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MY SAVING TELNO 8: ITALIAN POLITICAL SITUATION.

1. AFTER A WEEK OF INTENSIVE CONSULTATION AMONG PARTY LEADERS IT IS NOW GENERALLY THOUGHT THAT THERE MAY BE AN EARLY GOVERNMENT CRISIS, PERHAPS WITHIN THE NEXT FEW DAYS. THERE IS LIKELY TO BE A VOTE OF CONFIDENCE IN PARLIAMENT THIS WEEK. IF THE SOCIALISTS STICK TO THEIR DECLARED INTENTION OF WITHDRAWING THEIR ABSTENTIONS (ON WHICH THE GOVERNMENT DEPENDS FOR ITS SURVIVAL), THE GOVERNMENT COULD FALL.

2. A FACTOR IN ACCELERATING THE TEMPO OF THE CRISIS APPEARS TO HAVE BEEN PRESIDENT PERTINI. HIS SECRETARY-GENERAL TOLD ME ON 15 MARCH THAT PERTINI HAD COME TO THE CONCLUSION THAT IT WOULD BE BETTER TO BRING THE CRISIS INTO THE OPEN BY AN EARLY VOTE IN PARLIAMENT RATHER THAN HAVE IT FESTERING UNTIL THE ADMINISTRATIVE ELE CTIONS IN LATE MAY OR EARLY JUNE. ANOTHER FACTOR WAS THAT THE COMMUNISTS CAME OUT LAST WEEK IN FAVOUR OF AN EARLY CRISIS, AND ARE CLEARLY PUTTING PRESSURE ON THE SOCIALISTS TO FORCE THE ISSUE IN PARLIAMENT. MEANWHILE FURTHER DISARRAY IN THE SOCIALIST PARTY (INCLUDING THE RESIGNATION OF ITS NEW LEFT-WING PRESIDENT, LOMBARDI) HAS FORCED CRAXI FURTHER TOWARDS A SHOWDOWN. THERE HAVE ALSO BEEN SIGNS OF UNREST FROM THE SMALLER COALITION PARTNERS, PARTICULARLY THE SOCIAL DEMOCRATS , WHO ARE EVIDENTLY WORRIED ABOUT BEING SQUEEZED OUT OF THE BARGAINING ABOUT A SUCCESSOR GOVERNMENT. AGAINST THIS BACKGROUND , AND AFTER THE FAILURE OF ATTEMPS BY THE NEW DC PARTY SECRETARY, PICCOLI, TO START A FURTHER ROUND OF INTER-PARTY TALKS DESIGNED TO KEEP THE GOVERNMENT IN BEING, COSSIGA SEEMS TO HAVE CONCLUDED LAST WEEK THAT THERE MAY BE NO ALTERNATIVE BUT TO FACE AN EARLY SHOWDOWN IN PARLIAMENT.

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3. THERE IS WIDE SPECULATION ABOUT THE POSSIBLE SHAPE OF A SUCCESSOR GOVERNMENT. BUT THE ONLY POINT ON WHICH EVERYONE SEEMS AGREED IS THAT THE COMMUNISTS HAVE NO CHANCE OF BEING INCLUDED. IT IS ASSUMED IN THE PRESS THAT COSSIGA HIMSELF WILL BE THE FIRST TO BE INVITED TO FORM A NEW GOVERNMENT, THOUGH PERTINI'S SECRETARY-GENERAL WAS NOT VERY POSITIVE ABOUT THIS WHEN I ASKED HIM ON 15 MARCH. POSSIBLE SOLUTIONS WHICH ARE BEING SPOKEN OF INCLUDE A 5-PARTY (DC-PSI-PSDI-PRI-PLI) OR A 3-PARTY (DC-PSI-PRI) COALITION INCLUDING THE SOCIALISTS. BUT THE LATTER MAY NOT BE WILLING TO ENTER SUCH A COALITION EXCEPT ON THE BASIS OF A SOCIALIST PRIME MINISTER, WHICH IS A PRICE THE CHRISTIAN DEMOCRATS ARE PROBABLY NOT AT PRESENT WILLING TO PAY. ANOTHER POSSIBILITY WHICH IS SPOKEN OF IS A SINGLE-PARTY CHRISTIAN DEMOCRAT GOVERNMENT WITH EXTERNAL SUPPORT FROM OTHER PARTIES INCLUDING THE SOCIALISTS. NONE OF THESE SOLUTIONS HOWEVER WILL BE EASY TO NEGOTIATE, AND THE CHANCES ARE THAT THE CRISIS, WHEN IT COMES, MAY TAKE SOME TIME TO RESOLVE.

4. AS REGARDS COSSIGA'S PERSONAL POSITION THERE SEEMS LITTLE DOUBT THAT HE WILL STILL HIMSELF GO TO THE EUROPEAN COUNCIL AT THE END OF THE MONTH, EVEN IF ONLY AS A CARETAKER PRIME MINISTER. BUT WHETHER OR NOT THERE IS AN EARLY CRISIS IT IS CLEAR THAT HE WILL NOW BE INCREASINGLY PREOCCUPIED WITH HIS DOMESTIC DIFFICULTIES DURING THE COMING WEEKS. THIS IS BAD NEWS FOR THE ITALIAN CONDUCT OF THE PRESIDENCY.

5. FCO PSE PASS SAVING ADDRESSEES.

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