



THE PSI HAVE SAID THAT A GENUINE "RENEWAL" IS NECESSARY, AND NOT JUST A RESHUFFLE: BUT THAT IS CAPABLE OF SEVERAL INTERPRETATIONS.

5. FORLANI'S TASK IS STILL DIFFICULT, BIK THE ATTITUDE OF THE PSI AS EXPRESSED ON 3 JUNE MUST IMPROVE HIS CHANCE OF FORMING A GOVERNMENT SIMILAR TO HIS FIRST. HE ENJOYS THE FULL SUPPORT OF HIS OWN PARTY. FRESH REVELATIONS IN THE P2 SCANDAL ARE ONE OF THE MANY THINGS WHICH COULD UPSET HIS PLANS, AS THE INVESTIGATIONS OF THE PARLIAMENTARY COMMISSION AND THE MAGISTRACY CONTINUE. THE PCI ARE MAKING MUCH OF THEIR COMPLETE ABSENCE FROM THE LISTS, AND CONSPIRACY THEORISTS CONTINUE TO PONDER THE FACT THAT NONE OF ANDREOTTI'S SUPPORTERS ARE INCLUDED. BUT THE DETAILS OF GELLI'S ACTIVITIES, AND THE ACCUSATIONS THAT MASONRY IS INCOMPATIBLE WITH BEING A MEMBER OF THE DC OR HOLDING PUBLIC OFFICE, ARE OTHERWISE UNLIKELY TO HAVE MUCH EFFECT ON THE PROCESS OF HARD POLITICAL BARGAINING TO FORM A NEW GOVERNMENT, IE. OVER POLICIES AND PORTFOLIOS AND FUTURE "ALTERATION". "AKTERNATION"

6. FINALLY, OUR SUMMIT HAS NOT BEEN THE ONLY DIPLOMATIC CASUALTY OF THE CRISIS. THE PRESIDENT OF VENEZUELA HAS CANCELLED A VISIT SCHEDULED FOR 8 JUNE. IT IS DOUBTFUL WHETHER COLOMBO WILL GO TO OSLO AS PLANNED ON 9 JUNE THOUGH CHEYSSON WILL COME TO ROME. THE JAPANESE PRIME MINISTER'S VISIT NEXT WEEK IS STILL ON, BUT THERE MAY BE A QUESTION MARK OVER SCHMIDT'S VISIT TO ROME ON 17/18 JUNE. PRESS COMMENT (ALMOST CERTAINLY INSPIRED BY THE MFA) LAMENTS THE DAMAGE TO ITALY'S INTERNATIONAL STANDING CAUSED BY HER GOVERNMENTAL INSTABILITY.

MILAN AND HOLY SEE ACTIONED

R N CULSHAW

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