- 1. Signor Ducci is calling on the PUS at 9.30 am on Thursday 1 February.
- 2. The Italian Embassy has said that in preparation for his return to Rome next week, Signor Ducci wishes to have a general <u>tour d'horizon</u> but that he will also raise three specific issues:
  - Eurostrategic "grey areas" and the modernisation of medium-range nuclear weapons:
  - (ii) Malta;
  - (iii) Albanian gold reserves.
- A B C 3. I attach briefs on these subjects, on the Italian Internal political scene
  D E and on current Community issues involving Italy.
  - 4. Signor Andreotti is expected to submit his resignation to President Pertini tonight. Pending receipt of the expected reporting telegram from Sir A Campbell I attach the latest Reuter report.

31 January 1979

P W M Vereker Western European Department

cc: Sir R Hibbert
Mr Fergusson (O/R)

CONFIDENTIAL - COVERING Secret

Copy to M. Goodall Mr. Kerm

NNNN UKP601 EPA604

1323 : URGENT a e e:LEAD GOVERNMENTA a e;

ROME, JAN 31, REUTER -- ITALIAN PRIME MINISTER GIULIO ANDREOTTI TOLD PARLIAMENT TODAY THAT HE WILL SUBMIT THE RESIGNATION OF HIS CHRISTIAN DEMOCRATIC MINORITY GOVERNMENT TO PRESIDENT SANDRO PERTINI TONIGHT,

MORE AYB/PMS/AEM.

UKP603 EPA605

1327 :LEAD GOVERNMENT 2 \* \* ROME:

SUMMING UP A THREE-DAY DEBATE IN THE CHAMBER OF DEPUTIES DISCUSSING THE WITHDRAWAL OF A FIVE-PARTY PARLIAMENTARY PACT WHICH PROPPED UP HIS 10-MONTH-OLD GOVERNMENT, MR ANDREOTTI SAID THE DEBATE MADE CLEAR THAT HE NO LONGER HAD A MAJORITY TO RULE.

MR ANDREOTTI, WHO HAS HEADED FOUR GOVERNMENTS IN SEVEN YEARS, SAID THE POLITICAL DIVISIONS EMERGING FROM DEBATE REQUIRED A COMPLETELY NEW INITIATIVE. (PICKUP AS REQUIRED) REUTER AVB/PMS/AEM.

THEIR BID FOR MORE GOVERNMENT RESPONSIBILITY IS BEING SUPPORTED BY THE SOCIALISTS, ITHLY'S THIRD LARGEST PHRTY.

BUT THE CHRISTIAN DEMOCRSTS, WHICH LED ALL ITHLIAN POST-WAR GOVERNMENTS. ARE FIRMLY REJECTING THE COMMUNIST AND SOCIALIST DEMANDS, THUS MAKING PRENBIURE ELECTIONS ALMOST INEYITABLE PRESIDENT PERTINI IS EXPECTED TO MSK MR MNDREOTTI TO STAY IN OFFICE IN A CHREHKER CAPACITY.

THE 82-YEAR-OLD HEAD OF STATE WILL OPEN A SERIES OF TALKS WITHHE COUNTRY'S LEADING POLITICIANS TOMORROW.

BUT HE IS ALMOST CERTAIN TO MSK MR ANDREOTTI TO TRY AND SHIURDAY. FORM A NEW GOVERNMENT WHEN TO ASK ME ANDREOTTI REUTER AVE WE THE COMMUNISTS, DISSATISFIED WITH WHAT THEY CALLED A NISHANARED AND INEFFICIENT GOVERNMENT, ARE CALLING FOR CABINE SEATS IN A GOVERNMENT OF NATIONAL UNITY, A DENAMO WHICH ALSO TOPPLED MR ANDREOTTI'S PREVIOUS MINORITY GOVERNMENT. UKP & THE COLLAPSE OF THE PARLIAMENTARY PACT AT 1700 GMT, THEN HAND (PICK UP HS REQUIRED) HIS RESIGNATION TO PRESIDENT PERTINI THE COMMUNISTS, DISSHTISFIED WITH WHAT THE PRIME MINISTER SAID HE WOULD INFORM HIS CABINET ABOUT LEAD GOVERNMENT 3 ROWE GOVERNMENT WHEN HE COMPLETES HIS ROUND OF THUS ON

Most likelit.

Mac Coold. In Verene.

WELL.

W.S.W.