

Mr. Verker

CONFIDENTIAL

FM ROME 08143Z MAY 79

TO IMMEDIATE FCO

TELEGRAM NUMBER 152 OF 8 AMY. *I can't see why this wasn't sent SAVING to everyone - there are two copies & at least one u/c was a week from Rome*

INFO SAVING TO WASHINGTON, UKDEL NATO, UKDEL BRUSSELS AND ALL

OTHER EEC POSTS. *PKM*
9/5 ✓MY TEL NO 149: THE ITALIAN POLITICAL SITUATION ONE MONTH BEFORE THE GENERAL ELECTION. *Mr. Harbone agrees*
We agreed to change

1. THE FOLLOWING IS MY APPRECIATION OF THE ITALIAN POLITICAL SITUATION APPROXIMATELY ONE MONTH BEFORE THE GENERAL ELECTION ON 3 JUNE. AT PRESENT, THERE IS LITTLE HOPE THAT THE ELECTION WILL RESULT IN A STRONGER GOVERNMENT BUT ONE MUST NEVER UNDER-RATE THE ITALIAN CAPACITY FOR COBBLING TOGETHER A POLITICAL MAJORITY OUT OF UNPROMISING MATERIAL.

PUBLIC OPINION POLLS

2. CHRISTIAN DEMOCRATS, COMMUNISTS AND SOCIALISTS.

THE PUBLIC OPINION POLLS ARE REGARDED AS OF ONLY MARGINAL SIGNIFICANCE AT THIS STAGE, PARTICULARLY AS THERE IS A HIGH PROPORTION OF "DON'T KNOWS". BUT POLLS TAKEN AT THE BEGINNING OF THIS MONTH, (MORE ARE EXPECTED THIS WEEK) SHOW A 1 OR 2 PERCENT SWING IN FAVOUR OF THE CHRISTIAN DEMOCRATS (38.8% OF THE VOTE IN 1976 ELECTIONS) AND A BIT MORE AGAINST THE COMMUNISTS (34.4% IN 1976). THE SOCIALISTS (9.6% IN 1976) ARE ALSO EXPECTED TO GAIN ONE OR TWO POINTS.

3. MINOR PARTIES

THE MAIN CHANGES EXPECTED AT PRESENT ARE A LARGE INCREASE, PARTLY AT THE EXPENSE OF THE COMMUNISTS, FOR THE RADICAL PARTY (1.1% IN 1976), WHICH ESPOUSES A NUMBER OF FASHIONABLE CAUSES, E.G. ECOLOGY, AND IS NOW EXPECTED TO WIN 5%, PLUS A 2% DROP FOR THE MSI (NEO-FASCISTS) (6.1% IN 1976). THE SOCIAL DEMOCRATS, THE LEFT OF CENTRE REPUBLICANS, THE RIGHT OF CENTRE LIBERALS, THE TWO SMALL EXTREME LEFT WING PARTIES (DEMOCRAZIA PROLETARIA AND THE P.D.U.P.) AND THE EXTREME RIGHT-WING NON-FASCIST DEMOCRAZIA NAZIONALE, ARE EXPECTED TO WIN OR LOSE A POINT HERE OR THERE, BUT NONE OF THEM HAD MORE THAN 3.5% OF THE VOTE IN 1976.

CURRENT ATTITUDES OF PARTIES

4. THE CHRISTIAN DEMOCRATS SAY THEY WILL NOT ACCEPT A COALITION WITH THE COMMUNISTS, BUT THAT THEY ARE OPEN TO A COALITION WITH THE SOCIALISTS AND OTHER MINOR LAY PARTIES (PRESUMABLY EXCLUDING THE EXTREME RIGHT) AND TO VARIOUS FORMULAE REGARDING THE COMPOSITION OF THE EVENTUAL PARLIAMENTARY MAJORITY (PRESUMABLY NOT EXCLUDING THE RETURN OF THE COMMUNISTS TO THE MAJORITY). THERE ARE DIFFERENCES OF OPINION WITHIN THE PARTY ABOUT THE FUTURE RELATIONSHIP WITH THE COMMUNISTS BUT VIRTUALLY ALL LEADERS ARE FOLLOWING THE LINE DESCRIBED ABOVE. THERE IS LESS HARMONY ABOUT DETAILED ATTITUDES TO OTHER PARTIES. IN FACT A MAJOR STRUGGLE FOR POWER (EXPRESSED THROUGH COMPETITION FOR "PREFERENCE VOTES") IS GOING ON WITHIN THE CHRISTIAN DEMOCRAT PARTY. THERE ARE ALSO SEVERAL POTENTIAL CONTENDERS FOR ANDREOTTI'S PREMIERSHIP, THOUGH NONE ARE YET VERY CONVINCING CANDIDATES.
5. THE COMMUNISTS HAVE SAID, ALMOST AS CLEARLY, THAT THEY WILL ACCEPT NO HALF-WAY HOUSE BETWEEN MEMBERSHIP OF THE GOVERNMENT AND STRAIGHTFORWARD OPPOSITION, THOUGH BEFORE ANDREOTTI'S FINAL PARLIAMENTARY DEFEAT ON 31 MARCH, THEY PRETENDED TO BE PREPARED TO CONSIDER INTERMEDIATE SOLUTIONS.
6. THE SOCIALISTS, THOUGH CONFUSED IN THEIR UTTERANCES, SAY THEY WANT TO REVIVE THE PRE-CRISIS POLICY OF NATIONAL UNITY. THEY ARE NOT OPPOSED TO COMMUNIST MEMBERSHIP OF A COALITION GOVERNMENT BUT WOULD NO DOUBT ACCEPT ANY SOLUTION WHICH MAXIMISED THEIR OWN IMPORTANCE WITHOUT ATTRACTING COMMUNIST CONDEMNATION. THEY ARE HOWEVER AT PRESENT ENGAGED IN AN IMPORTANT INTERNAL MEETING FROM WHICH SOME NEW LINE MIGHT CONCEIVABLY EMERGE. CHRISTIAN DEMOCRAT LEADERS ARE TRYING HARD TO COURT THE SOCIALISTS AND FANFANI, PRESIDENT OF THE SENATE, WENT SO FAR AS TO HINT THAT HE WOULD GIVE THE SOCIALISTS THE PRIME MINISTER'S POST IN A COALITION WITH HIS OWN PARTY. BUT THIS PLOY HAS BEEN CRITICISED BY OTHER CHRISTIAN DEMOCRATS AND THE SOCIALISTS ARE WARY.
7. AS FOR THE MINOR PARTIES, THE SOCIAL DEMOCRATS AND REPUBLICANS (AT PRESENT IN COALITION WITH THE CHRISTIAN DEMOCRATS IN THE MINORITY CARETAKER GOVERNMENT) DIFFER ON THE ACCEPTABILITY OF COMMUNISTS IN GOVERNMENT. THE SOCIAL DEMOCRATS COULD NOT /ACCEPT

ACCEPT THIS, WHEREAS THE REPUBLICANS COULD. THE RADICWWS CLAIM TO BE AGAINST UNNATURAL COALITIONS AND TO WANT AN ALTERNATION OF GOVERNMENT AND OPPOSITION IN THE ANGLO-SAXON STYLE. THE LIBERALS COULD NOT EVEN ACCEPT THE COMMUNISTS IN A PARLIAMENTARY MAJORITY. DEMOCRAZIA NAZIONALE WANTS A CENTRE-RIGHT GOVERNMENT WITH THE CHRISTIAN DEMOCRATS. THE NEO-FASCISTS (MSI) PROBABLY WANT THE SAME BUT CONCENTRATE ON ACCUSING THE CHRISTIAN DEMOCRATS OF BEING SOFT WITH THE COMMUNISTS. THE SMALL EXTREME LEFT-WING PARTIES WANT A GOVERNMENT OF THE UNIFIED LEFT. (THE COMMUNISTS SOMETIMES PLAY WITH THIS IDEA AS A HYPOTHETICAL DEBATING POINT: ON THE WHOLE, THE SOCIALISTS RESIST THIS TEMPTATION).

ELECTORAL THEMES

8. AS USUAL IN ITALIAN POLITICS, INTEREST IS LARGELY CONCENTRATED ON THE POWER STRUGGLE AND LITTLE ON PROGRAMMES THOUGH THE COMMUNISTS HAVE PUBLISHED A PROGRAMME IN THEIR PARTY NEWSPAPER TODAY. AN ATTEMPT BY PICCOLI, THE PRESIDENT OF THE CHRISTIAN DEMOCRAT PARTY, TO PROPOSE A CHANGE IN THE ELECTORAL SYSTEM WAS BITTERLY ATTACKED BY THE COMMUNISTS AND CRITICISED BY OTHER CHRISTIAN DEMOCRATS. POLITICAL VIOLENCE CONTINUES AT A HIGH LEVEL (DESPITE THE CLAIM BY THE POLICE AND MAGISTRATES THAT THEY HAVE NOW ARRESTED SEVERAL OF THE LEADERS OF LEFT-WING TERRORISM, INCLUDING SOME OF THOSE RESPONSIBLE FOR MORO'S MURDER). BUT IT IS NOT SO FAR A SIGNIFICANT ELECTORAL THEME, SINCE ALL MAJOR PARTIES STRONGLY CONDEMN SUCH VIOLENCE. NEVERTHELESS, IN THE LAST FEW DAYS, THERE HAVE BEEN SOME POLITICAL SPEECHES IMPLYING THAT THIS OR THAT PARTY WOULD DEAL MORE EFFICIENTLY WITH TERRORISM.

THE FORMATION OF A GOVERNMENT AFTER THE ELECTIONS

9. IF THE POLITICAL STRENGTHS AND ATTITUDES OF THE PARTIES DO NOT ALTER SIGNIFICANTLY, (AND EVIDENCE IN PARAS 2 TO 7 ABOVE SHOWS FEW SIGNS OF MAJOR CHANGE) THE CHRISTIAN DEMOCRAT PARTY MAY FIND IT AS DIFFICULT TO FORM A MAJORITY GOVERNMENT AFTER THE ELECTIONS AS IT HAS SINCE THE COMMUNISTS LEFT THE PARLIAMENTARY MAJORITY IN JANUARY. IF THE CHRISTIAN DEMOCRATS AND COMMUNISTS REFUSE TO COMPROMISE ON THE TERMS OF A WORKING AGREEMENT, THE CHRISTIAN DEMOCRATS, IN THE ABSENCE OF MAJOR ELECTORAL CHANGES, WOULD NEED SOCIALIST SUPPORT (IN ADDITION TO ITS CURRENT SOCIAL DEMOCRAT AND REPUBLICAN SUPPORT) TO FORM A MAJORITY GOVERNMENT. BUT IF RECENT SOCIALIST BEHAVIOUR IS ANY GUIDE, THIS MAY BE DIFFICULT TO /ACHIEVE

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ACHIEVE. CRAXI, THE NEW SOCIALIST LEADER, IS ANTI-COMMUNIST, BUT MANY OF HIS COLLEAGUES SEEM MORE AVERSE TO SUPPORTING THE CHRISTIAN DEMOCRATS THAN THE COMMUNISTS. MUCH MAY DEPEND ON THE SIZE OF THE SOCIALIST VOTE. SOME COMMENTATORS BELIEVE THAT IF THE SOCIALIST DO RELATIVELY WELL THEY MAY GAIN SUFFICIENT CONFIDENCE TO NEGOTIATE A DEAL WITH THE CHRISTIAN DEMOCRATS AND A GOOD RESULT FOR THE SOCIALISTS IN THE EUROPEAN ELECTIONS COULD ENHANCE THIS POSSIBILITY.

CONCLUSION.

10. ALL THIS SUGGESTS AT THIS STAGE THE CONTINUANCE OF STALEMATE, I.E. AN INNDECISIVE ELECTION PRODUCING A MINORITY GOVERNMENT. INDEED IF POLITICAL FORCES AND ATTITUDES REMAIN ROUGHLY AS AT PRESENT, THE WAY AHEAD WILL BE HARD TO FIND. BUT THE ART OF COMPROMISE IS INATE IN ITALIAN POLITICS, AND A LIKELY SCENARIO IS THAT OF A MINORITY CARETAKER GOVERNMENT, MOST PROBABLY PRESIDED OVER BY ANDREOTTI, CONTINUING IN OFFICE FOR SEVERAL WEEKS AFTER THE ELECTIONS, WHILE POLITICAL LEADERS BROOD ON THE RESULTS OF THE NATIONAL AND EUROPEAN ELECTIONS. THEREAFTER, DEPENDING ON THOSE RESULTS, AND PERHAPS ON THE OUTCOME OF THE CHRISTIAN DEMOCRAT CONGRESS (WHICH SHOULD BE HELD THIS AUTUMN) SOME STABLER AGREEMENT, INVOLVING THE MODIFICATION OF PRESENT POLITICAL ATTITUDES, MAY BE ACHIEVED. I DO NOT, HOWEVER, EXPECT THAT, EVEN IN THAT TIME SCALE, THERE IS A SERIOUS LIKELIHOOD OF THE INCLUSION OF COMMUNIST MINISTERS IN AN ITALIAN GOVERNMENT. FOR THE FORESEEABLE FUTURE, I BELIEVE WE CAN TAKE THE CHRISTIAN DEMOCRAT LEADERS AT THEIR WORD IN EXCLUDING THIS.

11. F.C.O. PLEASE PASS TO ALL SAVING ADDRESSEES.

CAMPBELL

[REPEATED AS REQUESTED]

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