDEL NATO, MILAN.

*Italy*

*Rome Rome*

*Russ*

*ant*

MY SAVING TELNO 18: ITALIAN POLITICAL SITUATION

1. SIGNOR COSSIGA WILL GO TO THE DUBLIN COUNCIL AS LEADER OF A GOVERNMENT WHICH IS WEAK EVEN BY ITALIAN STANDARDS, BUT WHICH NEVERTHELESS, IN THE ABSENCE OF ANY CREDIBLE ALTERNATIVE, APPEARS TO BE IN NO IMMINENT DANGER OF FALLING.
2. HIS MAIN WEAKNESS - THE FRAGILITY OF HIS POLITICAL BASE IN PARLIAMENT - IS PARADOXICALLY ALSO HIS STRENGTH. AFTER OVER SIX MONTHS OF POLITICAL CRISIS EARLIER THIS YEAR NOBODY IS GOING TO BE IN A HURRY TO THROW HIM OUT UNLESS THERE IS AN ALTERNATIVE IN SIGHT, AND THERE IS NO SIGN YET OF AN ALTERNATIVE EMERGING FROM THE CONFUSED BARGAINING WHICH IS AT PRESENT GOING ON WITHIN AND BETWEEN THE PARTIES. SOME PEOPLE THINK THAT THE CHRISTIAN DEMOCRAT CONGRESS AT THE END OF JANUARY MAY POINT THE WAY TO A NEW GOVERNMENT. BUT IT LOOKS INCREASINGLY LIKELY THAT THE CONGRESS WILL NOT PRODUCE ANY CLEAR-CUT RESULT (SUCH AS A COMMITMENT TO SEEK AN ALLIANCE WITH THE SOCIALISTS, WHICH WOULD BE THE BEST WAY OF CREATING A STABLE MAJORITY) AND THE COSSIGA GOVERNMENT MAY WELL BE LEFT IN THE SADDLE UNTIL THE MIDDLE OF NEXT YEAR.
3. ON THE CREDIT SIDE THE GOVERNMENT CAN COUNT, FOR THE TIME BEING, ON THE BACKING OF ITS THREE COMPONENT PARTIES - CHRISTIAN DEMOCRATS, SOCIAL DEMOCRATS AND LIBERALS - ALL OF WHOM HAVE RECENTLY REAFFIRMED THEIR SUPPORT FOR COSSIGA, DESPITE SOME SNIPING AT HIM (NOTABLY FROM THE SOCIAL DEMOCRATS) EARLIER THIS MONTH. COSSIGA HAS GIVEN THE LEADERS OF THE THREE PARTIES IN EXCHANGE SOME NOT VERY SPECIFIC ASSURANCES ABOUT SPEEDING UP ACTION ON THE GOVERNMENT'S ECONOMIC PROGRAMME. A SENIOR CHAMBER OF DEPUTIES OFFICIAL HAS COMMENTED TO US THAT

CONFIDENTIAL

*/ THIS SHOULD*



CONFIDENTIAL

THIS SHOULD BE ENOUGH TO HOLD THE POSITION FOR THE TIME BEING. THE DISARRAY IN THE COMMUNISTS (WHO HAVE JUST FACED AN UNUSUALLY FORTHRIGHT ATTACK FROM THE VETERAN LEADER OF THEIR MODERATE WING, AMENDOLA) AND IN THE SOCIALISTS (WHO STILL CANNOT DECIDE WHETHER THEY ARE MOVING TOWARDS THE COMMUNISTS OR THE CHRISTIAN DEMOCRATS) IS ALSO HELPFUL TO THE GOVERNMENT IN THE SENSE THAT IT GIVES THE CHRISTIAN DEMOCRATS MORE TIME TO SORT THEMSELVES OUT.

4. TO COSSIGA'S CREDIT, HE HAS SHOWN HIMSELF WILLING TO GIVE A FIRM LEAD TO THE POLITICAL PARTIES OVER THE TNF ISSUE. BUT ON VIRTUALLY EVERY OTHER ISSUE WHICH HAS THREATENED DOMESTIC POLITICAL DISCORD - AND PARTICULARLY ON PRESSING ECONOMIC MATTERS SUCH AS ENERGY POLICY, UNEMPLOYMENT AND PENSIONS REFORM - HIS GOVERNMENT HAS SO FAR BEEN UNABLE TO INTRODUCE ANY WORTH-WHILE MEASURES. PART OF THE BLAME FOR THIS MUST REST WITH THE FAR-LEFT RADICAL PARTY, WHOSE 18 DEPUTIES HAVE MANAGED BY FILIBUSTERING TACTICS TO BLOCK A CONSIDERABLE AMOUNT OF ATTEMPTED LEGISLATION. BUT THE GOVERNMENT ITSELF IS ALSO SHOWING A REGRETTABLE TENDENCY - WHICH THE TREASURY MINISTER PRIVATELY DEPLORED TO ME THE OTHER DAY - TO AVOID FACING UP TO DIFFICULT ECONOMIC DECISIONS.

5. ALL THIS MAKES IT IMPORTANT FOR COSSIGA THAT HE SHOULD NOT RETURN FROM THE DUBLIN COUNCIL EMPTY-HANDED. THE ACCOUNT IN M.I.F.T. OF A MEETING ON THE EVENING OF 22 NOVEMBER BETWEEN ZAMBERLETTI (M.F.A. PARLIAMENTARY UNDER SECRETARY) AND MEMBERS OF THE FOREIGN AFFAIRS COMMITTEE ILLUSTRATES THE INTERNAL POLITICAL PRESSURES IN THIS FIELD.

6. FCO PLEASE PASS ADVANCE COPIES TO:-

P.S. TO LORD PRIVY SEAL

/FRETWELL

2

CONFIDENTIAL