You may wish to see Mike Webb's draft Paper on the Italian internal political crisis which is to be discussed at the Cabinet Office on 25 March. Mrs Colvin and I shall attend the meeting.

- 2. Rome could not predict when the crisis might be resolved. But it is likely to take weeks rather than days, they say. Mr Pellew emphasised, however, that as in past political crises, it would be "business as usual" (as far as ministerial visits abroad etc were concerned) although the internal political situation is likely to distract the Italian Government from EEC business.
- 3. The PSI are meeting on Monday. Mr Pellew will let me know if the terms of their participation in Government are clarified at that meeting.

Metsarill

21 March 1980

Miss M A Savill Western European Dept

Mis Saylu

Theregor, Ok Elkert.

COVERING SECRET AND PERSONAL

4. Mb2/3.