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MR. FERGUSSON

CALL ON THE PRIME MINISTER BY THE SECRETARY-GENERAL OF THE ITALIAN FOREIGN MINISTRY

As the Foreign and Commonwealth Secretary knows, Signor Manzini, the Secretary-General of the Italian Foreign Ministry called on the Prime Minister in his villa at 9.40 this morning. The Prime Minister asked that this account of their conversation should be kept extremely close, and I would therefore be grateful if you would ensure that this minute is treated accordingly.

Signor Manzini told the Prime Minister that it was now almost certain that Signor Moro would go in early July and be elected Speaker before running for the Presidency. He would be succeeded temporarily by Signor Cossiga, the former Minister of the Interior who is about 48 years old. Signor Colombo would also go. Although Signor Cossiga's appointment would be a temporary one, Signor Manzini thought thathe had a good chance of remaining Prime Minister on a longer term basis.

Signor Manzini said that it was unlikely that the Christian Democrats would be able to pick up any more votes unless they changed their attitudes and policies drastically. Signor Manzini himself has been in contact with Signor Berlinguer, and said that he was ready to help to there in touch with him. The financial situation was that tourist revenues would see the Italians throught this summer, and the Banca d'Italia would not need more assistance until next year. The Christian Democrats would form the Government and would try to reach an understanding with the Italian Trades Unions following the example of the British Government's dealings with the British Trades Unions, which Signor Manzini said were beginning to have an effect in Italy.

For the future, Signor Manzini thought that there would probably be some kind of Communist Government in Italy within about five years under a Western umbrella. Signor Manzini himself made it clear that he had changed his attitude towards the Communist Party in Italy, and was now very sympathetic towards it. He also told the Prime Minister that he would like to come to London occasionally in order to give us an account of how things

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were going there. The Prime Minister commented that this last point perhaps supported the description of Signor Manzini in the Foreign and Commonwealth Office personalities note as "meddlesome".

I am copying this minute on a similarly restricted basis to Nick Monck (H.M. Treasury).

PRHU

27 June 1976