APPROVED FOR RELEASE DATE: MAR 2004



DIRECTORATE OF INTELLIGENCE

23 May 1984

Communist Participation in the Italian Government? - Part Two

Summary In February Italian President Pertini and some curiscian benocracic (DC) leaders -- notably Foreign Minister Andreotti--were seriously considering ways to bring the Italian Communist Party (PCI) into the next governing coalition. We concluded at that time that despite the interest of these senior officials, it would be difficult to strike such a deal. During the past several weeks, CONTACTS DETWEEN THE DU and the nave become more trequent. The Christian Democrats appear to be taking the lead in these contacts They may be acting out of personal ambition--in --Andreotti's case a desire to secure PCI support for his bid to become President of the Republic. They may be seeking tactical gains by attempting to use PCI support as a lever to recapture the premiership from the Socialists. This memorandum was prepared by Office of European Analysis. EUR M 84-10110 LIAEUL <u>84-totto</u> M. 2 C

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-- They may be fashioning a long-term plan to alter the Italian political system fundamentally by accepting the PCI as a full participant in a future coalition government.

It is clear that the PCI, for its part, hopes to use these talks to achieve full participation in government.

The Setting: Craxi Miscalculation on the "Scala Mobile"

gainst a background of bill to revise the "scala mobile," the system under which industrial wages are adjusted automatically to account for changes in the cost of living. The Communists' derailment of it in late April embarrassed Socialist Prime Minister Craxi and strained relations among members of the governing coalition. Craxi had calculated that standing firm on the bill would enable him to damage Communist prestige, weaken PCI influence within more moderate elements of the union movement, and eventually reduce Communist strength at the polls. The "scala mobile" fight, however, actually enhanced the PCI's standing in the leftist opposition

Ut the other contenders, the small Republican and Liveral parties, who will present a joint list, are widely expected to emerge again as the big winners. The Socialists, in the view of some observers, could gain as much as 3-percentage points on the strength of Craxi's hard line on the "scala mobile." but we believe his tactics could just as easily hurt his party.

New Contacts

The DC leadership probably is as concerned over the possibility of Socialist gains as it is over the DC's own poor prospects. A deal with the Communists, therefore, may prove increasingly attractive to those members of the Christian Democratic hierarchy who believe that recapturing the premiership is a precondition for their party's comeback. Indeed, the strength of the DC's leftwing at the recent party congress suggests that sentiment within the party in favor of a deal with the Communists may already be growing

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Masters of the Game

As a longtime master of the intricacies of the Italian political game, Andreotti almost certainly will try to avoid tipping his hand. Berlinguer is

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a worthy opponent, however, and has not forgotten that Communist parliamentary support for Andreotti-led governments in 1976-79 brought no appreciable payoff for the PCI. Berlinguer has so far refused to give Andreotti a time commitment on either the "scala mobile" or a

post-Craxi government. We believe Berlinguer is almost certain to insist that any agreement with the DC must be governed by a firm timetable for bringing tangible benefits to the Communists.

The DC-PCI discussions may have progressed

If so, and if Andreotti and Berlinguer betteve they can bring along their respective camps, a change in the governing formula could come as early as mid-summer. DC leaders have insisted in the past that any Communist participation in the government must have the electorate's prior approval. If that view prevails, the leaders of the main parties might ask Pertini to dissolve Parliament and call an election in early fall. The next opportunity probably would be a year away, since the Constitution prevents Pertini from dissolving Parliament during his last six months in office, a period that

Alternatively, the DC and PCI might prefer to avoid an early election if they thought it would amount to a rejection of their deal. The two sides could conclude, for example, that testing some form of cooperative arrangement for a few months prior to going to the polls would make it more palatable to voters and ease the transition to a system recognizing the PCI as a "fully legitimate" force.

Andreotti's Motives

In our view, the final outcome will depend largely on the enigmatic Andreotti. Andreotti may merely be seeking a short-term political advantage for the DC. He may be trying, for example, to get PCI help in bringing down the Craxi government -- a development that could open the way for the Christian Democrats to regain the premiership. Alternatively, he may be seeking the PCI's support for his goal of succeeding Pertini as President; once elected, Andeotti could turn against the Communists, even using presidential power to weaken them. Finally, Andreotti may actually believe that the greater danger to Italian democracy and the Western Alliance lies in trying to deny the Communists an expanded role, thus perpetuating the deep political cleavages which have impeded governmental effectiveness. Although Andreotti's private agenda may remain hidden for some time, we suspect that his short-term goals will begin to become clearer soon after the European

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