

GR 370

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FM ROME 111300Z JUN 81

TO PRIORITY FCO

TELEGRAM NUMBER 221 OF 11 JUNE 1981

INFO SAVING MILAN AND HOLY SEE -(ACTIONED)

INFO SAVING EC POSTS.

mt

MY TELNO 200: (NOT TO ALL) ITALIAN POLITICAL SITUATION

1. ON 10 JUNE SIGNOR FORLANI INFORMED PRESIDENT PERTINI THAT HE COULD NOT FULFIL THE MANDATE TO FORM A NEW GOVERNMENT. THE SECRETARY-GENERAL OF THE SMALL REPUBLICAN PARTY (PRI), SIGNOR SPADOLINI, CALLED ON PRESIDENT PERTINI TODAY AND WAS ASKED TO MAKE AN ATTEMPT IN HIS TURN.

2. THE BACKGROUND REMAINS COMPLICATED. THE SCANDAL OVER THE P2 AFFAIR WIDENS. SPADOLINI, AMONG OTHERS, HAD SAID THAT PATCHING UP A NEW DC-LED GOVERNMENT WOULD NOT MEET THE REQUIREMENTS OF THE MOMENT: FIRM AND RAPID ACTION TO DEAL WITH P2 WAS A CONDITION FOR PRI PARTICIPATION IN A NEW GOVERNMENT. AT THE SAME TIME, THE SOCIALIST (PSI) LEADER, CRAXI, IS GENERALLY SUPPOSED TO HAVE BEEN PLAYING FOR TIME, DEMANDING ASSURANCES ON THE POLICIES OF A NEW GOVERNMENT, AND WAITING FOR THE ADMINISTRATIVE ELECTIONS DUE ON 21/22 JUNE. AS A RESULT, THE EFFORTS OF PRESIDENT PERTINI AND SOME SECTIONS OF THE CHRISTIAN DEMOCRAT PARTY (DC) TO PUT TOGETHER A NEW GOVERNMENT UNDER FORLANI QUICKLY, LEAVING OUT MINISTERS IMPLICATED IN P2 AND POSSIBLY BRINGING IN THE LIBERALS, RAN INTO DIFFICULTY. EVEN SO, FORLANI'S DECISION TO GIVE UP CAME AS A SURPRISE EVEN TO THE DIREZIONE OF THE DC, WHO WANTED HIM TO SOLDIER ON. PRESS COMMENT TODAY ECHOES DISSATISFACTION AT THE TIME WASTED BY FORLANI'S DISCUSSIONS SINCE 28 MAY: THE COMMUNIST PARTY (PCI) HAS COMMENTATED THAT FORLANI SHOULD HAVE REALISED THAT HIS TASK WAS IMPOSSIBLE. THEY HAVE NOT RULED OUT COOPERATION WITH ANY NON-DC PRIME MINISTER.

3. COMMENTATORS DO NOT GIVE SPADOLINI MUCH CHANCE OF FORMING A GOVERNMENT. ON TWO EARLIER OCCASIONS (BOTH IN 1979), LAY PARTY LEADERS (LA MALFA FROM THE REPUBLICAN PARTY AND CRAXI) HAVE BEEN INVITED TO MAKE THE ATTEMPT BUT HAVE FAILED. WHAT IS GENERALLY RECOGNISED, HOWEVER, IS THAT THIS IS A BAD MOMENT FOR A PROTRACTED CRISIS: THERE IS CONSIDERABLE ANXIETY ABOUT THE ECONOMIC SITUATION AND THE WEAKNESS OF THE LIRA AS THE DOLLAR CONTINUES TO RISE. THE P2 SCANDAL HAS TAKEN ITS TOLL. THERE IS SOME WRY COMMENT TO THE EFFECT THAT SINCE SPADOLINI BEARS SOME RESPONSIBILITY FOR FORLANI'S INABILITY TO PUT A GOVERNMENT TOGETHER IT IS ONLY RIGHT THAT HE SHOULD BE INVITED TO SEE IF HE CAN DO ANY BETTER. MEANWHILE FORLANI AND HIS GOVERNMENT CONTINUE IN OFFICE AS CARETAKERS.

FCO PASS SAVING TO EC POSTS.

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No. 10 DOWNING STREET

ARCULUS  
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[PASSED AS REQUESTED]  
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THIS TELEGRAM  
WAS NOT  
ADVANCED