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Mr Fergusson

- 1. I attach a note of a conversation between HM Ambassador Rome and President Pertini of Italy on 12 May. HM Ambassador appears to have established a relationship of unusual confidence with the President and these conversations provide some fascinating insights into the workings of Italian political life. This latest conversation also contains some interesting asides on France: I found it interesting that the President should regard M Giscard as 'anti-American' and cannot imagine that M Giscard would be pleased to hear it.
- 2. Mr du Boulay will note the message in the last paragraph.

In Red Min

19 May 1981

D A S Gladstone Western European Department

cc:

Mr du Boulay, PCD Mr Spreckley, ECD(I) Mr FitzHerbert, ECD(E) NENAD Research Department





Minister H of C Mr Culshaw

cc: Mr Gladstone WED

NOTE OF CONVERSATION WITH PRESIDENT PERTINI ON TUESDAY, 12 MAY

- 1. When I saw the President at the Spanish Embassy the other night during the King of Spain's visit, he said "come to lunch" and this duly occurred today, the second such occasion on which he has given me lunch at the Quirinale a deux. It would be wise not to quote anything which he said nor to refer to the fact that the lunch took place.
- M Mitterrand. The President was obviously preoccupied with the implications of Mitterrand's victory. He recalled that he had seen him in Rome only about three weeks ago and found him quietly optimistic, believing that enough Gaullists might withhold their votes from Giscard to enable him, Mitterrand, to scrape The President was obviously glad to see the back of witersking Giscard, whom he found pompous and thoroughly unsound in his anti-Maricanism and pro-Soviet Dehaviour. The Soviet Union would now be embarrassed at seeing their preferred candidate defeated. And this would make their relations with Mitterrand start badly. argued with some emphasis that Mitterrand was under no obligation whatever to bring the Communists into his government. Marchais had behaved in a way which made it easy for Mitterrand to take the line that he owed him nothing. Mitterrand might turn out to be better in some respects for the rest of us, because he would not make a point of being anti-American and could play a constructive role in the European Community, where he would not listen as much as Giscard did to the voices of the agriculture and other lobbies. The President recalled having spoken to President Giscard about the importance of letting Spain into the Community and Giscard had been reluctant because of the damage to French agricultural interests which would be caused, and had merely said he would look at the question again after the French elections. too, would suffer damage as in the case of Greece, but it was important for the democratic future of these countries to bring them into the Community. The Schmidt/Giscard relationship would also disappear and the President obviously did not regret that. On the other hand he said that Mitterrand's relationships with the PSI were good.
  - 3. I said that possible difficulties might be in the EMS if the Franc continued to have a rough ride, and in the EC where the French elections might cause delay in, for example, restructuring, to which we attached importance. I mentioned that the Spanish Foreign Minister had also expressed anxiety to me that a Mitterrand victory would be followed by French elections which would cause the French to drag their feet for even longer over the entry of Spain into the Community. The President agreed. He said that

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Mitterrand's success would depend upon the skill with which he chose his Ministers.

- His disparaging remarks about the Constitutional problems. French presidential system and the superiority of the Italian one, where the President was less powerful, led to a discussion of the possibilities of constitutional reform in Italy. The President said some modest reforms might be made, particularly to streamline the legislative process, which badly needed it. Also it would be desirable to find a specific role for the Senate, which should not merely duplicate that of the Assembly. It might, for example, have some responsibility for the affairs of the regions. In that context he said that regional devolution was working; at least in the northern areas the regional governments were working well. was true that giving more power to the regions had occasional disadvantages, eg if the particular region objected to the siting of a nuclear power plant. But on the whole it was a good tendency. He also thought that the Presidential term should be cut from 7 to 6 years. There had originally been some point in having different lengths of mandate for the Senate, Assembly and Presidency of 5, 6 and 7 years, but now the first two were 5, the last should be 6. He wanted to the continue to the end of his term.
- Domestic politics. The President said that it was true that Craxi would be much encouraged by the victory of Mitterrand, but he hoped he would not exaggerate. Indeed he had warned him in this sense shortly after the PSI Congress in Palermo. The President had warned specifically that he would not in the event of a change of government give a mandate to Craxi to form a new government unless he were one hundred per cent certain that the DC would accept him as President of the Council. The President added somewhat disingenuously that he could not risk a third failure, having given a mandate which failed to La Malfa and then to Craxi himself - in the latter case the President told me that he had known Craxi would fail. Therefore Craxi would need the sympathy of a good part of the DC. He should not be overhasty and should concentrate on consolidating his own party base. I said it looked as if he was in for a long haul if it was true that he could not be President of the Council while President Pertini remained at the Quirinale. The President said he did not see why he should move out of his chair, which he enjoyed, to give Craxi his turn at the Chigi. He would have to wait. Meanwhile Forlani was doing perfectly well and a government crisis was to be avoided. Indeed, he hoped the government would serve out its term, though it was possible that there might be agitation for a change if the PSI did particularly well in the administrative elections. After Forlani there was really no-one suitable in the DC. He was not sure that there would be general acceptance of Fanfani. But he saw no need for a crisis. He thought the fuss over the abortion referendum would soon die down and would not split the majority in a damaging way; he did think the Pope had been overdoing it. On the other hand the fuss over the P2 Lodge of the Masonic Order was a serious and unpleasant - and ugly - affair. Here he said in strict confidence that he thought Forlani had made a mistake and should have heeded the President's advice and dropped the three ministers concerned, namely Sarti, Foschi and Manca. said that the dropping of three ministers would surely provoke a



crisis of some kind. But the President was very outspoken about the activities of P2, which he described as a "nest of Fascists". He said that Masons in Italy were quite different from those in Britain or France and that they maintained secrecy. He was under the impression that the heads of the Order were dissociating themselves from P2. (I refrained from saying that P2 is the one Lodge which has invited me to its functions). He thought the battle against terrorism was going reasonably well, but that it thrived on social discontent. This is why it had moved into Naples where there was a housing problem - hence the kidnapping of Cirillo. In this context he blamed Zamberletti for choosing Naples as his HQ, and said he had himself advised Zamberletti to station himself at Avellino where he could have avoided the troubles that have descended upon him because the Napolitans have taken advantage of the situation. As regards Cossiga, the President said he was now fully recovered and looked ten years younger. The President particularly regretted his disappearance from the political scene and had wanted him to stay, but had realised when Cossiga came to see him finally that his health was broken and he must go. The President also revaled that Berlinguer had been warned that it would be a mistake for the PCI to bring Cossiga down, which they evidently intended doing. The President had told Berlinguer that the only result would be a government further to the Right - which is what happened. Berlinguer, he commented, was not providing effective leadership for the PCI; the Simply did not know what the leadership was up to. First it was the compromesso storico, then playing along with the Andreotti government, and then outright opposition. Now what would it do? The other personality he particularly mentioned was Emilio Colombo, whom he described as an outstanding Foreign Minister. I was able to agree, and to say how satisfactory was the relationship between Lord Carrington and Colombo.

- 6. On the <u>Scale Mobile</u> debate, the President thought that a compromise could be found. He thought Lama would have his way and had always found him most moderate of the three Union leaders, while Carniti was the most extreme, though a pleasant fellow. The Unions were evidently willing to talk and this must mean that they would compromise.
- 7. Libya. As soon as I mentioned this, the President said that he was on the horns of a dilemma. He could not bring himself to receive Qadhaffi in Rome. The man was mad. Oriana Fallaci had had 6 hours of interviews with Qadhaffi recently, and said he really was a crackpot, though an extremely dangerous one. Suppose that the Soviet Union gave him nuclear weapons? If the issue really were forced, the President would go out of Rome, or have a diplomatic illness in order to avoid receiving Qadhaffi.
- 8. As regards foreign visits, the President confirmed that he would be going to Switzerland but that the Portuguese had asked him to put off his State Visit because of the difficult internal situation there. He was worried about Portugal. He did not mention Northern Ireland.

## CONFIDENTIAL



- 9. I took advantage of the occasion to inform the President about my visit to the earthquake zone on Saturday last to hand over the keys of our prefabricated buildings to the Mayors of Solofra and Serino. The President was obvinsly not familiar with all this aid, but expressed approval of the way we had gone about our task, and great appreciation for what we had done.
- 10. Secondly, I mentioned the forthcoming visit of Signor Forlani to London for bilateral talks with Mrs Thatcher, and indicated the ground that might be covered. I explained briefly our position on restructuring and on the strengthening of the Community's political work, explaining why we preferred Lord Carrington's approach to Genscher's. The President said he thought we were entirely on the right lines.
- 11. The President ended as usual with a warm and kind message of greetings to The Queen, whose visit he recalled with the greatest pleasure.

12 May 1981

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