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BRITISH EMBASSY.  
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Foreign and Commonwealth Office  
LONDON S W 1.

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Dear Brian

ITALIAN GOVERNMENT CHANGES

*(2) W to D - for action*

*31-13/10*

1. We are reporting by telegram and Chancery letters the development of the Italian Government crisis, which has obvious implications for next week's State Visit and for the Prime Minister's visit at the end of November. (Otherwise we should report more sparingly.) Given the close contacts which have been maintained between No.10 and Prime Minister Cossiga over the last year and particularly during the Italian Presidency, I thought you might like to have some account of how he, unfortunately, fell.
2. He is an unusual man measured by the standards of Italian politicians. He was picked by President Pertini as being untainted. His resignation over the Moro affair was characteristic of him, but not of Ministers generally, for it is rare in Italy to resign as a matter of honour. His colleagues tell me that he is a proud man, like a true Sard, but is also much more sensitive than many Sardes and less inclined to fight back after being wounded.
3. He started well - an honest man with experience and knowledge particularly of the Interior and Defence Ministries, and not too prominent in the DC: an ideal compromise candidate to serve at a difficult time. But this year he came under very considerable personal pressure. The start of his decline may be seen in the Donat Cattin affair in which the Left led by the PCI made unscrupulous use of anything they could drag up to discredit Cossiga personally. The ordeal culminating in "trial" by Parliament was severe, despite eventual "acquittal", and he bitterly resented being put on trial in this way. Cossiga was tired by the end of the Italian Presidency (it showed physically at Venice) and the Donat Cattin affair dealt him a blow from which he has never bounced back.

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4. I wondered if he might, during the summer, but after July nothing went right for his Government. The economic decree, judged necessary to defend the Lira and restrain domestic demand, twice failed to get through Parliament (the second time being the occasion of the Government's fall). The PCI followed their Donat Cattin campaign with another vicious little attack, this time on the Justice Minister, Morlino. Again it failed, but some of the mud stuck. The Bologna railway station bomb was a national tragedy but also seemed to underline the Government's run of ill luck. Meanwhile, FIAT were in deep trouble and Berlinguer and the PCI have not hesitated to use the threat of mass redundancies and the alleged failure of the Government to act (having themselves no clear remedies to offer) as a further opportunity for all out opposition.

5. When Cossiga finally resigned it was again characteristic. He and his colleagues agonised over whether to seek a vote of confidence, and decided to do so. The subsequent secret vote was lost by a whisker. There were a number of accidents on the Government side which lost them the vital votes, and better whipping arrangements might have saved the day. Cossiga was disgusted with the rebels who deserted him, decided not to fight the verdict, and so we had his unexpected and sad fall. He had had enough and was not prepared to try to form another Government.

6. There are those who suggest that some of the asperity of the PCI attacks has reflected personal animosity between Berlinguer and Cossiga (they are related), though their relations until 6 months or so ago were said to be good, even friendly. I have no evidence of this myself. Berlinguer was in trouble with his policy of historic compromise and may have moved toward outright opposition to the Government in order to hold the PCI base together. The Cossiga Government was bitterly attacked but Cossiga himself did not become a bogey man for the Left, as for example is Donat Cattin himself or the Party Secretary Piccoli. It is rather that Cossiga has taken personally attacks from various quarters which most DC politicians would have taken in their stride.

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And this was not helped by the loss of a proper summer holiday (prevented by the parliamentary difficulties over the economic decrees) that might have helped to restore him. As it was the physical stress visible in Venice was not removed by the summer recess and he entered the autumn lists in a fragile state.

7. The formation of the next government is still unclear, though it is possible that Forlani may sew it up quite quickly. Forlani would not be as easy an interlocutor as Cossiga. When Foreign Minister he was not interested in seeing foreign Ambassadors, though it is worth noting that at his farewell luncheon for Alan Campbell he departed from his written text to speak at length of his enthusiasm for the United Kingdom and for cooperation between us. Cossiga's departure should not, however, lead to any major changes in Italian policy. The decision he took on TNF and his management of the EC budget problem stand to his credit, particularly with us. It is highly unlikely that Forlani or any other likely successor would change major policies. The fall of Cossiga's government was over internal affairs to which international commitments, in the eyes of Italian politicians, are not very relevant. Once again the Italians permitted themselves a government crisis when the international scene is troubled and a domestic crisis particularly untimely. Cossiga will be missed, particularly by Italy's friends and allies, but life will go much as before. It is too early to say if he will be in the next Government.

8. I expect that, given the closeness of contacts with him, consideration will be given to a message to Cossiga from No.10 when he finally hands over office. The appropriate moment would be when the new Government is sworn in. Lord Carrington may also wish to send a personal message to Signor Colombo if the latter were to lose his post. (He will see Colombo during the State Visit anyway.) Officials in the Ministry of Foreign Affairs dearly hope that Colombo will stay (as I do), but he is showing signs of nervousness about the outcome and his departure can certainly not be ruled out.

*How ever,*  
*Arculus*  
(R Arculus)

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VISIT BY H M CONSUL GENERAL TO PERUGIA: THURSDAY 25 SEPTEMBER 1980

## DR ELIO CHIALANT - PREFECT

1. Dr Chialant said that the region of Umbria was remarkably free from problems. The people were cautious, hard-working and law-abiding; there was no sign of terrorism and comparatively little crime. Until very recently Umbria had been almost entirely agricultural but, as elsewhere, there had been a drift away from the land into industry in the towns during the last ten or fifteen years. Almost all this industry was on a small scale. It was prospering and still expanding and there was virtually no sign of economic recession. Agriculture was also doing well and there were now some signs of people leaving industry and the towns to return to the land.
2. Dr Chialant said that the only serious local problem in Perugia was the presence of The University for Foreigners. It was the only institution of its kind in Italy and foreigners who wanted to study in an Italian university came there to obtain the necessary language qualification. The result was that it was besieged by foreigners from all over the world and mainly from the Third World. There was, of course, also the State University in Perugia. The total number of students in the town, about 30,000, was out of all proportion to the population of about 90,000. Apart from the pressure on accommodation and every other service, the foreign students brought with them their own political problems. There were, for example, a large number of Iranians and several hundred Iraqis. There were about 200 British students but they had caused no problems of any kind.

## PROFESSOR GERMANO MARRI - PRESIDENT OF THE REGIONAL GIUNTA (PCI)

3. Professor Marri told us that before his election as President of the Regional Giunta he had taught medicine in the University of Perugia. He was a specialist in diabetes, which he had studied in the Royal Free Hospital in London. He spoke very warmly both of his experiences in London and of the standard of British hospitals and the British Health Service in general. He wished he could say the same of Italy but the truth was that there had been a complete collapse of standards in Italian medicine. It was far too easy to qualify as a doctor. There were far too many of them and their ratio to the population was too high. In the absence of both the carrot and the stick, and he remarked that this applied to many other aspects of Italian life, there was no inducement for the doctors in general to make any effort.
4. Professor Marri was, however, more optimistic about agriculture in Umbria. In recent years there had been a great improvement in farming technology and collective farms had been introduced with great success. Quite a large proportion of land was in public ownership as a result of gifts in the past to the Local Authorities, to institutions such as hospitals and to the church. Much of this public-owned land (in which Professor Marri appeared to include the property of the church) was now being successfully operated as collectives. The increasing prosperity of agriculture and the introduction of machinery to reduce the laboriousness of the work was leading to a marked return to the land.
5. Professor Marri said that he was anxious to encourage links of the kind which had been made between twinned towns, between Umbria and similar regions in other countries, particularly in the West. There were links of this kind with Eastern European countries but this was no more than a political gesture. Delegations came from these Eastern European countries and made pre-arranged speeches but they were not accessible to real human contact and exchanges of experience. For this reason he was quite sure that contacts with the West would be more profitable and stimulating. The Regional Government has already asked Italian Embassies in Western Europe to pursue this idea.



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## SENATORE RAFFAELE ROSSI - VICE SINDACO (PCI)

6. Mr Rossi, who is a former Member of Senate) is a good deal older than Professor Marri but as equally frank, intelligent and communicative. He said that Perugia was thriving. There was no unemployment apart from the usual problem of some graduates not being able to get the kind of work they would prefer. The town was still expanding and new houses as well as new factories were under active construction. The objective of the Commune was in fact to restrict and not to encourage growth. The town had doubled in size in a period of fifteen years from about 1955 onwards. This was because the industrial boom in Italy had coincided with a crisis over the rejection of the Mezzadria system. The new industries in Perugia were small in scale, well conducted and very successful. Umbria had traditionally been a Region with several little towns and none that was overwhelmingly large. His administration would like to keep things this way. They did not want to see Perugia developing into a large town which would destroy its traditional character and bring with it the problems which were inescapable in large towns.
7. Mr Rossi agreed with the Prefect that the more serious local problem was the University for Foreigners. It had been intended as a centre for the study of Italian civilisation but had been so besieged by foreign students of little intellectual background that it had become little more than an elementary Berlitz school. New centres of this kind would have to be created elsewhere; it was quite unreasonable to expect Perugia to carry the whole load.
8. Mr Rossi asked about twinning arrangements. He would like to find a suitable town in the UK with which Perugia could be twinned. Mr Robinson undertook to follow this up.

*P.H. Scott*P H Scott

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