

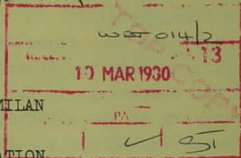
BY BAG

FROM ROME

CONFIDENTIAL

TO FCO SAVING TELNO 8 OF 7 MARCH 1980
AND REPEATED SAVING OTHER EC POSTS,
UKREP BRUSSELS, UKDEL NATO, WASHINGTON, MILAN

*Mr. Vandor has seen.
K. M.P.*



⑤ MY SAVING TENO 5: ITALIAN POLITICAL SITUATION

1. The National Council of the Christian Democrat Party(DC) duly met on 5 March and elected Signor Flaminio Piccoli to the Secretaryship and Signor Arnaldo Forlani to the Presidency of the Party.
2. Up to the last minute there had been hopes of patching up an agreement between the two groups which had emerged at the Party Congress (para 2 of my Saving TUR) and thus of avoiding a split vote in the elections. Under such an agreement it would have been natural for the 58% majority (the centre and right of the party) to take the Secretaryship - which is the more important job - leaving the Presidency to the 42% minority (the group around Zaccagnini and Andreotti). In the event, however, no such agreement was reached; and Piccoli and Forlani, who both belong to the 58% majority, were voted into office by their supporters, while the 42% minority simply recorded blank votes. The voting figures were (out of 188 present and voting) for Piccoli 110 in favour, 75 blank and 3 spoilt votes; and for Forlani 115 in favour, 71 blank and 2 spoilt votes.
3. This election has confirmed two trends which had already begun to emerge at the Congress last month. First, the division of the party into two distinct groups has been accentuated by the failure to reach agreement on a slate for the election. Secondly, the clean sweep of major party offices by the majority group (who will also have the Vice-Secretaryship for one of their faction leaders, Donat Cattin) represents a distinct swing to the right in the party and a defeat for the Zaccagnini-Andreotti line of pursuing a dialogue with the Communists.
4. Piccoli is the sort of party manager who has always tended to put considerations of party unity above those of principle. He showed this in his acceptance speech on 5 March when he stressed the need for the DC to develop its relationships with the centre lay parties, the Socialists and the Communists - thus borrowing, at least so far as the reference to the Communists is concerned, the language of the Zaccagnini-Andreotti minority. (Indeed it is reported that he re-wrote his speech at the last minute and submitted it in advance to the minority in a final vain attempt to secure a

unanimous vote). Nevertheless, it is likely that under Piccoli's Secretaryship the DC will stick to a generally hard line against the Communists.

5. By the same token Piccoli (like Forlani) has always cultivated close relations with the Socialist (PSI) Secretary, Craxi. His election to the Secretaryship may thus, in the long run, improve the prospects of the eventual recreation of a centre-left alliance between the DC and the PSI. For the time being, however, with the left wing of the PSI in the ascendant and looking towards an alliance with the Communists rather than with the DC, Piccoli is probably less acceptable to the PSI as DC Secretary than was his predecessor, Zaccagnini.

6. It remains to be seen whether these changes in the DC will encourage the PSI to be more intransigent in their attitude towards the Cossiga government, or whether, on the other hand, the PSI will be encouraged to delay provoking a crisis on the grounds that the harder line in the DC leadership could make a crisis even more difficult to resolve. For the time being, it still looks as if the PSI will allow the government to hang on at least until the administrative elections due in late May or early June.

ARCULUS

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[NOT ADVANCED]