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ROME TELNO 2 (NOT TO ALL): SIGNOR COSSIGA'S VISIT TO LONDON

ITALIAN POLITICAL SITUATION

- 1. SIGNOR COSSIGA'S GOVERNMENT CONTINUES TO LOOK VERY FRAGILE, THOUGH NOT IN IMMINENT DANGER OF COLLAPSE. MOST PEOPLE THINK THAT A POLITICAL CRISIS CANNOT BE POSTPONED BEYOND THE REGIONAL ELECTIONS DUE BETWEEN MID/APRIL AND MID-JUNE (AT A DATE STILL TO BE DECIDED) AND THAT IT MAY WELL COME EVEN SOONER.
- 2. THE SOCIALISTS, ON WHOSE ABSTENTIONS THE GOVERNMENT DEPENDS, ARE AS ALWAYS THE MAIN DESTABILISING FACTOR. THE LATEST INDICATIONS OF SOCIALIST INTENTIONS ARE WORRYING FOR COSSIGA. AT A MEETING OF THE SOCIALIST CENTRAL COMMITTEE FROM 14 TO 18

 JANUARY THE PARTY SECRETARY CRAXI WAS FORCED TO MOVE TO THE LEFT IN ORDER TO PRESERVE A SEMBLANCE OF PARTY UNITY. HAVING STARTED THE MEETING BY REAFFIRMING QUALIFIED SUPPORT FOR THE GOVERNMENT, CRAXI FOUND HIMSELF IN A MINORITY VIS-A-VIS HIS PRO-COMMUNIST LEFT WING AND ENDED BY CALLING FOR AN EMERGENCY GOVERNMENT, INCLUDING THE COMMUNISTS, TO REPLACE SIGNOR COSSIGA SOON AFTER THE CHRISTIAN DEMOCRAT CONGRESS (WHICH IS NOW LIKELY TO BE POSTPONED UNTIL MID-FEBRUARY).
- 3. THIS WAS A SIGNIFICANT DEFEAT FOR CRAXI, AND REVIVED SPECULATION ABOUT AN EARLY CRISIS. IT IS RELIABLY REPORTED, HOWEVER, THAT COSSIGA, THROUGH PRESIDENT PERTINI, SECURED SOME SORT OF ASSURANCE FROM THE SOCIALIST LEADERS BEFORE HE SET OFF ON HIS CURRENT ROUND OF VISITS TO WASHINGTON AND LONDON THAT THEY WOULD NOT PROVOKE A CRISIS FOR THE TIME BEING. THE ASSUMPTION IS THAT THIS MEANS NO CRISIS UNTIL AFTER THE REGIONAL ELECTIONS. BUT THE TIMESCALE IS FAR FROM CLEAR: AND THE CHANGE IN CRAXI'S POSITION HAS UNDOUBTEDLY INCREASED THE RISK OF AN UPSET.

COSSIGA CAN HOWEVER DRAW SOME COMFORT FROM THE PROGRESS OF THE DC REGIONAL CONGRESSES IN PREPARATION FOR THE NATIONAL CONGRESS NEXT MONTH. THESE HAVE RESOLUTELY REAFFIRMED THE DC'S REJECTION OF SOLUTIONS INVOLVING THE COMMUNISTS' ENTRY INTO GOVERNMENT. COSSIGA'S TWO SMALLER COALITION PARTNERS, THE SOCIAL DEMOCRATS AND THE LIBERALS. HAVE ALSO MADE HELPFUL STATEMENTS RECENTLY ABOUT THE NEED TO AVOID A CRISIS WHICH COULD ALLOW THE COMMUNISTS TO TAKE A STEP FORWARD. THE SOCIAL DEMOCRAT LEADER, LONGO, WAS PARTICULARLY FORTHRIGHT AT HIS PARTY'S CONGRESS ON 16-20 JANUARY. IN REJECTING ALL IDEA OF COMMUNIST PARTICIPATION IN GOVERNMENT.

- 5. WED PLEASE PASS ADVANCE COPY TO SIR R ARCULUS
- 6. FCO PSE PASS TO ALL SAVING ADDRESSEES.

GOODISON

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