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FM ROME 221500Z FEB 79

TO IMMEDIATE FCO

TELEGRAM NUMBER 117 OF 22 FEBRUARY

INFO PRIORITY WASHINGTON, UKREP BRUSSELS, UKDEL NATO.

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NY TELNO 104: ITALIAN POLITICAL SITUATION

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WRS 014/2

26 MAR 1979

1. ANDREOTTI GAVE UP THE TASK OF TRYING TO FORM A NEW GOVERNMENT ON 21 FEBRUARY, THUS ENDING THE FIRST PHASE OF THE CURRENT CRISIS. AS HAD BEEN WIDELY EXPECTED (PARA 2 OF MY TUR) PRESIDENT PERTINI DECIDED TO PASS THE MANDATE TO THE PRESIDENT OF THE REPUBLICAN PARTY, UGO LA MALFA (LP NOTES NO 64).
2. IN ACCEPTING THE MANDATE THIS MORNING, 22 FEBRUARY LA MALFA MADE CLEAR THAT HE HAD NO ILLUSIONS ABOUT THE DIFFICULTIES HE FACED AND SAID THAT HE WOULD SEEK TO FIND A SOLUTION BY MEANS OF A RECONSTITUTED FIVE-PARTY MAJORITY (IT THE SAME PATH WHICH ANDREOTTI HAS TRIED AND FAILED).
3. PRESIDENT PERTINI'S ACTION HAS ON THE WHOLE BEEN FAVOURABLY RECEIVED BY THE POLITICAL PARTIES, THOUGH CHRISTIAN DEMOCRAT REACTIONS HAVE BEEN MIXED. IT IS GENERALLY THOUGHT THAT LA MALFA STANDS LITTLE CHANCE OF SUCCESS GIVEN THAT THERE IS AT PRESENT NO SIGN OF MOVEMENT IN THE COMMUNISTS' INSISTENCE ON THE INCLUSION IN THE GOVERNMENT AND IN THE CHRISTIAN DEMOCRATS' EQUALLY FIRM REJECTION OF THE COMMUNIST PROPOSITION.
4. IT IS WIDELY NOTED THAT THIS IS THE FIRST TIME A MANDATE TO FORM A GOVERNMENT HAS BEEN GIVEN TO A NON-CHRISTIAN DEMOCRAT SINCE 1945 (APART FROM A BRIEF EXPLORATORY MANDATE WHICH WAS GIVEN TO PERTINI HIMSELF, AS PRESIDENT OF THE CHAMBER OF DEPUTIES, IN 1968).
5. FCO PLEASE PASS SAVING ADDRESSEES.

CAMPBELL

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WRS 014/2.

## ANDREOTTI AGREES TO TRY AGAIN

By FRANK TAYLOR  
in Rome

SIGNOR ANDREOTTI, Italy's Christian Democratic leader, has again been asked by President Pertini to try to form a new government and so head off the need to call an early general election.

It is the second time in just over a month that Signor Andreotti has been called on to try to break the deadlock that has paralysed Italian political life for the past five weeks. His last government fell at the end of January after the Communist party withdrew its parliamentary support.

Signor Andreotti tried to reorganise the parliamentary pact but was unable to reconcile the differences between his own party executive and the Communists. The Christian Democrats refused to allow Communists into the government while the Communists said they would not give any kind of parliamentary support to a Cabinet in which they were not represented.

### New formula

This time, Signor Andreotti and his party have a new formula to consider. The Communists have indicated they might accept a coalition government comprising the Christian Democrats, Socialists, Republicans, and Social Democrats, provided there were also at least two Cabinet members drawn from the ranks of "independent Leftists."

These are people who have Communist leanings but are not members of the party.

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## Another chance for Andreotti

From George Armstrong  
in Rome

President Sandro Pertini yesterday asked Mr Giulio Andreotti to form the next Government and to accept two deputies in Mr Giuseppe Saragat and Mr Ugo La Malfa.

Mr Andreotti is now acting Prime Minister and a Christian Democrat, while Mr Saragat and Mr La Malfa can be considered the founding fathers of the Social Democrat and the Republican Parties.

The choices made by the Socialist Head of State caught politicians by surprise. Almost without exception, yesterday's newspapers had predicted that Mr Saragat would be named as next Prime Minister, with the other two men as his deputies.

Another surprise, of a technical but significant nature, was that Mr Andreotti accepted the mandate without the customary "reservations." This may mean that, although he was as surprised as anyone by Mr Pertini's decision, he plans to form his Government with or without the full assent of his Christian Democrat Party.

Mr Saragat, who is himself a former Head of State, accepted his nomination with the reservation that the Cabinet must include some Left-wing independents — that is, men elected to Parliament on the Communist ballot, but who are not party members. He said that it was wrong to think of them as being "marked Com-

munist," and also said that the next Prime Minister had to be a Christian Democrat if the Government was to survive. The Communists are pleased with Mr Saragat's stand, which also is theirs.

Normally, when there is a deputy Prime Minister (there never have been two), he is chosen by the Prime Minister, and, if he holds no portfolio, it is an honorary post.

When Mr Pertini, who is 83, was elected last summer, it was predicted that he would be the most energetic and unconventional President the Republic has had. His decision yesterday was without precedent, and also was his last attempt to avoid early elections.

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# Andreotti in final bid to stave off a spring election

BY RUPERT CORNWELL

SIG. GIULIO ANDREOTTI, the outgoing Italian Prime Minister, yesterday undertook to form a new government to face a parliamentary vote of confidence, in a final bid to stave off a premature general election this spring.

And in a move which represents a marked constitutional departure, Sig. Sandro Pertini, the Italian President, designated Sig. Giuseppe Saragat, the former President, and Sig. Ugo La Malfa, leader of the Republican Party, as Deputy Premiers in the new administration.

The decision of Sig. Pertini yesterday came as a complete surprise here. It offers the last hope, albeit strictly limited, of

finding a way round the political stalemate which has seemed to make elections a certainty.

Everything now depends on whether Sig. Andreotti can break the deadlock between the Communists (PCI) and Christian Democrats. This in turn hinges on whether the biggest parties can agree on the key issue of two left-wing independent Ministers in the new government.

Sig. Saragat yesterday made his participation in the new government conditional on the presence of independents. If they do not participate, there appears no way in which either Communists or Socialists could back Sig. Andreotti. The

premier designate would then be consigned to defeat.

But while the Communists have indicated they could go along with a government containing non-PCI left-wingers, the Christian Democrats have hitherto flatly refused to countenance the idea, on the grounds that such Ministers would merely be "camouflaged" Communists.

The re-nomination of Sig. Andreotti came after 48 hours of feverish activity here, which showed the impossibility of rebuilding a variant of the old Centre-Left formula, including the Socialists, but with the Communists in opposition. General elections in early May,

despite protestations of horror at the prospect from all major parties, had seemed hourly more likely.

Sig. Pertini however, has insisted all along that it is his duty to explore every means of avoiding them, and yesterday's events are seen as his final attempt to hold the politicians to their word. Two likely sequences of events remain.

Either Sig. Andreotti in the course of his consultations with the parties in the outgoing Parliamentary majority will win approval for a government containing left-wing independents, one of whom almost certainly would be Sig. Altiero Spinelli, the former Italian EEC Commis-

sioner, who was elected to Parliament on a PCI list although he is not a member of the party.

In that case, the Prime Minister-designate would be able to build an administration backed by Christian Democrats, Republicans, Social Democrats and Socialists, with at least Communist abstention.

If he fails, Sig. Andreotti is nonetheless committed to submitting whatever government he can form to a vote. In the event of defeat, his stillborn administration would then have the task of organising elections, for which the date of May 6 has been widely pencilled in.

The crisis, now into its sixth

week, will not help the Italian authorities to tackle the threat of a new upsurge in inflation, to which a number of indicators here have drawn attention in recent days.

This risk is weighing heavily on the chances of the current economic recovery lasting through the year. Istat, the Statistics Institute, reported a January rise of 4.8 per cent in industrial output last night, and orders in hand make it likely that the upswing will continue until mid-1979.

The recent rapid increase in both wholesale and retail prices, however, makes the prospects thereafter uncertain.

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