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PS/LPS

A B BRIEFS FOR CABINET MEETING ON 23 OCTOBER: NEW ITALIAN AND BELGIAN GOVERNMENTS

1. I <u>submit</u> draft briefs for the LPS which draw on recent reporting from Rome and Brussels, in particular Rome Telegrams 517 of 29 September and 578 of 20 October. The Belgian government was announced this afternoon: a full list of appointments will be sent by telegram before the Cabinet meeting.

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NEW ITALIAN GOVERNMENT

POINTS TO MAKE

- 1. Signor Arnaldo Forlani the Christian Democrat Party Chairman, has formed a new centre-left government of four parties: Christian Democrats (DC), Socialists (PSI), Social Democrats (PSDI) and Republicans (PRI), which was sworn in on 18 October.
- 2. The inclusion of the Social Democrats has made some ministerial reshuffling inevitable. But more than half the former team keep their jobs, including the Foreign Minister, Signor Colombo.
- 3. The same political and economic problems confront the new government. The new coalition's larger majority should enable the government to survive more easily in Parliament than the old one; but it is by no means clear that the theoretically enhanced security of the government has been matched by any improvement in the calibre of the new incumbents.

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BACKGROUND

- 1. The occasion of former Prime Minister Cossiga's defeat was a secret ballot on 27 September on the Government's economic package. This had survived a tied vote on 23 September: on 27 September, those who abandoned the Government probably included some on the left-wing of the Christian Democratic Party who preferred consensus politics to Cossiga's outright opposition to the PCI, some left-wing Socialists resentful of the PSI leader's collaboration with the DC and others giving vent to personal grievances. The Communist Party's determined campaign throughout the summer to bring down the Government also undoubtedly contributed to its fall.
- 2. The Communists have so far reserved their position regarding the new Government. The PCI leader, Signor Berlinguer has had talks with Signor Forlani. But there has been no announcement about what if anything was agreed.