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## ITALIAN POLITICAL SITUATION

A B C 1. Rome telegrams 80, 92 and 104 give the background to the Italian political situation. As anticipated in telegram 104, Andreotti has now admitted the failure of his first attempt to form a new government, and President Pertini has asked the 75 year old leader of the tiny Republican party to try to form a government (Rome telno 117). There seems little chance that he will be able to break the deadlock whereby the PCI are insisting on direct participation in government, which the DC are refusing to countenance. It is hard to see how fresh elections can be avoided unless one or the other backs down.

D 2. Other sources suggest that one of the main reasons for PCI intransigence is that the collective PCI leadership is deeply divided, though there are as yet no signs that Berlinguer's own position is threatened. He is likely to try to prolong the "crisis" at least until the PCI Congress on 20-25 March, which will provide an opportunity for the Party to clarify its thinking.

3. A possible strategy for the PCI would be to press for enforced early elections in order to clip the wings of the socialists (who are otherwise expected to do well in the June European Assembly elections) and demonstrate to the DC and the country at large that effective government and a solution to the country's economic problems are impossible without active PCI participation. However the PCI would ~~likely~~ likely to lose some of its current strength in an election; whether the strategy would work would depend on how large that loss turned out to be. The risks of loss of morale and damage both to Berlinguer's own position and to the policy of "historic compromise" must be strong disincentives.

4. For the time being, the assessment in the last sentence of Rome telegram 80 appears to remain valid.

Western European Department  
FOREIGN AND COMMONWEALTH OFFICE

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