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TO IMMEDIATE FCO

TELNO 913

OF 311700Z OCTOBER 85

INFO PRIORITY BONN, PARIS, UKREP BRUSSELS, WASHINGTON INFO SAVING OTHER EC POSTS, UKDEL NATO, TEL AVIV, TUNIS, CAIRO, AMMAN

MY TELNO 885 (NOT TO ALL): ITALY INTERNAL

## SUMMARY

1. THE CRAXI GOVERNMENT IS LIKELY TO BE RECONFIRMED IN OFFICE NEXT WEEK. SOME FEEL THAT THIS WILL BE A WEAKER ADMINISTRATION THAT ITS PREDECESSOR, BUT SPADOLINI AND HIS REPUBLICANS HAVE LOST MOST IN THE PAST FORTNIGHT. DETAIL

2. COSSIGA HAS DECIDED NOT TO ACCEPT CRAXI'S RESIGNATION PROFERRED ON 17 OCTOBER AND HAS SENT HIS GOVERNMENT BACK TO THE CHAMBER OF DEPUTIES TO SEEK A VOTE OF CONFIDENCE. AS TOMORROW IS A PUBLIC HOLIDAY, DEBATE IN THE CHAMBER WILL BEGIN ON 4 NOVEMBER: THE VOTE IS LIKELY TO TAKE PLACE ON 6 NOVEMBER ON THE BASIS OF A POLICY DOCUMENT UNDER NEGOTIATION BETWEEN THE FIVE COALITION PARTIES. 3. THERE ARE PRECEDENTS FOR A PRESIDENT OF THE REPUBLIC DECLINING TO ACCEPT A GOVERNMENT'S RESIGNATION AND SENDING IT BACK TO PARLIAMENT. BUT IT IS A RARE PROCEDURE, LAST USED IN 1974. TECHNICALLY COSSIGN RESERVED HIS POSITION ON CRAXI'S RESIGNATION BUT -HE DID SUBSEQUENTLY ASK HIM TO SEEK TO FORM A NEW GOVERNMENT, A REQUEST WHICH NOW ALSO FALLS AWAY.

4. IT WAS EVIDENT FROM THE START OF THE CRISIS THAT ONLY THE FIVE PARTY COALITION FORMULA COULD AVOID EARLY ELECTIONS. THE REPUBLICANS, UNDER SPADOLINI, MISJUDGED THE POPULAR MOOD IN WITHDRAWING FROM THE GOVERMENT AND CAME UNDER GREAT PRSSURE FROM THE CHRISTIAN DEMOCRATS (DC) TO REJOIN IT. THEY HAVE LOST MOST IN THE PAST FORTNIGHT, AND THEIR SOLE CONSOLATION IS THE POLICY DOCUMENT (PARA 6 BELOW). ELEMENTS OF WHICH THEY WILL CLAIM AMOUNT TO CONCESSIONS TO REPUBLICAN VIEWS BY THEIR COALITION PARTNERS.

5. IT IS WIDELY HELD THAT THE DC HAVE HAD THEIR WAY IN THE RESOLUTION OF THE CRISIS, AND ZANONE (LIBERAL MINISTER OF THE ENVIRONMENT) REPEATED AS MUCH TO ME YESTERDAY. THE DC HAVE SOUGHT TO BRING BACK THE REPUBLICANS, TO AVOID MINISTERIAL CHANGE, AND TO REFUSE TO COMMIT THEMSELVES TO GIVING CRAX! ANOTHER 12 TO 18 ASSURED MONTHS IN OFFICE. ZANONE BELIEVES THAT CRAXI HAS EMERGED WEAKER AND DE MITA STRONGER: AND THAT THE NEXT EDITION OF CRAXI'S ADMINISTRATION WILL BE WEAKER THAN THE LAST. MAYBE, BUT THE PRESENT PARLIAMENTARY ARITHMETIC MAKES A SOCIALIST PRESENCE IN (OR SUPPORT FOR) ANY GOVERNMENT ESSENTIAL, AND IT WOULD BE DIFFICULT FOR DE MITA TO OUST CRAXI IF HE DOES NOT WANT TO GO, EVEN AFTER NEXT SPRING'S SEASON OF PARTY CONGRESSES, WITHOUT PROVOKING AN ELECTION.

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6. THE MAIN POINT OF CONTENTION IN THE POLICY DOCUMENT WAS THE TREATMENT OF THE PLO. PRESS REPORTS SAY THAT THE FIVE PARTIES AGREED THAT THE PLO COULD BE INTERLOCUTER IN THE PEACE PROCESS "ONLY IF IT FOLLOWS UNRESERVEDLY THE PATH OF PEACEFUL NEGOTIATION". EARLIER LANGUAGE ON THE USE OF SIGONELLA "ONLY FOR NATO OBJECTIVES" FELL AWAY, AND IT HAS BEEN LEFT TO PARLIAMENT TO DECIDE WHETHER OR NOT IT WISHES TO REQUEST AN ENQUIRY INTO THE ABBAS AFFAIR. ANDREOTTI TOLD ME EARLIER THIS WEEK THAT THE PROBLEM WAS TO FIND A FORMULA WHICH HELPED THE PRI WITHOUT DAMAGING THE SACRED VENICE TEXT.

7. THE PC1, ONCE AGAIN LEFT ON THE SIDELINES, WILL PROTEST NEXT WEEK THAT THE CRAXI GOVERNMENT DID NOT PROCEED TO A PARLIAMENTARY DEBATE AND VOTE ON 17 OCTOBER, IMMEDIATELY AFTER CRAXI'S STATEMENT TO THE CHAMBER. BUT THE COALITION SHOULD HAVE AN ADEQUATE MAJORITY. THIS IN TURN MEANS THAT BOTH ANDREOTTI AND SPADOLINI SHOULD BE ABLE TO PARTICIPATE FULLY IN THE WEU MINISTERIAL COUNCIL ON 13-14 NOVEMBER.

FCO PASS ALL SAVING ADDRESSEES
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