

GRS470

CONFIDENTIAL

CONFIDENTIAL

FM ROME 101030Z JUL 79

TO PRIORITY FCO

TELEGRAM NUMBER 273 OF 10 JULY

INFO SAVING TO WASHINGTON, UKDEL NATO, UKREP BRUSSELS, ALL OTHER  
EEG POSTS.

*Italy 2*

*Prime Minister*

*6/21*

*1/7*

SIR ALAN CAMPBELL'S TELNO 239: ITALIAN POLITICAL SITUATION

1. THE POLITICAL CRISIS ENTERED A NEW PHASE ON 9 JULY WITH THE NOMINATION OF CRAXI, THE SOCIALIST PARTY LEADER, TO TRY TO FORM A NEW GOVERNMENT. ANDREOTTI'S INITIAL ATTEMPT LAST WEEK HAD, AS GENERALLY EXPECTED, FAILED BECAUSE OF THE SOCIALISTS' CONTINUING REFUSAL TO SUPPORT A FURTHER ANDREOTTI GOVERNMENT WITH THEIR ABSTENTIONS.
2. PRESIDENT PERTINI'S NOMINATION OF CRAXI CAME AS A SURPRISE. THIS IS THE FIRST TIME A MANDATE TO FORM A NEW GOVERNMENT HAS EVER BEEN GIVEN TO A SOCIALIST. ALTHOUGH IT WAS GENERALLY EXPECTED THAT A LAY CANDIDATE WOULD BE NOMINATED IF ANDREOTTI FAILED (PARA 5 OF ROME SAVING TELNO 11) IT WAS THOUGHT THAT THIS WOULD BE A REPUBLICAN OR A SOCIAL DEMOCRAT RATHER THAN THE CHIEF ARCHITECT OF ANDREOTTI'S FAILURE. SOME COMMENTATORS ARE SEEING PERTINI'S DECISION AS A CLEVER TACTICAL MOVE TO GET ROUND THE SOCIALIST VETO; IF CRAXI FAILS (AS MOST PEOPLE THINK HE WILL) HE WILL BE IN NO POSITION TO CONTINUE TO BLOCK ATTEMPTS BY OTHERS.
3. CRAXI HAS SAID THAT HE WILL SEEK TO FORM A BROADLY-BASED COALITION. HE HAS REFUSED TO BE DRAWN ABOUT THE LIKELY POSITION OF THE COMMUNISTS. THERE ARE ELEMENTS IN HIS PARTY WHO WOULD PREFER CO-OPERATION WITH THE COMMUNISTS TO CO-OPERATION WITH CHRISTIAN DEMOCRATS. THE COMMUNISTS THEMSELVES HAVE ANNOUNCED THAT ALTHOUGH THE NOMINATION OF CRAXI IS A NEW FACTOR THEY WILL CONTINUE TO OPPOSE ANY GOVERNMENT OF WHICH THEY ARE NOT MEMBERS. THE IDEA OF A POPULAR FRONT COALITION INCLUDING THE COMMUNISTS CAN HOWEVER, EFFECTIVELY BE RULED OUT. IT WOULD BE BITTERLY OPPOSED BY THE CHRISTIAN DEMOCRATS, AND WOULD NOT HAVE A MAJORITY IN PARLIAMENT UNLESS THE CENTRE LAY PARTIES WERE WILLING TO JOIN IN - WHICH THEY WOULD BE MOST UNLIKELY TO DO.

CONFIDENTIAL

/4. IT



CONFIDENTIAL

4. IT CANNOT BE EXCLUDED THAT CRAXI MIGHT SUCCEED IN FORMING A COALITION BRINGING IN THE CHRISTIAN DEMOCRATS AND CENTRE LAY PARTIES WITHOUT THE COMMUNISTS. THE CHRISTIAN DEMOCRAT PARTY HAS NEVER TOTALLY RULED OUT THE POSSIBILITY OF A LAY PRIME MINISTER PROVIDED THE COMMUNISTS DO NOT FORM PART OF THE GOVERNMENT. THERE ARE ALSO ELEMENTS IN THE CHRISTIAN DEMOCRAT PARTY WHO WOULD WELCOME A RETURN TO PARTNERSHIP WITH THE SOCIALISTS. SUCH IDEAS HAVE HOWEVER ALWAYS BEEN PUT FORWARD ON THE ASSUMPTION THAT THE CHRISTIAN DEMOCRATS WOULD BE THE DOMINANT PARTNER. THE PRICE WHICH THEY WOULD DEMAND FOR ACCEPTANCE OF A SOCIALIST PRIME MINISTER WOULD NO DOUBT BE CONSIDERABLE, AND IT IS THEREFORE DOUBTFUL WHETHER THE DEAL WOULD BE WORKABLE. THUS IT SEEMS LIKELY ON THE WHOLE THAT CRAXI'S ATTEMPT WILL FAIL AND THAT THE MANTLE WILL BEFORE LONG PASS BACK TO ANOTHER CHRISTIAN DEMOCRAT CONDIDATE.

5. MEANWHILE, ANDREOTTI, OF COURSE, CONTINUES AS CARETAKER PRIME MINISTER ON THE SAME BASIS AS BEFORE.

6. FCO PLEASE PASS SAVING ADDRESSEES.

GOODISON

[REPEATED AS REQUESTED]

FCO/WHITEHALL DISTRIBUTION

WED