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TELEGRAM NUMBER 104 OF 19 FEBRUARY INFO PRIORITY WASHINGTON, UKREP BRUSSELS, UKDEL NATO. INFO SAVING ALL OTHER EEC POSTS

MY TELNO 92: ITALIAN POLITICAL SITUATION

- ANDREOTTI'S ATTEMPTS TO FORM A NEW GOVERNMENT SEEM TO HAVE 1. GROUND TO A HALT FOLLOWING AN APPARENTLY FIRM REJECTION BY THE COMMUNISTS ON 15 FEBRUARY OF HIS PROPOSALS FOR RECONSTITUTING A PARLIAMENTARY MAJORITY SIMILAR TO THE PREVIOUS ONE. HEARING FURTHER STATEMENTS TODAY AND TOMORROW FROM THE SOCIAL DEMOCRATS AND SOCIALISTS, ANDREOTTI IS EXPECTED TO GO TO THE PRESIDENT OF THE RRPUBLIC WITHIN THE NEXT FEW DAYS TO REPORT THE FAILURE OF HIS FIRST ATTEMPT.
- 2. IT IS NOT YET CLEAR WHETHER PRESIDENT PERTINI WILL THEN PASS THE MANDATE TO ANOTHER CANDIDATE OR WHETHER, WITH HIS KNOWN PREFERENCE FOR AVOIDING DELAY, HE WILL INSIST ON ANOTHER ATTEMPT BY ANDREOTTI AS THE ONLY CANDIDATE WITH A REAL CHANCE OF SUCCESS AT THIS STAGE. MOST PEOPLE HOWEVER NOW THINK THAT THE PRESIDENT WILL ACCEPT ANDREOTTI'S WITHDRAWAL, AT LEAST FOR THE TIME BEING, AND WILL NOMINATE A LAY CANDIDATE IN HIS PLACE -POSSIBLY THE VETERAN PRESIDENT OF THE REPUBLICAN PARTY. LA MALFA. THE CHANCES OF SUCH A CANDIDATURE SUCCEEDING ARE REMOTE. PARTICULARLY IN VIEW OF THE DECLARED OPPOSITION TO IT OF THE CHRISTIAN DEMOCRATS. BUT IT WOULD GIVE ALL PARTIES TIME FOR REFLECTION AND COULD PAVE THE WAY TO A FURTHER CHRISTIAN DEMOCRAT ATTEMPT LATER.

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- 3. THE COMMUNISTS MEANWHILE ARE KEEPING UP THE PRESSURE FOL LAY CANDIDATURE. IN A WEEKEND SPEECH IN LIVORNO, BERLINGUER REPEATED WHAT HE SAID ON 15 FEBRUARY IN REFECTING ANDREOTTI'S PROPOSALS, IE THAT IF THE CHRISTIAN DEMOCRATS COULD NOT ACCEPT COMMUNIST MINISTERS THE COMMUNISTS PROPOSED A LAY PRIME MINISTER SUPPORTED BY CHRISTIAN DEMOCRATS AND COMMUNISTS, WITH BOTH OF THEM IF NECESSARY OUTSIDE THE GOVERNMENT. BERLINGUER CANNOT BELIEVE THAT SUCH A PROPOSAL STANDS ANY CHANCE OF SUCCESS. BUT HE NO DOUBT HOPES IN THIS WAY TO KEEP THE SOCIALISTS WITH HIM, WHILE AT THE SAME TIME CREATING AN APPEARANCE OF NOT BEING ENTIRELY NEGATIVE IN HIS OWN APPROACH.
- 4. THE COMMUNIST REJECTION OF ANDREOTTI'S FIRST ATTEMPT HAS BROUGHT THE POSSIBILITY OF EARLY ELECTIONS A LITTLE MEARER. BUT IT IS STILL POSSIBLE THAT THE SOCIALISTS WILL BE WILLING TO DISASSOCIATE THEMSELVES FROM THE COMMUNISTS TO THE EXTENT OF ALLOWING A NEW GOVERNMENT TO BE FORMED WITH THE COMMUNISTS IN CPPOSITION (PARA 4 OF MY TELMO 80). ALL THIS HOWEVER IS HIGHLY SPECULATIVE AT THIS STAGE, AND THE ONLY THING WHICH IS CLEAR IS THAT WE ARE STILL SOME WAY FROM A SOLUTION TO THE CRISIS.
- 5. FCO PLEASE PASS SAVING ADDRESSEES.

CAMPBELL

[REPEATED AS REQUESTED]

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