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FM ROME
TO IMMEDIATE FCO
TELNO 438
OF 220900Z JUNE 1984

ms

INFO PRIORITY PARIS

INFO SAVING OTHER EC POSTS, WASHINGTON, UKDEL NATO, (CONSULAR
POSTS IN ITALY - ACTIONED ROME)

MYTELNO 431: ITALY INTERNAL

1. BEFORE FONTAINEBLEAU YOU MAY WELCOME A FRESH ASSESSMENT OF THE IMMEDIATE PROSPECTS FOR CRAXI'S GOVERNMENT.
2. THE EUROPEAN ELECTIONS REPRESENTED A SUCCESS FOR THE PCI AND A SLIGHT DROP IN SUPPORT FOR THE COALITION AS A WHOLE. THE PCI'S VICTORY IN WINNING THE LARGEST SHARE OF THE VOTES WILL NOT BE QUICKLY FORGOTTEN, EVEN THOUGH BERLINGUER'S DEATH WAS A SPECIAL FACTOR, AND IN TERMS OF SEATS THE RESULT WAS A TIE. CRAXI'S PSI WERE MUCH DISAPPOINTED BY THEIR FAILURE TO GAIN VOTES FOR HIS PRIME MINISTERSHIP, AND THE OTHER LAY PARTIES ALSO DID BADLY. BUT THE POST MORTEM NOW BEING CONDUCTED WITHIN THE PARTIES DO NOT YET SEEM LIKELY TO BRING DOWN THE GOVERNMENT.
3. THE GREATEST THREAT TO CRAXI'S PRIME MINISTERSHIP HAD ALWAYS BEEN FROM THE DC. IF THEY HAD PERFORMED BADLY IN THE ELECTIONS IT WAS WIDELY EXPECTED THAT THEY WOULD WANT TO TAKE BACK THE OFFICE OF PRIME MINISTER, AS THE FIRST STEP IN A CAMPAIGN TO TURN THE SITUATION ROUND. INSTEAD THEY ARE RELIEVED THAT THEIR VOTE HELD UP BETTER THAN THAT OF THE LAY PARTIES, AND THAT THE PCI DID NOT BEAT THEM BY A LARGER MARGIN OF VOTES. SO NO DC MANOEUVRE AGAINST CRAXI IS LIKELY TO START BEFORE THE SARDINIAN REGIONAL ELECTIONS ON 24 JUNE AND THE SELECTION OF THE NEW PCI SECRETARY (EXPECTED ON 26 JUNE), AND IT MAY BE LONGER DELAYED.

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/4. A GOVERNMENT

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4. A GOVERNMENT CRISIS CAN NEVER SAFELY BE RULED OUT IN ITALY, AND SOME NEW COMPLICATION (LIKE THE P2 REPORT IN MID-JULY) MIGHT YET FORCE CRAXI TO RESHUFFLE HIS GOVERNMENT OR EVEN RESIGN. THERE ARE ALSO MURMURINGS WITHIN HIS PARTY THAT HE SHOULD CONSIDER GIVING UP EITHER THE PARTY SECRETARYSHIP OR THE PRIME MINISTERSHIP. BUT FOR THE PRESENT THE COALITION IS HOLDING AND ARGUMENT IS CONFINED TO THE FIVE PARTIES' RESPECTIVE WEIGHT WITHIN IT. THERE IS HOWEVER A GOOD DEAL OF BICKERING, AND CRAXI WILL NEED TO GET HIS ACT TOGETHER WITH THE OTHER PARTY LEADERS SOON IF HE IS TO REASSERT HIS AUTHORITY AS PRIME MINISTER.

BRIDGES

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