



Mr Fergusson ✓

WRJ 014/2	
RECEIVED	SECRETARY'S
30 JUN 1981	
OFFICER	
PA	
1/2	1/2
4	5

THE FORLANI GOVERNMENT : OCTOBER 1980 TO MAY 1981

(33)

A 1. I submit Sir Ronald Arculus's Despatch of 22 June
 B looking back on the record of Signor Forlani's government
 (Italy's 40th since the War). I have acknowledged the
 Despatch and arranged for its distribution in the departmental
 series.

(f)

2. In the end, Signor Forlani's parliamentary majority of 90 offered no protection against the series of accidents to which his government was prone from the outset. The Prime Minister lacked dynamism, but Signor Colombo and Signor Lagorio, still respectively Foreign Minister and Defence Minister, have helped to keep Italy on a course welcome to the UK, the EC and NATO. If anything, Italian politics are going to be even more unpredictable than usual in the months ahead and we could well see a fresh general election in the autumn.


30 June 1981

D A S Gladstone
 Western European Department

1/2
 k.

CONFIDENTIAL

WRT 0142

RECEIVED	13
30 JUN 1981	
OFFICE	
EX	PA
Mr. M. 30/6 	



Foreign and Commonwealth Office

London SW1A 2AH

29 June 1981

Sir Ronald Arculus KCMG KCVO
British Embassy
ROME

Dear Ronald

THE FORLANI GOVERNMENT

1. Thank you for your despatch of 22 June summarising the achievements of the Forlani Government and recording the series of setbacks that eventually brought it down. Given the gravity and frequency of those setbacks, especially in the first months, Signor Forlani did well to soldier on for as long as he did. His government never looked like beating Italy's postwar average although in the event its fall came as a surprise: it really had seemed to have a good chance of lasting through the summer in defiance of my forecast (contained in my letter of 13 November) that it would last six months.

2. Whereas Signor Forlani began his period in office with some fairly good cards in his hand, Signor Spadolini appears to have none. He will have to prove either a wizard of the finesse or an outright card-sharper if he is to survive even as long as Forlani, and I shall not be too surprised to be reading an account of the rise and fall of Italy's 41st post-war government before the summer is out. The interesting question to my mind is whether his fall will be precipitated by :

- a) another scandal
- b) a PSI bid for the premiership
- c) a change of PCI tactics
- d) DC impatience to regain control

or a combination of all four. In any event I suppose the next 'crisis' may well lead to a fresh general election, at which the 'Mitterrand effect' would be put to the test.

Yours ever
David

D A S Gladstone
Western European Department

WRS 014/2	
RECEIVED IN DEPT. NO. 13	
30 JUN 1981	
DESK OFFICER	TRY
INDEX	PA
	1-10 306

Mr Fergusson

THE FORLANI GOVERNMENT : OCTOBER 1980 to MAY 1981

A 1. I submit Sir Ronald Arculus's Despatch of 22 June
 B (Italy's 40th since the War). I have acknowledged the
 Despatch and arranged for its distribution in the departmental
 series.

2. In the end, Signor Forlani's parliamentary majority of 90 offered no protection against the series of accidents to which his government was prone from the outset. The Prime Minister lacked dynamism, but Signor Colombo and Signor Lagorio, respectively Foreign Minister and Defence Minister, have helped to keep Italy on a course welcome to the UK, the EC and NATO. It remains to be seen whether Signor Spadolini, the Republican Party leader charged with forming a new government, will decide to leave these Ministers where they are. If anything, Italian politics are going to be even more unpredictable than usual in the months ahead and we could well see a fresh general election in the autumn.

29 June 1981

D A S Gladstone
 Western European Department

DWF G 092/29
C NR 552/29

IMMEDIATE

D/B 291200Z
(rec'd 1150Z)

38

ADVANCE COPY

00 FCO (DESKBY 291200Z)

00 LUXEMBOURG (DESKBY 291200Z)

WRJ 0142	
30 JUN 1981	

Hd/ WES
Hd/ ECD (1) (2)
Hd/ News D

PS

PS/LPS

PS/PUS

Mr Bullard

Mr Fergusson

Shila

Mr Colvin
Reserve Dept

10 Dg St
Cab. off

[Standard]

X10

GR 350

CONFIDENTIAL

DESKBY 291200Z FCO AND LUXEMBOURG

FM ROME 291025Z JUN 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 250 OF 29 JUNE 1981

INFO IMMEDIATE LUXEMBOURG

INFO SAVING OTHER EC POSTS, WASHINGTON AND UKDEL NATO

INFO SAVING HOLY SEE, CAREER CONSULAR POSTS IN ITALY (ACTIONED)

MIPT: NEW ITALIAN GOVERNMENT

1. SPADOLINI'S TEAM NUMBER 27 COMPARED WITH 26 IN OUTGOING FORLANI ADMINISTRATION. THE CHRISTIAN DEMOCRATS (DC) FOUGHT HARD TO GAIN TWO MINISTERIAL PLACES TO COMPENSATE FOR THEIR LOSS OF THE PRIME MINISTER'S POSITION SEMICOLON THE INCOMING LIBERALS HAVE ONE SEAT WHILE THE REPUBLICANS (PRI) HAVE GIVEN UP TWO OTHER PLACES WHILE SECURING THE PRIME MINISTRY.

2. THE MOST IMPORTANT OF THE PORTFOLIOS FOR OUR PURPOSES ARE GENERALLY UNCHANGED. COLOMBO, LAGORIO AND ANDREATTA REMAIN AT FOREIGN AFFAIRS, DEFENCE AND THE TREASURY, RESPECTIVELY. SO TOO DO ROGNONI AND LA MALFA (INTERIOR AND BUDGET) AND, LESS HAPPILY, BARTOLOMEI AT AGRICULTURE. THE LIST OVERALL UNDERLINES THE PRESSURE ON SPADOLINI TO CONCILIATE THE MAIN POLITICAL

FORCES WITHIN THE COALITION: TWO COMPETENT MINISTERS WHO LACKED A STRONG POLITICAL BASE, PANDOLFI (INDUSTRY - DC) AND REVIGLIO (FINANCE - PSI) HAVE BEEN REPLACED BY MARCORA (DC -FORMERLY THE HIGHLY COMPETENT MINISTER OF AGRICULTURE) AND FORMICA (PSI), BOTH OF WHOM HAVE A POWERFUL POLITICAL FOLLOWING. OF THE OTHER APPOINTMENTS, ONE POINTER FOR THE FUTURE MAY BE THAT OF SIGNOR SIGNORILE, A LEFT-WING PSI LEADER, ECLIPSED BY CRAXI SEMICOLON HE GOES TO THE CASSA PER IL MEZZOGIORNO.

3. AS A WHOLE, THE TEAM LOOKS EXPERIENCED AND REASONABLY COMPETENT. IT IS NOT INNOVATIVE AND IF SPADOLINI HAS REALLY TRIED TO GIVE IT A MORE TECHNOCRATIC LOOK AND LESS DEPENDENT POLITICALLY, THEN HE HAS FAILED. ATTENTION WILL NOW CONCENTRATE ON WHETHER HE CAN BREAK TRADITION BY TACKLING A SERIOUS PROGRAMME OF INTERNAL ECONOMIC REFORM AND HE HAS STARTED BOLDLY BY UNDERTAKING TO TACKLE THE "SCALA MOBILE" OR INDEXATION SYSTEM WHICH CONTRIBUTES TO INFLATION IN THE COUNTRY. BUT THE FIRST COMMENTS ARE MOSTLY CYNICAL AND MANY SEE SPADOLINI'S GOVERNMENT AS A TRANSITIONAL STAGE LEADING EVENTUALLY TO A SOCIALIST-LED COALITION.

4. NOTES ON THE NEW MINISTERS NOT INCLUDED IN OUR PERSONALITY REPORT FOLLOW BY BAG.

FCO PLEASE PASS SAYING OTHER EC POSTS, WASHINGTON AND UKDEL NATO.

ARCULUS

NNNN