

Italy

GRS 670  
CONFIDENTIAL  
FROM ROME 201545Z JUL 83  
TO PRIORITY FCO  
TELNO 346 OF 20 JUL 83

**CONFIDENTIAL**

INFO SAVING TO BONN PARIS WASHINGTON UKDEL NATO AND UKREP BRUSSELS  
(HOLY SEE AND CONSULAR POSTS IN ITALY ACTIONED ROME)

MYTELNO 327: ITALY INTERNAL

MT

**SUMMARY**

1. PERTINI HAS BEGUN HIS CONSULTATIONS, AND IS LIKELY TO NOMINATE CRAXI (PSI) FOR THE PRESIDENCY OF THE COUNCIL. THE DC WILL NOT OPPOSE THIS, AND THE CONDITIONS THEY HAVE RAISED ARE PROBABLY NEGOTIABLE.

**DETAIL**

2. PERTINI BEGINS TODAY THE PRESCRIBED CONSULTATIONS OF FORMER PRESIDENTS OF THE REPUBLIC, THE PRESIDENTS OF THE SENATE AND CHAMBER AND THE PARTY LEADERS ON THE CHOICE OF A NEW PRESIDENT OF THE COUNCIL.

FANFANI TOOK HIS LEAVE OF PERTINI LAST NIGHT. PERTINI'S INSTINCT WILL BE TO NOMINATE A SUCCESSOR QUICKLY, CONCEIVABLY BEFORE THE WEEKEND. HE IS WIDELY EXPECTED TO NOMINATE CRAXI, BUT MIGHT FIRST ASK FANFANI TO CONFIRM THAT HE CANNOT FORM ANOTHER GOVERNMENT. HE COULD ALSO SPRING A SURPRISE BY ASKING ANOTHER DC LEADER SUCH AS COLOMBO TO TRY HIS LUCK, AS REPRESENTING THE MAJORITY PARTY IN ANY CONCEIVABLE COALITION. BUT THE BETTING IS ON CRAXI.

3. CRAXI HAS MOVED CAUTIOUSLY IN THE PAST WEEK. HE HAS TRIED TO MEND FENCES WITH THE SMALLER LAY PARTIES (LIBERALS, SOCIAL DEMOCRATS AND ESPECIALLY REPUBLICANS), AND HE HAS RESISTED THE TEMPTATION TO MAKE LIFE STILL HARDER FOR DE MITA BY APPEALING DIRECTLY TO FORLANI'S MINORITY GROUP WHO STOOD, EVEN BEFORE RECENT EVENTS, FOR A FIRM ALLIANCE WITH THE SOCIALISTS. THE PSI HAVE ALSO BEEN MUTED, IF NOT SILENT, ON THEIR IDEAS FOR AN ECONOMIC POLICY OF CONTROLLED EXPANSION WHICH DIFFERENTIATED THEM FROM OTHER PARTIES BEFORE THE ELECTION. THE PCI HAVE REITERATED THEIR OPPOSITION TO ANOTHER FIVE-PARTY CENTRE LEFT COALITION, WHETHER LED BY CRAXI OR NOT. BUT ALTHOUGH SOME PROMINENT SOCIALISTS TALK OF BUILDING BRIDGES TO THE PCI IN THE COURSE OF THIS LEGISLATURE, CRAXI HIMSELF IS WELL AWARE THAT IF HE WANTS POWER THE ROUTE TO IT LIES THROUGH A FIVE-PARTY COALITION.

**CONFIDENTIAL**

4. THE

## CONFIDENTIAL

4. THE DC'S NATIONAL COUNCIL MET ON 18 AND 19 JULY. DE MITA, WHOSE OPENING SPEECH WAS CHARACTERISTICALLY FRANK, SEEMS SAFE FOR THE MOMENT BUT CAME UNDER FIRE FOR HIS HANDLING OF THE ELECTION CAMPAIGN FROM FORLANI'S GROUP AND FROM FANFANI. DE MITA HAD ALREADY MOVED TO FORESTALL HIS OPPONENTS BY BRINGING SOME OF THEM INTO THE LEADERSHIP (DISAGLIA AS DC LEADER IN THE SENATE). BY TONING DOWN HIS CRITICISM OF THE PSI, AND BY LETTING IT BE KNOWN THAT THE DC COULD ACCEPT A CRAXI PRESIDENCY ON CONDITIONS. THESE HAVE BEEN PUT IN CODED LANGUAGE, AS SO OFTEN HERE, BUT AMOUNT TO MAINTENANCE OF A FIVE-PARTY COALITION (IE INCLUDING THE REPUBLICANS AND EXCLUDING THE PCI): AN INVITATION TO THE PSI TO RENOUNCE ITS LOCAL ALLIANCES WITH THE PCI IN THE REGIONS AND BIG CITIES: A FIRM AGREED PROGRAMME THAT TAKES ACCOUNT OF DC VIEWS, ESPECIALLY ON THE ECONOMY: RESPECT FOR ITALY'S INTERNATIONAL OBLIGATIONS: AND INSTITUTIONAL REFORM.

5. THIS MESSAGE OF CONDITIONAL DC SUPPORT FOR CRAXI IS AIMED PARTLY AT SPADOLINI'S REPUBLICANS, WHO WILL INSIST ON A POLICY OF ECONOMIC RIGOUR THAT CAN BE SQUARED WITH THEIR ELECTION PROMISES, AND AS SUCH ARE USEFUL ALLIES FOR DE MITA. REPUBLICAN REFUSAL TO JOIN THE COALITION WOULD DAMAGE THE IMAGE OF A CRAXI GOVERNMENT, WHICH GIVES SPADOLINI SOME LIMITED BARGAINING POWER AT LEAST OVER MINISTRIES (HE HIMSELF IS BEING TIPPED AS CANDIDATE TO SUCCEED COLOMBO AT THE FOREIGN MINISTRY). I DOUBT WHETHER THE PSI WILL BE INCLINED TO END THEIR LOCAL ALLIANCES WITH THE PCI, INFURIATING THOUGH THE DC HAVE ALWAYS FOUND THEM. WHEN THEY DID SO IN FLORENCE RECENTLY, IT HURT THEM ELECTORALLY. NOR WOULD THEY WANT TO BRING THE DC BACK INTO ADMINISTRATION OF THE BIG CITIES. THEY MIGHT MAKE A GESTURE TOWARDS THE DC: BUT ALREADY THERE ARE SIGNS THAT THE DC WILL NOT INSIST ON THEIR CONDITIONS AND WILL COMPROMISE WITH CRAXI.

6. SOCIALISTS TO WHOM WE HAVE SPOKEN BELIEVE THAT THE ISSUE IS NOW WHETHER CRAXI BECOMES PRIME MINISTER BUT WHETHER

HE CAN MAKE A SUCCESS OF THE JOB IN THE FACE OF SO MANY DIFFICULTIES. THE BARGAINING OVER PORTFOLIOS AND POLICIES WILL BEGIN IN EARNEST AS SOON AS THE PRESIDENT HAS APPROACHED HIM. I SHALL COMMENT FURTHER AS SOON AS HE RECEIVES PERTINI'S EXPECTED INVITATION, ALTHOUGH THE LATTER'S PREFERENCE FOR THE UNEXPECTED MUST BE BORNE IN MIND.

7. FCO PLEASE PASS SAVING ADDRESSEES.

(REPEATED AS REQUESTED)

BRIDGES

STANDARD

WED

ECDOJ

SED

NAD

CAB OFFICE

COPIES SENT TO  
No. 10 DOWNING STREET

2  
CONFIDENTIAL