

SECRET - UKFE/BLA

MT

PART I

Confidential Filing

Anglo/Italian Summit

ITALY

January 1981

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
27.1.81		27.10.81					
13.5.81		6.11.81					
14.5.81		11.11.81					
18.5.81							
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28.5.81							
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8.6.81							
23.7.81							
31.7.81							
3.8.81							
11.10.81							

PREM 19/510

PART 1 ends:-

MODBA Je FCO 14/11/81

PART 2 begins:-

FCO Je AJC 26/2



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10 DOWNING STREET

From the Private Secretary

11 November 1981

I enclose a copy of the record of the discussion in plenary session which took place here between the Prime Minister and the President of the Italian Council of Ministers on 9 November.

I am sending copies of this letter and its enclosure to John Kerr (HM Treasury), Kate Timms (Ministry of Agriculture, Fisheries and Food), John Rhodes (Department of Trade), David Omand (Ministry of Defence) and David Wright (Cabinet Office).

M. OD. B. ALEXANDER

CS

F.N. Richards, Esq.,
Foreign and Commonwealth Office.

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10 November, 1981.

Anglo-Italian Summit

Thank you for your letter of 6 November enclosing a revised brief on the Anglo-Italian helicopter project. In the event, the subject did not come up. Nor did the question of control arrangements for GLCMs, to which your letter also refers, arise.

M. O'D. B. ALEXANDER

N.H.R. Evans, Esq.,
Ministry of Defence.

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10 DOWNING STREET

From the Private Secretary

10 November, 1981.

Visit of Signor Spadolini

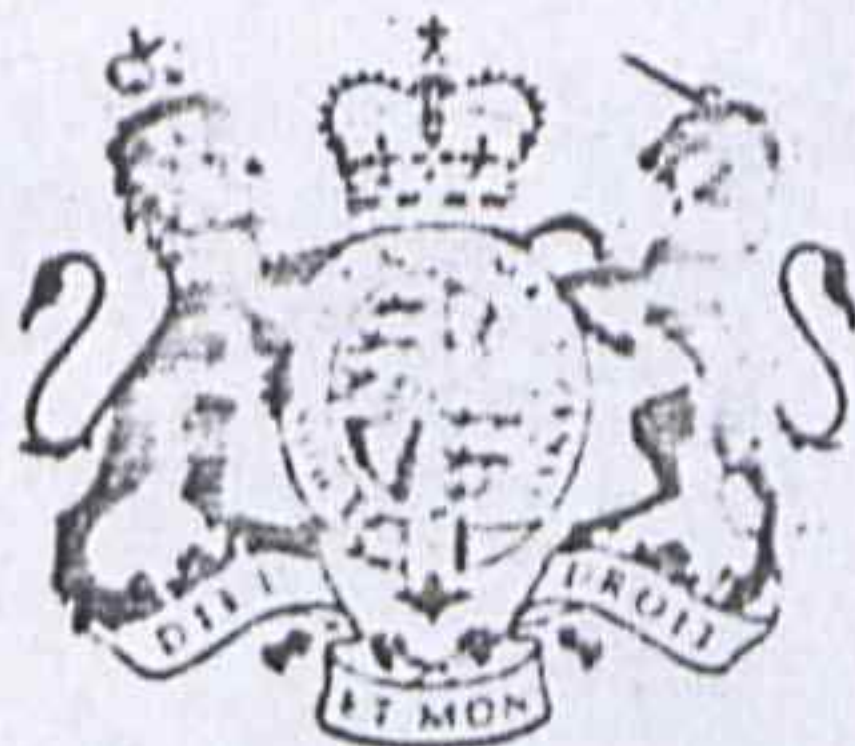
I enclose a record of the tete-a-tete discussion which took place here yesterday between the Prime Minister and Signor Spadolini.

I am copying this letter and its enclosure to John Kerr (HM Treasury), Kate Timms (Ministry of Agriculture, Fisheries and Food) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Francis Richards, Esq.,
Foreign and Commonwealth Office.

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SUBJECT
C.C. Market

10 DOWNING STREET

From the Private Secretary

10 November, 1981.

Dear Francis,

Lunch for Signor Spadolini

As you know, the Prime Minister entertained Signor Spadolini at a working lunch here on 9 November. Signor Spadolini was accompanied by Signor Colombo, the Italian Ambassador, Signor Bottai, Signor Bucci, and Signor Berlinguer. On the British side, the Foreign and Commonwealth Secretary, Sir Ronald Arculus, Mr. Bullard and Lord Bridges participated.

The conversation ranged widely. It was somewhat disjointed, and, on occasion, inaudible. I do not intend therefore to attempt to do a complete record. This letter summarises some of the points of interest. It may be that Mr. Bullard and Lord Bridges will have points to add.

The Middle East

Discussion of the Middle East and the problems of the Sinai MFO covered well-trodden ground. The Foreign and Commonwealth Secretary explained the situation as it was at the time. There was some comment on the inconvenience arising from the fact that the Arab Summit at Fez and the European Council in London would be taking place at the same time. It would clearly be necessary to bear the coincidence in mind, and ensure that as much information as possible was available to the Council about developments in Fez.

European Council

There was a brief discussion about the length of the draft conclusions for the European Council Meeting at present under discussion in Brussels. The Prime Minister repeated her well-known aversion to lengthy communiques. Signor Berlinguer said that Chancellor Schmidt would undoubtedly agree with the Prime Minister.

The Prime Minister agreed with Signor Colombo, as she had earlier agreed with Signor Spadolini, that she saw no reason why Member States of the European Community should pay for each others agricultural surpluses. She also pointed out, as she

had pointed out during the tete-a-tete, that she saw no prospect of the French agreeing to this approach. It was suggested that the Italian position on surpluses might not be altogether easy to reconcile with the support they were demanding from the Community for their Mediterranean products. Signor Colombo said that the Italian concept was that the price guaranteed to the producers for surpluses should be lower than the market price. It was pointed out that it had proved difficult to adapt this clearly sensible approach to the problems of the dairy sector.

There was general agreement, with Signor Colombo speaking particularly forcefully, that the preparations for the European Council's discussion of the 30 May Mandate were far from complete. The Foreign and Commonwealth Secretary said that there would be a need to follow the example set by Signor Colombo in the run-up to the May 1980 Meeting. Unfortunately, the present situation was a good deal more complex. Signor Colombo and Signor Spadolini both stressed the need to avoid a Council Meeting which sanctioned disagreement. The difficulties would have to be taken one by one, and a reasonable outcome secured. The Prime Minister enquired why the Committee of Permanent Representatives found it so difficult to make progress. Signor Colombo observed that they were not in a position to negotiate with each other: they merely stated positions. If the Members of the Community continued to do this, if there was no real change in positions, the Community would be threatened with suffocation. The Foreign and Commonwealth Secretary took the view that there would be little purpose in arranging ad hoc meetings, e.g., of Finance Ministers and Foreign Affairs Ministers, in an attempt to break the log jam. The problems were only likely to be solved when the Community was up against a real time limit such as that set by the need to fix agricultural prices. The Prime Minister said that if this was the case, the Spring Meeting of the European Council would be a crisis meeting.

Signor Colombo said that Members of the Community would have to make a choice between two approaches. Either to continue with the situation as present, dressing it up in the language of reform; or to go for genuine solutions. (The Prime Minister made clear she was only interested in the latter approach.) As regards the propositions at present on the table, Signor Colombo said that a Declaration of Intent on Chapter I would not be enough for the Italian Government. They were looking for a decision which fell somewhere between short term improvisation and long term generalisation. They wanted to see a "programme of commitments". Nor were the Italian Government satisfied with the Commission's proposals for reform of the CAP. They thought these proposals would create a Community in which the present inequities were formalised and legalised.

In 1980 the Community had succeeded in agreeing on certain broad principles and on the 30 May Mandate. This year it had to move on. It could not repeat the same operation. It would

not be enough to consider principles and methods again. (The Prime Minister indicated that she would be unhappy to agree a further set of principles without clear evidence of the effect they would have, separately and collectively, on the UK.) Hence the need for a programme. This would have to embrace the various policies, e.g., regional, energy, industry, under Chapter I; the rationalisation of agricultural policy; and the restructuring of the budget. There would have to be progress on all three. The Foreign and Commonwealth Secretary observed that this seemed to be what the Presidency had been trying to do all along.

German Attitudes

At the end of lunch, there was some discussion of the attitudes of the German Government. It was suggested that the German Government would not necessarily resist very strongly the continued payment of a very large contribution to the budget. The Prime Minister commented that the German Government would ignore at its peril popular resentment in the country against the Community. It would be in no one's interest to allow that resentment to grow. The Foreign and Commonwealth Secretary said that Herr Genscher was worried about disillusionment with the Community in the Federal Republic.

I am sending copies of this letter to John Kerr (HM Treasury), Kate Timms (Ministry of Agriculture, Fisheries and Food), and David Wright (Cabinet Office).

Yours ever

Michael Alexander

Francis Richards, Esq.,
Foreign and Commonwealth Office.

● ALEXANDER —

MR INGHAM
MR KYDD
MR RYLANDS
MR TAYLOR
DETECTIVES
FRONT DOOR

SIGNOR GIOVANNI SPADOLINI - PHOTO FACILITIES

The following will arrive for the photocall at 1145 hours for 1200 noon today:

COI	- E Raymond
Financial Times	- name to follow
Keystone	- S Dach
BBC (stills)	- W Smith
BBC (eng)	- D Collier
	I Pritchard
	M Hillman
ITN (eng)	- P Sutley
	G Moyse
	R Dove
Vienews (eng)	- Messrs Waller
	Emery
	Chohan

Embassy photographer - A. Nemitz

2. We also expect the following to cover his arrival from outside:

AP	- L Harris
Universal Pictorial	- G Prior
	J Nicholson
UPI	- J Eggitt
Central Press	- G Bruce

PETER EWING

9 November, 1981

An unusual bilateral - but
in a curious way evidence that
Europe is a reality. - also
a bit of a shambles!
Now life is like that.

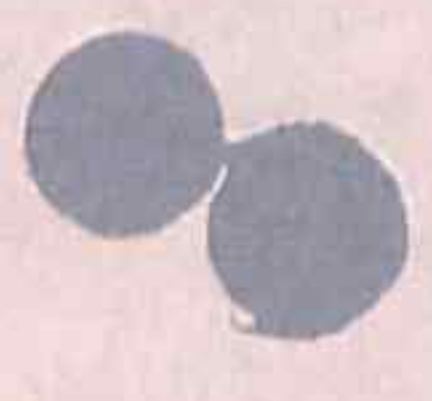
SIR JAMES SCOTT-HOPKINS CALL ON THE PRIME MINISTER:
9 NOVEMBER 1981

MS

Points to Make

PRESIDENCY OF EUROPEAN PARLIAMENT

1. Would be pleased if European Parliament elected a British President.
2. British MEPs and, in particular, European Democratic Group have made important contribution to work of Parliament.
3. But not in Member States' gift - it is not for Member States to intervene in Parliament's internal affairs.
4. ^{Why?} Likely to be unhelpful to Sir James Scott-Hopkins cause to be openly backed by HMG. Understand European Democratic Group already seen in some quarters as reflecting views of UK Government. HMG's open backing would be counter-productive.
5. Hope very much we can avoid a row between Council and Parliament over 1982 budget in the closing days of British Presidency. Note EDG have attempted to ensure Parliament adopts realistic attitude. Hope they will continue to do so. Latest amendments to increase non-obligatory expenditure clearly go too far, and will make agreement with Council more difficult.
6. We will do what we can to try to ensure that certain Member States do not set the Council on a collision course with Parliament.
7. Believe that our efforts so far to improve relations with Parliament have been successful. In budgetary field have tried to ensure that Parliament's views are fully taken into account by Budget Council. Have also pursued dialogue with Parliament on budgetary procedure.
8. [If raised] Impossible to predict conclusions on the 30 May Mandate yet and to incorporate them in 1982 draft budget, but reductions in FEOGA and increase in structural funds in 1982 budget very much in line with desired outcome of Mandate discussions.

- 
9. [If Raised] Understand that classification of expenditure may be a particular bone of contention this year. Hope we can agree to discuss this in overall context of budgetary procedure, and not allow it to hold up the 1982 budget itself.

Essential Facts

PRESIDENCY OF EUROPEAN PARLIAMENT

1. The Manoeuvring for the job is just beginning in earnest; Madame Veil's first term of office expires in January 1982 (she may yet stand again). Sir James Scott-Hopkins announced his candidature in Strasbourg on 4 November, but has not asked for HMG's support. While we should welcome the election of a British President, it could be against the interests of the Government and, indeed, of Sir James himself if we were seen actively to be lending support to his cause. The Parliament is increasingly jealous of its independence and sensitive to what it would regard as interference from the Community's Member States.

2. It is far from clear how the manoeuvring is likely to develop. Although when Mme Veil was elected the EDG believed they had struck a bargain which would guarantee their candidate support this time round, there is some doubt about the strength of this agreement, and Sir James Scott-Hopkins may be confronted with other strong, centre-right candidates who would give him a good contest, such as Mr Tindemans (Belgian, ex Prime Minister), Herr Klepsch (German) - both Christian Democrats and possibly Mme Veil herself. The Socialists, too, may put up a strong candidate.

1982 BUDGET

3. The European Parliament has been voting this week on its amendments to the 1982 draft budget. Sir James Scott-Hopkins apparently wishes to make a progress report. The Financial Secretary to the Treasury has been in Strasbourg to attend the Parliament's debates.

4. The main issue between Council and Parliament is expected to be the level of appropriation for non-obligatory expenditure. This is the expenditure which includes the Regional and Social Funds, administrative and research expenditure, and on which the Parliament is given the final word under the budgetary procedure, subject to an agreed limit on the amount (the 'margin') by which it can increase the provision in the draft budget. On the Council's calculations the Parliament's margin for the 1982 draft budget is 426 ecu for multi-annual commitments and 210m ecu for payments in 1982. The Parliament has voted amendments to the draft budget which would lead to increases of 120m ecu for commitments and 600m ecu in payments. The amendments will go for consideration at the second Budget Council on 23 November, at which many of them will probably be rejected. Sir James Scott-Hopkins has told us that thereafter in the negotiation with the Council on a final compromise, the Parliament can probably be held to an increase of 450 to 600m ecu on commitments and about 450m ecu on payments. This is still substantially more, particularly for payments, than the Parliament's existing margin, and the Council would have to agree to raise the maximum rate for increases to accommodate it.

5. There is therefore the makings of a renewed Council/Parliament dispute in December. Sir James Scott-Hopkins believes that the Parliament is not looking for a fight this year, and that is confirmed by comments which we have had from other leading MEPs. Some Member States however, including Germany and France, could provoke a row by adopting intransigent positions in the Council. They have traditionally opposed large increases in the structural funds and may argue that in the draft budget they have already agreed to a large (14.5%) increase in payments over 1981 and will not agree to increase the Parliament's margin to accommodate further increases in the budget. Although a row, if there is one, would be about money, it looks as if the Parliament might present it as a disagreement over the classification of expenditure. They argue that more items in the budget should be classified as non-obligatory; this would have the effect of increasing the area of the budget which they control and the amount by which they can increase the budget provision. Mme Veil wrote on 8 October to the President of the Council calling for a meeting between the Parliament and Presidency to discuss classification. Mr Ridley met leading MPEs over lunch on 3 November in response to this. He took note of their views and undertook that the Council would consider them.

6. One item in the 1982 budget which is of particular interest to the UK is the provision for our 1981 refunds. The Parliament Budgets Committee voted, thanks to Mr R Balfe MPE, to place half the amount in the reserve chapter of the budget, but this was rejected by the plenary session.

7. At UK and German insistence, some 340m ecu of the Commission's proposed FEOGA expenditure was placed by the Council in the reserve chapter of the draft budget. New estimates of higher world agricultural prices later led the Council to make further cuts in the FEOGA provision and the Parliament cut it even more. This is broadly welcome as it helps to ensure that FEOGA expenditure grows more slowly than the available own resources.

EUROPEAN PARLIAMENT: GENERAL DEVELOPMENTS

8. During the UK Presidency, we have made a major effort to achieve and maintain good relations with the Parliament. Apart from paying particular attention to the budgetary procedure, we have made an effort to ensure that Ministers maintain contacts with the respective Committees of the Parliament and have paid careful attention to the handling of the political colloquies (in which the Parliament is informed of proceedings in political cooperation) and to question time in the European Parliament which, generally speaking, Mr Hurd takes for the Presidency. The Parliament are also particularly pleased that the Prime Minister is planning to address them on 16 December.

9. Another innovation of our Presidency is a meeting to be held on 17 November between all 10 Foreign Ministers and the leaders of the Parliament. This will be followed by a dinner for the participants and will be the first opportunity the Parliament have had to hold any sort of discussion on general questions of interest to both sides. We envisage it will cover several aspects of the Council/Parliament relations, and will maintain the process of paying attention to the form of our relations with the Parliament while conceding nothing of substance on the Parliament's powers.

10. The indications so far are that the Parliament is pleased by the attention it has received both as to the number and rank of the Ministers who have come to talk to it. The European Democratic Group are specially gratified that this should have been a feature of our Presidency.

MT

ADDITIONAL NOTE ON 1982 BUDGET

1. Sir James Scott-Hopkins raised an additional point on the 1982 Budget with Mr Hurd on 6 November. The European Parliament has voted to switch provision for MCAs from the FEOGA Guarantee section to the Guidance section and for food aid restitutions from FEOGA Guarantee to the aid section of the budget. The sum involved is about 420m ecu (about 3% of FEOGA Guarantee). If adopted, this change would mean a redefinition of the coverage of FEOGA Guarantee, and so make it appear that CAP expenditure had been cut when in fact it had simply been moved to another part of the budget.

2. In order to undo these changes, we shall require a qualified majority in the Council against what the Parliament has done. Although we can count on German support, France, Ireland and Denmark have long campaigned for such items to be removed from FEOGA, and it will be difficult to achieve a qualified majority on our side.

3. The specific point raised by Sir James Scott-Hopkins is that this reduction in FEOGA Guarantee would reduce the amount of any UK refunds under the Commission's proposed scheme in its Mandate report, were this to form any part of a solution. Such refunds would be calculated by comparing our share of Community GNP and our share of FEOGA Guarantee expenditure. Essentially, we should be receiving a correction only with regard to FEOGA Guarantee and not other sections of the budget, and a reduction in FEOGA Guarantee expenditure would thus reduce our refunds. We are unlikely to receive a high enough share of MCA and food aid restitution expenditure to compensate for this.

Line to Take

Very Hypothetical point.

Agree that it would probably reduce our refunds under the Commission scheme. But amounts involved relatively small and we shall try to reverse decision in the Council. Our approach of deciding pattern of net contributions/receipts on basis of objective criteria does not have this problem

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Foreign and Commonwealth Office

London SW1A 2AH

9 November 1981

Dear Michael,

Anglo-Italian Summit:
After Dinner Speech by Prime Minister

I enclose some notes which the Prime Minister may like to draw on in her speech of welcome to Signor Spadolini. He is a well-known historian as well as journalist and politician. In view of the current difficulties involving the leading Italian newspaper Corriere della Sera, it might be tactful not to draw attention to Signor Spadolini's journalistic abilities.

Yours ever,

Francis P. Richards

(F N Richardson)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
London SW1



With the compliments of

Private Secretary.

WESTERN EUROPEAN
DEPARTMENT

*I attach a list of those expected to
take part in the plenary talks for the
Anglo Italian Summit. In addition the Italian
embassy has asked whether two Counsellors,*

FOREIGN AND COMMONWEALTH OFFICE,
LONDON, SW1A 2AH

*Signor Quagliariotti and Signor Biondo, can act
as messengers (not taking part)*

[Signature]
5/11 3266

ANGLO-ITALIAN SUMMIT 9 NOVEMBER

PLENARY TALKS 1430-1645

ITALY

HE Senator Giovanni Spadolini,	Prime Minister
Onorevole Emilio Colombo	Minister for Foreign Affairs
Ambassador Andrea Cagiati	Ambassador of Italy
Ambassador Maurizio Bucci	Director General Economic Affairs MFA
Ambassador Bruno Bottai	Director General Political Affairs MFA
Minister Luigi Fontana Giusti	Minister, Italian Embassy
Minister Sergio Berlinguer	Diplomatic Adviser to Senator Spadolini
Minister Enzo Perlot	Head of MFA Press Dept
Minister Luigi Cavalchini	Deputy Head of Cabinet, MFA
Prefetto Vincenzo Mallardo	Protocol Dept, Palazzo Chigi
Dottor Stefano Folli	Press Attaché, Palazzo Chigi
Cons. Ludovico Ortona	Vice-Diplomatic Adviser to Senator Spadolini

UK

Prime Minister	
Secretary of State for Foreign and Commonwealth Affairs	
Sir Robert Armstrong	Secretary to the Cabinet
Sir Michael Palliser	FCO
Sir Ronald Arculus	HM Ambassador, Rome
The Lord Bridges	FCO
Mr J L Bullard	FCO
Mr M O B Alexander	Private Secretary to the Prime Minister
Mr D A S Gladstone	FCO

SUBJECT
e.c. Mark

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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRESIDENT OF THE COUNCIL OF MINISTERS OF ITALY, SIGNOR GIOVANNI SPADOLINI, AT 10 DOWNING STREET ON 9 NOVEMBER AT 1210 HOURS

Present

The Prime Minister
Mr. M.O'D.B. Alexander

Signor Spadolini
Signor Berlinguer

* * * * *

The Italian Economy

After an exchange of courtesies, the Prime Minister asked Signor Spadolini about the economic situation in Italy. Signor Spadolini said that, as he had explained to the Prime Minister in Ottawa, his main task was the fight against inflation. He was close to agreement with the unions on wage levels. There had been many frustrations and disappointments but by the end of the year he hoped to have got the figure for inflation down to 16 per cent - as opposed to the 20 per cent which had obtained when he took office. The importance of this was that wages in Italy were indexed. A reduction in the level of inflation would therefore reduce claims in the next wage round. He hoped to get the claims down to an average increase of 14 or 15 per cent. He was also hoping to hold down the prices of gas and electricity and to change the country's fiscal structure so that workers would have more take-home pay. This meant reducing the public sector deficit, i.e. cutting expenditure.

The aim was to reduce current expenditure by 10 per cent (or 10,000 billion lira). The Prime Minister commented that most governments seemed to be experiencing similar problems for the same reasons. People had been led to expect more money than could be justified by their own output. Parliaments were not prepared to see expenditure cut severely enough to permit tax cuts. Would Parliament in Rome allow Signor Spadolini's programme through? Signor Spadolini said that there was no

/general

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general pact but there was a measure of agreement on specific points and an understanding about the need to resist inflation. He was planning to make cuts in expenditure on health and welfare; prescription charges would be increased and expenditure on social security would be reduced by 2,500 billion lira. This would primarily be achieved by increasing individual contributions. There would also be a reduction in transfers from central government to local authorities. The Prime Minister said that it sounded as though a heavier burden would be placed on wage earners generally. Signor Spadolini said that his measures were designed to affect the self-employed rather than employees. None the less, noisy polemics would undoubtedly result, e.g., as a result of the increases in prescription charges. The trade unions were taking a different line in public from that which they took in private. However, the measures should be through by Christmas. If so, new ground would have been broken. It would be the first time there had been agreement on a planned inflation rate.

The Prime Minister and Signor Spadolini agreed that much would depend on the dollar rate. Some reduction in the value of the dollar was essential. The Prime Minister commented that the British economy had been hit by the higher dollar. It had fed through in the shape of increases in the price of oil. Fortunately US interest rates now seemed to be coming down. Signor Spadolini commented that President Reagan had been telling the truth in Ottawa. None the less, the cost of money remained very high in Italy, prohibitively so for some small firms. This in turn affected unemployment. Although the official figures for unemployment in Italy were under 10 per cent, this was misleading. There was a great deal of hidden unemployment in the country. The Prime Minister asked whether it was not the case that Italian exports were rising? Signor Spadolini said that this was the case in some sectors but by no means all. He described the overall export situation as "reasonable but not good". The Prime Minister said that Signor Spadolini's basic message appeared to be that the world economic prospects would improve if the American economy improved and provided no extraneous political crisis drove up the price of oil. Signor Spadolini

/ said that

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said that this was exactly right. Against this background, the role of the European Community was important. A firm line-up in the Community helped the Italian Government. The Prime Minister asked whether he meant by this that the European Council should declare its intention to continue the fight against inflation? Signor Spadolini said this was indeed what he had meant.

European Council: 30 May Mandate

Signor Spadolini said that the European Council should try to reach agreement on all three aspects of the 30 May Mandate. The Prime Minister said that this was her intention. She agreed that all three aspects of the Mandate had to be treated together. But it was proving difficult to make progress, and still more to reach agreement, in advance of the meeting. There seemed to be a general desire to make progress on Chapter 1 measures. (Signor Spadolini agreed.) There was a desire to make progress on reform of the CAP but Member States' ideas on how to achieve this tended to conflict. In particular, those of France were distinctive. As regards the Budget, progress would have to be made. Clearly the Federal Republic did not intend to go on paying at the present rate. However, again, it would not be easy to reach agreement on restructuring. Signor Spadolini said that the psychological effect of a failure at the Council would be considerable. It was essential that the Council should give the "idea of Europe" a boost. He hoped that it would be possible to make progress with President Mitterrand when he visited Paris the following week. The wine war showed the difficulties which existed but the "principle of progress" had to be accepted.

The Prime Minister said that the resource costs of the CAP were very heavy for the United Kingdom. We had to buy a great deal within the Community which we could obtain more cheaply from outside. This was a problem, she thought, which the United Kingdom and Italy had in common. (Signor Spadolini indicated agreement.) France's present efforts to change the system in order to help the small producer at the expense of the more efficient were unlikely to be helpful. What would the Italian

Government like to achieve in regard to the CAP? Signor Berlinguer said that Italy would, in the first place, like to see the package of Mediterranean products which had been agreed three years earlier reaffirmed. Secondly, they wished to see adjustments made in the CAP so that those agricultural producers, e.g. of cereals and dairy products, who were not responsible for producing surpluses, would not be penalised. At present, Italy was being "punished" for the surpluses being produced by other countries. The Prime Minister commented that an approach on these lines would mean treating surpluses as a national, rather than as a Community, problem. Signor Berlinguer said that this was so. The Prime Minister said that she agreed with this approach. However, she wondered whether the French would agree.

Signor Spadolini said that as one of the measures under Chapter 1, he wished to see the Ortolli facility enlarged.. It must be used for structural investment and not merely to relieve crises. Initially, the increase might be of the order of 1,000 mua. It was for Italy an "absolute necessity" that more investment should be channelled into the field of nuclear energy. Italy, with only three nuclear power plants, had fallen far behind other Community Members, such as France.

In the course of a brief discussion on the length of the draft conclusions being considered by officials (Signor Berlinguer referred to a draft of 55 pages), the Prime Minister said that she intended to cut it down very radically. She added that she had no intention of approving a communique referring to matters which had not been discussed by the Heads of Government.

Sinai

Signor Spadolini asked whether the Prime Minister thought the current difficulties over Sinai and the Sinai MFO could be resolved. The Prime Minister said that she was very distressed at the turn which events had taken. Our intention had been to assist the United States without alarming the moderate Arabs who would be dismayed if we departed from the Venice Declaration.

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We owed it both to the Arabs and to the United States to produce a clear and distinctive statement on our position. She had been "amazed and sad" when Mr. Haig had told our Ambassador that our proposed statement would cause difficulties. The statement said nothing new. It did not criticise Camp David. It did not ask for American agreement. It merely reiterated our adherence to our own views. If the United States could not go along with our preferred procedure, we would have to make a statement in Parliament. There would have to be a statement in one form or another. Failing this, the Arabs would be disillusioned and ultimately difficulties would be caused for Egypt.

Looking further ahead, it seemed unlikely that there would be much progress until Sinai had been returned to Egypt. Once this had taken place, there might be room for new discussions and for modifications in the attitude of the United States. The possibilities opened up by Prince Fahd's eight points would also become important. But the next stages would not be easy. As regards the autonomy talks, for instance, there was no known constitutional arrangement whereby a people could be given autonomy without obtaining at the same time control of the land in which they were to exercise that autonomy.

Signor Spadolini said that he agreed with the Prime Minister that the public argument between Mr. Haig and Europe was regrettable and indeed dangerous at the present time. There was much instability in the Middle East. Colonel Qadhafi was unpredictable. The position of Egypt in the aftermath of President Sadat's death was uncertain. The establishment of the MFO might help President Mubarak. Signor Spadolini agreed that until Sinai was returned to Egypt, there was no chance of further progress. This made it even more important that Sinai should be given back on time. It was to be hoped that national statements, confirming the Venice Declaration, would prove sufficient. Only Arab extremists were objecting to the MFO. The Prime Minister commented that moderate Arab rulers understood the rationale of the MFO but it was less clear that this understanding extended to their peoples.

/The Prime Minister

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The Prime Minister went on to comment on the increasing importance of the role of the Saudi Government. Prince Saud had elaborated on the seventh of Prince Fahd's eight points in a way which made it clear that the language was meant to include Israel. They were now clearly trying to persuade other moderate Arabs of the need to accept Israel's right to exist. It was therefore satisfactory that the Senate, in the end, let the AWACS deal go through. Failure to do so would have been an unacceptable humiliation for the Saudis. The Israeli reaction to the AWACS decision had been very unwise. Israel was in general over-reacting at present. This accounted for the line they were taking on the MFO and for their efforts to tie us into Camp David. It was necessary for the Ten to keep calm. Certainly HMG did not intend to react with angry words to what had been said in Washington. Signor Spadolini commented on the importance of giving the Americans, the Arabs and the Israelis, a sense of a European presence in the matter. The Prime Minister said that the enunciation of the eight points should make possible eventual Arab involvement in a comprehensive statement. The eight points could not be ignored. They had been initially welcomed by President Reagan. The President was undoubtedly anxious "to do the right thing" but the strength of the Israeli lobby in the United States would always give him problems.

Mrs. Gandhi

Signor Spadolini said that he had been able to greet Mrs. Gandhi on her arrival in Rome before his departure for London. The Prime Minister said that relations between the United Kingdom and India at present were very good. She liked Mrs. Gandhi and liked what she was doing in India. Signor Spadolini said that Mrs. Gandhi had told him that she had "won the battle for survival". By this he had assumed that she meant the battle to solve India's food problems. The Prime Minister commented that consideration of India's problems helped to put the problems of Europe in perspective.

/ Cancun

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Cancun

Signor Spadolini asked about the Cancun Conference. The Prime Minister said it had gone very well. It had been wise not to arouse exaggerated hopes in advance of the meeting. Despite a certain amount of argument behind the scenes, agreement had been achieved to continue the global negotiations in a United Nations framework and to protect the position and independence of the major financial institutions. There had been some discussion of the energy affiliate. The Saudis had said the idea was worthy of further consideration and had appeared to mean this. More generally, the developing countries had shown a clear understanding of the importance to them of the defeat of inflation in and by the developed countries. All the participants had considered the meeting worth while. It would help to advance matters in the future.

The meeting ended at 1310.

Handwritten signature

10 November 1981

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And East/Sinai
Brand
Defence - note,

10 DOWNING STREET

From the Press Secretary

Prime Minister Spadolini, accompanied by Joseph P. ... Colombo
visiting in regular series of visits.

Also normally held every 6 months but one cancelled at the
last moment for 2-3 because ... (and ...)
led to ... Spadolini ...

has ... in Rome Nov 23/24 last yr (when ... recall ... was
... of ...) with ...

Spadolini, a Republican Party ... heads ... CD, ...
SDs ... + Republican ...

UK Argentina

- ... gov ... relations
- a wide range of ... (East, ...)
- ... Council ... Mandate ... helpful, ... very useful

... ... (after ...)

... a ... room ... has ...
...
... 3.45 ...
...
... 8pm ...
... AM.

Heard 11.10
Here today

1- Course - (Latham firm, if late by 54. Any problem?)

Commission reform ideas.

2- Helicopters 85 helicopters firm. Export. Level met. flossom
jet with Curt met. hard.

3- Pandolfi Commitment to me and to Med. of.
Don't expect much from - of measures. (They don't want
Greece; Spain; Portugal. 19 VAT)

to be possible include reform Northern ports.

Same info on being some reform of CAP; on Budget
many reasons to be prepared.

Review costs like us

4- Concentration on info; not unemployment (Terrorism)

5- Arab/Israel - talks at Pr. level level.

Egypt. Israel have veto also later part.

6- Halal-Jordan union

7- Pandolfi - Van Kester.

ANGLO-ITALIAN SUMMIT

SINAI MULTINATIONAL FORCE AND OBSERVERS (MFO)

Suggested Line to be used with the Press

Main Statement

The Governments of Italy and Great Britain, together with those of France and the Netherlands, have stated that they are disposed, at the request of the Government of the United States, to participate in the Sinai Multinational Force (MFO) if an appropriate basis for this participation can be established in conformity with the fundamental and well-known position which the four governments have taken up, together with the other member states of the European Community, on Middle East questions.

Supplementary Questions

Q1. What is the position of the Ten to which you are referring?

A. As set out in particular in the Venice Declaration of June 1980, which we have always seen as complementary to the Camp David process.

Q2. What is happening at the moment?

A. Consultations are continuing between the four governments concerned, and also with their partners in the Ten and with the United States, from whom the request for participation was received. It is necessary also to establish the attitudes of Egypt and Israel, who under the Egypt/Israel Agreement must agree on the nations from whom the MFO is drawn.

Q3. Israeli statements over the weekend?

A. There is no question of conditions being posed by the four governments, and they would hope that others would not pose conditions either.

Q4. When will an announcement be made?

A. When the consultations are complete. The Force must be in place by 25 March 1982.

Q5. What is the purpose of the Sinai Force?

A. It is as stated in the published agreements, neither more nor less.

(Article 6 of C-D-)

SUBJECT
c.c. Mark

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RECORD OF PLENARY DISCUSSION BETWEEN THE PRIME MINISTER AND THE
ITALIAN PRIME MINISTER AT 10 DOWNING STREET ON 9 NOVEMBER 1981 AT 1430 HRS

Present:-

Prime Minister	HE Signor G Spadolini
The Rt Hon The Lord Carrington, KCMG MC	HE Signor E Colombo
Sir R Armstrong KCB CVO	HE Signor A Cagiati GCVO
Sir M Palliser GCMG	Ambassador B Bottai
Mr M D M Franklin CMG CB	Ambassador M Bucci
Sir R Arculus KCMG KCVO	Min L M Fontana Giusti
The Lord Bridges CMG	Min S Berlinguer
Mr J L Bullard CMG	Min E Perlot
Mr C A Whitmore	Min L Cavalchini
Mr M O'D B Alexander	Cons L Ortona
Mr B Ingham	Dott Stefano Folli
Mr D A S Gladstone	Signor M Quagliotti
Mr R Culshaw	Signor S Biondo

The Prime Minister welcomed Signor Spadolini to the United Kingdom. She hoped they could find a way ahead on the many problems facing Europe. The Prime Minister suggested tackling those issues on which they would probably be questioned at the press conference following the discussions, namely the 30 May Mandate; the Middle East and Sinai; Poland; Defence Policy and Transatlantic relations. The two Heads of Government had already discussed domestic economic policies and had agreed on the need to continue the fight against inflation and to reduce both government expenditure and interest rates. The Mandate and Sinai had also been discussed over lunch.

Sinai Multinational Force

In discussion of what should be said at the subsequent press conference, Lord Carrington said it would be important to calm down a situation now publicly seen as a confrontation between the United States and its European allies. We should stress that there was no question of the Europeans seeking to impose conditions on their participation in the Force: but the basis of that participation must be made clear by reference to the Venice Declaration. The Prime Minister said that since the United Kingdom had been requested to supply a contingent by the

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/United

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United States, our reply would go to the United States. Signor Colombo said that Italy had received requests from both Egypt and Israel as well: France had been asked by Egypt only.

The two Political Directors were charged with drafting a line to take at the press conference. A line to take and replies to supplementary questions (at annex) were subsequently agreed.

Saudi Arabia

Lord Carrington said that two points stood out in relation to his recent visit to Saudi Arabia:

- (a) the Saudi Arabians, in the Fahd Plan, had now said publicly for the first time that they wanted a negotiated peaceful settlement in the Middle East; and
- (b) at a press conference Prince Saud had made it clear that Saudi Arabia was prepared to recognise Israel in the context of a peace settlement.

The Saudis were now taking their plan to the Arab conference at Fez. Prince Fahd had told Lord Carrington that Arafat had agreed the eight principles. If this was confirmed, all the other Arab states, bar the Libyans, could be expected to follow suit. Signor Colombo agreed with Lord Carrington's assessment. However, from a European viewpoint, some of Fahd's points were unacceptable and two at least needed further discussion, namely that based on Resolution 242 (the disputed definition of 'Withdrawal') and the division of Jerusalem.

The Prime Minister asked how the Fahd plan, the Venice Declaration and the Camp David agreements could be fitted together. Lord Carrington said that nothing further would happen before April when Sinai should be returned to Egypt. By then it should be clear whether the autonomy talks were likely to be successful. It should be possible to start wider negotiations following the return of Sinai, though such negotiations should not be described as a follow-up to Camp David. He saw no

/contradiction

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contradiction between the Venice Declaration and the Fahd plan: the latter was based on the premise that all states in the area had the right to live in peace. However, it was better not to say too much in public about the Fahd plan at present since it excited the Americans.

Poland

Signor Colombo reported that the Italian Ambassador in Warsaw had that morning been summoned to the Foreign Ministry in Warsaw and told that:-

- (a) Poland was making a formal request to join the IMF;
- (b) the Polish government wished to refinance all their debts for 1982;
- (c) negotiations between Poland and Western creditors over immediate liquidity problems should be resumed.

Signor Colombo thought that the recent 'summit' between Solidarity, the Government and the Church had introduced a little more stability into an unstable situation. Lord Carrington said that the scale of help required by the Poles had reached impossible proportions: they needed something like \$4.3 billion next year alone. It was still more worrying that almost all the Eastern European Ambassadors had called on the Foreign Office within the past week or so to complain about the economic situation in their countries. Signor Colombo recalled that at a European Council some time previously, Chancellor Schmidt had drawn attention to the increasing indebtedness of Eastern European countries to the West and to the dangerous implications this could have for the West. The West was now caught in a dilemma: either they took on their own shoulders the defects of the Eastern European economic system or, if they failed to do so, they would create enormous problems for the entire Eastern Bloc. Lord Carrington commented that the Poles were from a Western point of view in a different category from e.g. the Romanians. Signor Colombo said that Yugoslavia was actually much closer to the West (especially to Italy) than Poland and in her case there was also a delicate internal political balance to take into account. The Prime Minister said that we could not go on for ever supporting Eastern

/European

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European economies. We ought perhaps to publicize the fact that countries with their political systems had proved unable to supply their own people. Signor Spadolini said that it was slightly awkward in this context that Poland was the least Communist country of the Communist world. The Communist party was much weaker there than in any other Eastern European country. Poland's problem was that it consumed more than it produced, despite having acquired some profitable former parts of Germany. But the fact remained that Poland was unique. It would be impossible to help other Eastern European countries on the Polish scale.

TNF

Signor Spadolini said that the Italian government had in early August identified publicly their cruise missile site. This had produced a strong public reaction which would have been milder had the US ERW decision not been announced only the day before. The Italian government had held firm and the peace marches had less effect there than in northern countries. Nevertheless, the ERW issue had an especially powerful effect on Catholic opinion. He had discussed the TNF issue recently with Chancellor Schmidt and agreed with him on the necessity for East/West negotiations aimed at bringing down nuclear levels to a minimum. It was vital to demonstrate that such negotiations were serious and making progress.

The Prime Minister said that the revived CND campaign had now attracted a number of moderate people who simply did not like nuclear weapons. The British government was conducting a publicity campaign with three aims:

- (a) to explain that there was no point in giving up our own nuclear weapons before the Russians showed willingness to reduce theirs;
- (b) to bring home to British public opinion that there were no unilateralists in Moscow;
- (c) to convince public opinion that we needed enough weapons to defend ourselves and to deter aggression.

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The campaign would also deal with proposals for a European Nuclear Free Zone, pointing out that SS20s stationed beyond the Urals could still reach all of Western Europe with the possible exception of Southern Spain. HMG thought such a campaign necessary since the anti-nuclear campaign was being co-ordinated throughout Europe.

Lord Carrington said that the CND movement reflected widespread disillusionment resulting from the absence of the super-power dialogue foreseen in the NATO Double Decision of December 1979. He feared that even when talks began between the super-powers there would be no visible results for a long time: the two sides were not even agreed on data. There was thus a danger of renewed public disappointment in a few months time. This despite an opinion poll in the previous day's Observer which showed British public opinion overwhelmingly in favour of the retention of a British nuclear deterrent, (sadly the same survey also showed a strong anti-American sentiment). In all these circumstances he thought it very important to try and get the proposal for a Conference on Disarmament in Europe (CDE) off the ground.

Signor Spadolini said that Western European public opinion had been adversely affected by some injudicious US statements. People were now treating the USA and the USSR as if they were on the same level, and equating the SS20 with NATO's TNF programme. The result could be creeping Finlandisation. Lord Carrington said that the generation which had automatically given the Americans the benefit of the doubt was now disappearing. The Prime Minister said that some people in the United Kingdom were treating their biggest ally as if we were non-allied. It was bad enough when the genuinely non-allied treated the USA and the USSR as being on a par.

Signor Colombo said that these considerations strengthened the case for public espousal of the zero option. We should not underestimate the strength of the pacifist movement in Western Europe, which could all too easily become a neutralist movement. There was an obvious inconsistency in claiming that negotiations were just

/round the

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round the corner while, in the meantime, beginning to install nuclear weapons of all kinds on our territories. This was a delicate matter since the arguments could only be deployed vis-à-vis the USA and not the USSR.

30 May Mandate

Signor Colombo said that following a recent Cabinet decision he had written to the President of the European Commission pointing out that there had been no progress on the three volets of the Mandate. There were no new policies; the Commission proposals on reform of the CAP were inadequate and there was no consensus about the basis of reform of the Community budget. A further attempt to make progress would be made at the Foreign Affairs Council at the following week, but if that failed the situation would be very difficult. Whatever happened it would be essential to ensure that the subsequent European Council showed no public sign of being divided on all these issues. The Council should therefore aim simply to establish certain agreed principles and above all avoid a row.

/Mr Franklin said

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Mr. Franklin said that as Presidency the UK had tried to meet the deadline set by the previous European Council, ie to take decisions on the three volets of the Mandate by the end of the year. We would be seeking maximum precision at the European Council at the end of the month:

a) on new policies: different states had different priorities, but all wished to see progress made in developing Community policies on unemployment (especially among young people); the regional fund; industrial policies aimed at improving competition; the establishment of common energy aims; and the completion of the internal market on goods and services;

b) as to the CAP guidelines, we would now have to study the new Commission paper. There was a need for change in guarantee arrangements for farm products with a view to avoiding surpluses and achieving stricter disciplines and financial control;

c) restructuring of the Community budget had fallen still further behind, since neither British nor Commission ideas had found much support. It remained as important as ever to find a structural solution that would last. The European Council could still perhaps come up with a last minute solution.

The Prime Minister commented that the problems were well known; the question was how to make progress given that each country was bound to pursue its own interests. Perhaps we should devise a separate formula for each chapter. Mr. Franklin said that the going phrase was 'operational guidelines'.

Signor Colombo said that the Commission was now preparing a document describing the position reached. Including all the square brackets it was some 50 pages long. Lord Carrington hoped that such a document would not be presented to the Foreign Affairs Council. Mr. Franklin said that it was hoped that six to ten "difficult questions" could be abstracted from the Commission paper and put to the Foreign Affairs Council; eg should the Community pursue a

/ rigorous price

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rigorous price policy on cereals in order to reduce the difference in price between European and US cereals? The Prime Minister commented that in Community affairs there seemed never to be a clear answer to a clear question: it would be said that something could be done with regard to cereals only if something else was done under another chapter.

Signor Spadolini said that a failure of the London Council would have very negative consequences for public opinion in Europe. The 30 May Mandate had raised expectations at the time and it would be a mistake now to lower them. It would be hard to strike a balance between the many conflicting interests and more time was needed. If no agreement was possible, it would be necessary to find a way of so presenting the outcome that public opinion did not get the impression that there had been a setback. The aim should be to establish precise guidelines under the three chapters: we needed joint action and suppression of sectoral interests. An agreement must ensure that national policies were properly coordinated and thus compatible with the aims of all other partners. The European Council needed to enhance its credibility. He recalled what he had said in the morning, that all this work was linked to the fight against inflation, unemployment and regional disequilibrium. Great realism was needed from all partners. The ideal of a united Europe was such a lofty one that it was worth all efforts to achieve it.

The Prime Minister agreed that it was necessary to revivify the idea of the Community in the minds of all our people. Signor Spadolini's remarks implied that all Heads of Government must come to the European Council prepared to reach conclusions. If that was to be possible there must be intensive prior discussion of the "difficult questions" which were to be distilled for the Foreign Affairs Council. Heads of Government must be prepared at the European Council to commit themselves on at least some of these questions. Lord Carrington said we must first see how much progress was made on 16/17 November. But Signor Spadolini's programme was right and the minimum we should aim for.

/ The Prime Minister

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The Prime Minister recalled that M. Mitterrand had in September seemed very ready to seek solutions to these problems at the European Council in November, but there had been relatively little progress since then. Lord Carrington said it would be helpful if Signor Spadolini, who was seeing President Mitterrand on 19 November, could tell the French Government that HMG were not trying to use the Mandate discussions simply to adjust their own immediate problem. We were looking to the future, to the avoidance of all unacceptable situations, and were also aiming for genuine CAP reforms.

European Union

Signor Colombo said that the German and Italian governments had started work some time ago on a draft European Act or Charter. Questions would be put on the table jointly to see if answers to them could be found. They would be prepared to listen to the views of their partners. The aim was to move forward to a European union. This was consistent with the efforts of the UK Presidency to reinforce political cooperation. It was necessary to find ways of dealing at the Community level with the problems of security, culture and justice. It was also necessary to give guidance to the European Council on economic and political questions and to achieve better contact with the European Parliament in order to reduce the sense of frustration felt there.

The Prime Minister asked whether it was intended to give more powers to the European Parliament. Signor Colombo said that the aim was rather to give the Parliament more influence. The overall idea was to put political flesh on the Community's bones so that the necessary compromises in the economic field could be justified by reference to a higher European identity. The two governments were putting the final touches to their paper which would be handed to their partners within the next few days.

The Prime Minister asked whether the proposals would be practicable or whether they would simply lead to a multiplicity of new Councils. Signor Colombo said that security was already being dealt

/ with by

with by Foreign Ministers but new specialised Councils for justice and culture, in conformity with the constitutional arrangements in each country, were envisaged. They would be coordinated by the European Council. The Prime Minister commented that all difficult questions were left to the European Council. More specialised Councils would result in still more Ministers being absent from capitals at any given moment and would result in more decisions being sought from the European Council. If there were to be any more councils, perhaps the actual number of meetings could be halved. She agreed with the underlying thought, that Europe as a living idea needed a fresh impetus. However, we still needed to sort out the problems of the 30 May Mandate, since at present all felt that they were not getting a fair deal on some matters.

Signor Colombo said that the draft Act would be circulated first to governments. The Italian government envisaged that the European Council would take note of its existence and refer it to Foreign Ministers for further study. In reply to a reference by Lord Carrington to Irish concerns, Signor Colombo said that the proposals would remain within the limits established at Bocket Hall.

Spain and Enlargement

In discussion of the problem of Spanish accession to NATO, Signor Cagiati said that in the Italian view the Spaniards would complete their procedures in time. Lord Carrington said that we hoped that they would then open the border with Gibraltar, since otherwise a difficult situation would arise in the context of Spanish accession to the Community. Signor Colombo reported a recent request from the Spanish Foreign Minister that the European Council should reiterate its commitment to Spanish entry, since there were psychological difficulties in Spain which the government was finding it difficult to face up to. A 'political hint' would be valuable. Lord Carrington said that the Presidency had already circulated some proposals via Coreu.

Miscellaneous

In a brief discussion of steel, the multifibre agreement and Japanese imports, the Prime Minister commented that the Italians

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were fortunate to have a special arrangement limiting imports of Japanese cars. Signor Colombo said that certain arrangements made by others were tending to make the Italian arrangements valueless. The Prime Minister commented on the difficulty of preventing manufactured goods, eg textiles, being imported into the Community, finished there and circulated within the Community as Community products.

The meeting ended at 1630.

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11 November 1981

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RECORD OF PLENARY DISCUSSION BETWEEN THE PRIME MINISTER AND
THE ITALIAN PRIME MINISTER AT NO 10 DOWNING STREET ON
9 NOVEMBER 1981 AT 1430

Present

Prime Minister	HE Signor G Spadolini
The Rt Hon The Lord Carrington KCMG MC	HE Signor E Colombo
Sir R Armstrong KCB CVO	HE Signor A Cagiati GCVO
Sir M Palliser GCMG	Ambassador B Bottai
Mr M D M Franklin CMG CB	Ambassador M Bucci
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Mr M O'D B Alexander	Cons L Ortona
Mr B Ingham	Dott Stefano Folli
Mr D A S Gladstone	Signor M Quagliotti
Mr R Culshaw	Signor S Biondo

1. The Prime Minister ~~formally~~ welcomed Signor Spadolini to the United Kingdom. She hoped they could find a way ahead on the many problems facing Europe, ~~of which both countries were a part.~~ The Prime Minister suggested ^{tackling} facing those issues on which they would be questioned at the press conference following the discussions, namely the 30 May Mandate; ^{the} Middle East and Sinai; Poland; ~~and~~ Defence Policies; ^{y and} Transatlantic relations. The two Heads of Government had already discussed domestic economic policies and had agreed on ^{the} an need to continue the fight against inflation and to reduce both government /expenditure

Mr. Alexander
Am

Mr. Franklin
10/11

PS/DUS
Mr. Franklin
Lord Bridges
Mr. Bullard

expenditure and interest rates. The Mandate and Sinai had also been discussed over lunch.

Sinai Multinational Force

2. In discussion ^{of} ~~as to~~ what should be said at the subsequent press conference, Lord Carrington said it would be important to calm down a situation now publicly seen as a confrontation between the United States and its European allies. We should stress that there was no question of ^{the} Europeans seeking to impose conditions on their participation in the Force: but the basis of that participation must be made clear by reference to the Venice Declaration. The Prime Minister said that since the United Kingdom had been requested to supply a contingent ~~only~~ by the United States, our reply would go to the United States. Signor Colombo said that Italy had received requests from both Egypt and Israel as well: ~~he thought that~~ France had been asked by Egypt ^{only}.

The two

3. ^L Political Directors were charged with drafting a line to take at the press conference. ^A ~~The~~ line to take *and replies* ^{LS} supplementary questions (at annex) were subsequently agreed. ..

Saudi Arabia

4. Lord Carrington said that two points ~~had~~ stood out in relation to his recent visit to Saudi Arabia:

a) the Saudi Arabians, ⁱⁿ ~~through~~ the Fahd Plan, had now

/said

said publicly for the first time that they wanted a negotiated peaceful settlement in the Middle East; and

- b) at a press conference Prince Saud had made it clear that Saudi Arabia was prepared to recognise Israel in the context of a peace settlement. // The Saudis were now taking their plan to the Arab conference at Fez, and ~~expected only the Libyans to oppose it.~~ Prince Fahd had told Lord Carrington that Arafat had agreed the eight principles, ~~and~~ ^{that, thus confirmed (the} if ~~that~~ was ~~so~~, all other Arab states, bar the Libyans, could be expected to follow suit. Signor Colombo agreed with Lord Carrington's assessment. However, from a European viewpoint, some of Fahd's points were ~~non-negotiable~~ ^{unacceptable} and two at least needed further discussion, namely that based on Resolution 242 (the disputed definition of 'Withdrawal') and the ~~condition~~ ^{division} of territory in Jerusalem.

5. The Prime Minister asked how the Fahd plan, the Venice declaration and the Camp David agreements could be fitted together. Lord Carrington said that nothing further would happen before April when Sinai should be returned to Egypt. By then it should be clear whether the autonomy talks were likely to be successful. It should be possible to start wider negotiations following the return of Sinai, though such negotiations should not be described as a follow-up to Camp David. He saw no contradiction between the

/Venice

Venice declaration and the Fahd plan: the latter was based on the premise that all states in the area had the right to live in peace. However, it was better not to say too much ⁱⁿ publicly about the Fahd plan at present since it excited the Americans.

Poland

6. Signor Colombo reported that the Italian Ambassador in Warsaw had that morning been summoned to the Foreign Ministry in Warsaw and told that:

- a) Poland was making a formal request to join the IMF
- b) the Polish government wished to refinance all their debts for 1982;
- c) ~~previous~~ negotiations between Poland and Western creditors over immediate liquidity problems should be resumed.

7. Signor Colombo thought that the recent 'summit' between Solidarity, the Government and the Church had introduced a little more stability into an unstable situation. Lord Carrington said that the scale of help required by the Poles had reached impossible proportions: they needed something like \$4.3 billion next year alone. It was still more worrying that almost all the Eastern European Ambassadors had called on the Foreign Office within the past week or so to complain about the economic situation in their

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countries. Signor Colombo recalled that at a European Council some time previously, Chancellor Schmidt had drawn attention to the increasing indebtedness of Eastern European countries to the West and to the dangerous implications this could have for the West. The West was now caught in a dilemma: either they took on their own shoulders the defects of the Eastern European economic system or, ^{if they failed to do so,} they would create enormous problems for the entire Eastern Bloc. Lord Carrington commented that the Poles were from a Western point of view in a different category from eg the Romanians. Signor Colombo said that ~~nevertheless~~ ^{actually} Yugoslavia was ~~in reality~~ much closer to the West (especially to Italy) than Poland and in her case ^{there was} also ~~had~~ a delicate internal political balance to take into account. The Prime Minister said that we could not go on for ever supporting Eastern European economies. We ought perhaps, ~~however,~~ ^{publicize the fact} to ~~point out more publicly~~ that countries with their political systems had proved unable to supply their own people. Signor Spadolini said that ^{it} ~~there was a certain~~ ^{slightly} awkwardness ^{in this context} in the fact that Poland was the least Communist country of the Communist world. The Communist party was much weaker there than in any ^{other} Eastern European country. ~~The trouble was that~~ ^{problem was that it} Poland's consumed more than it produced, despite having acquired some profitable former parts of Germany. But the effect remained that Poland was unique. It would be impossible to help other Eastern European countries on the Polish scale.

TNF

8. Signor Spadolini said that the Italian government had

identified publicly, then Cruise missile site, in early August published the ~~TNF sites~~. This had produced ^a strong public reaction which would have been milder had ~~not~~ the US ERW decision ^{not} been announced only the day before. The Italian government had held firm and the peace marches had less effect ^{there} ~~their~~ than in northern countries. Nevertheless, the ERW issue had an especially powerful effect on Catholic opinion. He had discussed the ^{TNF issue} ~~question~~ recently with Chancellor Schmidt and agreed with him on the necessity for East/West negotiations aimed at bringing down nuclear levels to a minimum. It was vital to demonstrate that such negotiations were serious and making progress.

9. The Prime Minister said that the revived CND campaign had ^{now attracted} ~~brought together~~ a number of ^{moderate} ~~sensible~~ people who simply did not like nuclear weapons. The ^{British} ~~(~~government was ~~now~~ conducting a publicity campaign with three aims:

- a) to explain that there was no point in giving up our own nuclear weapons before the Russians showed willingness to reduce theirs;
- b) to bring home to British public opinion that there were no unilateralists in Moscow;
- c) to convince public opinion that we needed enough weapons to defend ourselves and to deter aggression.

10. The campaign would also deal with proposals for a European Nuclear Free Zone, pointing out that SS20s

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stationed beyond the Urals could still reach all of Western Europe with the ^{possible} exception of Southern Spain. HMG thought such a campaign necessary since the anti-nuclear campaign was being co-ordinated throughout Europe.

11. Lord Carrington said that the CND movement ^{reflected} ~~represented~~ a widespread disillusionment resulting from the ^{absence of} ~~lack of~~ super-power dialogue ^{as was} ~~seen~~ in the NATO Double Decision of December 1979. He feared that even when talks began between the super-powers there would be no visible results for a long time: the two ^{sides} ~~states~~ were not even agreed on data. There was thus a danger of renewed public disappointment in a few months time. ~~This~~ despite an opinion poll in the previous day's Observer which showed British public opinion overwhelmingly in favour of the ^{retention of} ~~reduction of~~ a ^{British} nuclear deterrent. ~~And~~ (sadly the same survey ^{also} showed a strong anti-American sentiment) ~~as well~~. In all these circumstances he thought it very important to try and get the proposal for a Conference on Disarmament in Europe (CDE) off the ground.

12. Signor Spadolini said that Western European public opinion had been adversely affected by some injudicious US statements. People were now treating the USA and the USSR as ^{if they were} ~~being~~ on the same level, and ^{equating} ~~to equate~~ the SS20 with NATO's TNF programme. The result could be creeping Finlandisation. Lord Carrington said that the generation which had automatically given the Americans the benefit of the doubt was now disappearing. The Prime Minister said that some people in the United Kingdom

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were treating their biggest ally as if we were non-allied. It was bad enough when the genuinely non-allied treated the USA and the USSR as being on a par.

13. Signor Colombo said that these ~~conditions~~^{considerations} strengthened the case for public ~~approval~~^{approval} of the zero option. We should not under-estimate the strength of the pacifist movement in Western Europe, which could all too easily become^a neutralist movements. There was an obvious inconsistency in claiming that negotiations were just round the corner while, in the meantime, we ~~begin~~^{beginning} to install nuclear weapons of all kinds on our territories. This was a delicate matter since the arguments could only be deployed vis à vis the USA and not the USSR.

30 May Mandate

14. Signor Colombo said that following a recent Cabinet decision he had written to the President of the European Commission pointing out that there had been no progress on the three volets of the Mandate. There were no new policies; the Commission proposals on reform of the CAP were inadequate and there was no ~~inspection as to~~^{consensus about} the basis of reform of the Community budget. A further attempt to make progress would be made at the Foreign Affairs Council at the following week, but if that failed the situation would be very difficult, ~~when~~ whatever happened it would be essential to ensure that the subsequent European Council showed no public sign of being divided on all these issues. The Council should therefore

/aim

simply to establish certain agreed principles and above all avoid a row, ~~at this stage.~~

15. Mr Franklin said that as Presidency the UK ^{had} ~~have~~ tried to meet the deadlines set by the previous European Council, ie to take decisions on the three volets of the [?] Mondate by the end of the year. We would be seeking maximum precision at the European Council at the end of the month:

a) on new policies: different states ^{had} ~~have~~ different priorities, but all wished to see progress made in ~~the development~~ ^{of} Community policies ~~to deal~~ ^{with} unemployment (especially among young people); the regional fund; industrial policies aimed at improving competition; the establishment of common energy aims; and the completion of the internal market on goods and services;

b) as to the CAP guidelines, we would now have to study the new Commission paper. There was a need for change in guarantee arrangements for farm products with a view to avoiding surpluses and achieving stricter disciplines and ~~stricter~~ financial control;

c) restructuring of the Community budget had fallen still further behind, since neither British nor Commission ideas ^{had} ~~have~~ found much support. It remained as important as ever to find a structural

/solution

solution that would last. The European Council could still perhaps come up with a last minute solution.

16. The Prime Minister commented that the problems were well known; the question was how to make progress given that each country ~~presented~~ ^{was bound to pursue} its own interests. Perhaps we should devise a separate formula for each chapter. Mr Franklin said that the ^{going} phrase normally used was 'operational guidelines'.

17. Signor Colombo said that the Commission was now preparing a document describing the position reached. Including all the square brackets it was some 50 pages long. Lord Carrington hoped that such a document would not be presented to the Foreign Affairs Council. Mr Franklin said that it was ^{hoped} ~~proposed~~ that six to ten "difficult" questions could be abstracted from the Commission paper and put to the Foreign Affairs Council; eg should the Community pursue a [~] vigorous price policy on cereals in order to reduce the difference in price between European and US cereals? The Prime Minister commented that ^{in Community affairs} there seemed never to be a clear answer to a clear question: it would be said that something could be done with regard to cereals only if something else was done under another chapter.

18. Signor Spadolini said that a failure of the ^{Lund} ~~Common~~ Council would have very negative consequences for public opinion in Europe. The 30 May Mandate had raised expectations at the time and it would be a mistake now to lower /them.

them. It would be hard to ~~find~~^{strike} a balance between the many conflicting interests and more time was needed. If no agreement was possible, it would be necessary to find a way of so presenting the outcome that public opinion did not get the impression that there had been a setback. The aim should be to establish precise guidelines under the three chapters: we needed joint action and ~~an end to~~^{suppression of} ~~sectoral~~^{sectional} interests. An agreement must ensure that national policies were properly coordinated and thus compatible with the aims of all other partners. The European Council needed to enhance its credibility. He recalled what he had said in the morning, that all this work was linked to the fight against inflation, unemployment and regional disequilibrium. Great realism was needed from all partners. The ideal of a united Europe was such a lofty one that it was worth all efforts to achieve it.

19. The Prime Minister agreed that it was necessary to revivify the idea of the Community in the minds of all our people. Signor Spadolini's remarks implied that all Heads of Government must come to the European Council prepared to reach conclusions. If that was to be possible there must be intensive prior discussion of the "difficult questions" which were to be distilled for the Foreign Affairs Council. Heads of Government must be prepared at the European Council to commit themselves on at least some of these questions. Lord Carrington said we must first see how much progress was made on 16/17 November. But Signor Spadolini's programme was ~~both~~ right and the minimum we should aim for.

20. The Prime Minister recalled that M Mitterrand had in September seemed very ready to seek solutions to these problems at the European Council in November, but there ~~seemed to have~~ ^{had} been relatively little progress since then. Lord Carrington said it would be helpful if Signor Spadolini, who was seeing President Mitterrand on 19 November, could tell the French Government that HMG were not trying to use the Mandate discussions simply to adjust their own ~~particular unacceptable solution~~ ^{immediate problem}. We were looking to the future, to the avoidance of all unacceptable ~~solutions~~ ^{situations}, and were also aiming for genuine CAP reform.

European Union

21. Signor Colombo said that the German and Italian governments had started work some time ago on a draft European ~~Act~~ ^{or Charter}. Questions would be put on the table jointly to see if answers to them could be found. They would be prepared to listen to the views of their partners. The aim was to move forward to a European union. This was consistent with the ~~work~~ ^{efforts} of the UK Presidency ^{is} ~~reinforcing~~ political cooperation. It was necessary to find ways of dealing at the Community level with the problems of security, culture and justice. It was also necessary to give guidance to the European Council on economic and political questions and to achieve better contact with the European Parliament in order to reduce the sense of frustration felt there.

22. The Prime Minister asked whether it was intended to

give more powers to the European Parliament. Signor Colombo said that the aim was rather to give the Parliament more influence. The overall idea was to put political flesh on the Community's bones so that the necessary compromises in the economic field could be justified by reference to a higher European identity. The two ~~G~~overnments were putting the final touches to their paper which would be handed to their partners within the next few days.

23. The Prime Minister asked whether the proposals would be practicable or whether they would ^{simply} lead to a multiplicity of new Councils. Signor Colombo said that security was already being dealt with by Foreign Ministers but ^{new} specialised Councils for justice and culture, in conformity with the constitutional arrangements in each country, were envisaged. They would be coordinated by the European ~~C~~ouncil. The Prime Minister commented that all difficult questions were ~~at present~~ left to the European Council. More specialised Councils would result in still more ~~M~~inisters being absent from capitals at any given moment and would result in more decisions being ^{sought from} ~~passed on to~~ the European Council. If there were to be any more councils, perhaps the actual number of meetings could be halved. She agreed with the underlying thought, that Europe as a living idea needed a fresh impetus. However, we still needed to sort out the problems of ^{the} 30 May Mandate, since at present all felt that they were not getting a fair deal on some matters.

24. Signor Colombo said that the draft ^AAct would be circulated first to governments. The Italian government envisaged that the European Council would take note of its existence and refer it to Foreign Ministers for further study. In reply to a reference by Lord Carrington to Irish concerns, Signor Colombo said that the proposals would remain within the limits ~~of established~~ ^{at} Brocket Hall.

Spain and Enlargement

25. In discussion of the problem of Spanish accession to NATO, Signor Cagiati said that in the Italian view the Spaniards would complete their procedures in time. Lord Carrington said that we hoped that they would then open the border with Gibraltar, since ~~it would~~ otherwise ^{would arise} ~~cause~~ a difficult situation, in the context of ^{Spanish accession to} ~~joining~~ the Community. Signor Colombo ~~report~~ ^{ed} a recent request from the Spanish Foreign Minister that the European Council should reiterate its commitment to Spanish entry, since there were psychological difficulties in Spain which the government was finding it difficult to face up to. A 'political hint' would be valuable. Lord Carrington said that the Presidency had already circulated some proposals via Coreu.

Miscellaneous

26. In a brief discussion of steel, ^{the}multifibre agreement and Japanese imports, the Prime Minister commented that the Italians were fortunate to have a special ^{/arrangement}

arrangement limiting imports of Japanese cars. Signor Colombo said that certain arrangements made by others were tending to make the Italian arrangements valueless. The Prime Minister commented on the difficulty of preventing manufactured goods, eg textiles, being imported into the Community, finished there and circulated within the Community as Community products.

27. The meeting ended at 1630.

Paul

LIST OF BRIEFS

1. STEERING BRIEF
2. EUROPEAN COMMUNITY TOPICS
3. EAST-WEST RELATIONS
4. DEFENCE
5. ARMS CONTROL
6. REGIONAL ISSUES
7. MEDITERRANEAN ISSUES
8. THE INTERNATIONAL ECONOMIC SCENE
9. BILATERAL QUESTIONS
10. ITALIAN INTERNAL POLITICAL SCENE
11. ITALIAN INTERNAL ECONOMIC SCENE
12. QUADRIPARTITE CONSULTATIONS

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Set preserved in CAB 133
(the master set).

R. Forman
5 Oct 10

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FM THE HAGUE 080845Z NOV 81

TO IMMEDIATE ECO DESKBY 080930Z

TELEGRAM NUMBER 220 OF 08 NOVEMBER

AND TO IMMEDIATE ROME PARIS (DESKBY 080930Z) WASHINGTON (DESKBY
081300Z)

INFO ROUTINE OTHER EC POSTS, UKMIS NEW YORK, TEL AVIV, CAIRO

MY TEL N^o 289: SINAI MFO.

1. AS REPORTED TO RESIDENT CLERK, REININK TELEPHONED LATE ON
07 NOVEMBER TO CONFIRM THAT HE HAD CONSULTED VAN DER STOEL
THE LATTER MAINTAINED HIS VERY STRONG PREFERENCE
FOR A DEMARCHE BY THE AMBASSADORS OF THE FOUR WITH HAIG (OR
IF UNAVAILABLE EAGLEBURGER OR VELIOTES) ON 09 NOVEMBER
INVOLVING USE OF BOTH PART ONE AND PART TWO OF THE PROPOSED
JOINT INSTRUCTIONS. AT THAT INTERVIEW VAN DER STOEL FORESAW
THE FOUR AMBASSADORS FIRST DRAWING ON PART ONE, THEN
PAUSING TO GIVE HAIG A CHANCE TO RESPOND. IF HIS REACTION WERE
NEGATIVE THE FOUR WOULD THEN PROCEED TO DRAW ON PART TWO.

2. REININK ADDED THAT VAN DER STOEL HAD AUTHORIZED A DUTCH FALL
BACK POSITION, BUT IT WAS CONTINGENT ON THE ATTITUDES OF
CHEYSSON AND COLOMBO. IF THEY BOTH CONTINUED TO INSIST ON PART

2. REININK ADDED THAT VAN DER STOEL HAD AUTHORIZED A DUTCH FALL
BACK POSITION, BUT IT WAS CONTINGENT ON THE ATTITUDES OF
CHEYSSON AND COLOMBO. IF THEY BOTH CONTINUED TO INSIST ON PART
TWO BEING KEPT FOR SUBSEQUENT USE WITH THE AMERICANS ON A
SEPARATE OCCASION, THE DUTCH COULD IN THE LAST RESORT AND
WITH RELUCTANCE AGREE TO A DELAY BETWEEN THE FIRST AND SECOND
DEMARCHES OF HALF A DAY AT THE OUTSIDE, TO BE PRESENTED AS A
PAUSE FOR SEEKING URGENT INSTRUCTIONS. REININK STRESSED THAT
THIS WAS THE MOST HIS MINISTER WAS PREPARED TO CONTEMPLATE.

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FROM KUWAIT 080815Z NOV 81

TO IMMEDIATE FCO

TELNO 455 OF 8/11/81,

INFO CAIRO, JEDDA, DAMASCUS, TEL AVIV AND WASHINGTON,

INFO SAVING TO ALL OTHER ME POSTS AND EC POSTS.

SINAI MFO

1. I AND MY FRENCH, DUTCH AND ITALIAN COLLEAGUES WERE SUMMONED IN SUCCESSION THIS MORNING TO CALL ON FAISAL MUTTAWA, THE ACTING UNDER SECRETARY IN THE MFA.
2. FAISAL REFERRED TO NEWS REPORTS THAT WE WERE CONSIDERING CONTRIBUTING TO THE SINAI MFO. HE SAID THAT HE HAD BEEN INSTRUCTED BY SHAIKH SABAH, THE FOREIGN MINISTER, BEFORE THE LATTER LEFT FOR BEIRUT, TO MAKE CLEAR TO US THAT SUCH A STEP WOULD "NOT BE GOOD" FOR RELATIONS BETWEEN BRITAIN AND KUWAIT. HE DID NOT ELABORATE.
3. I CONFINED MYSELF TO SAYING THAT I WOULD OF COURSE REPORT WHAT FAISAL HAD SAID: THAT NO DECISION HAD BEEN TAKEN: AND THAT CONSULTATIONS WITH OUR PARTNERS IN THE TEN AND OTHER GOVERNMENTS WERE STILL GOING ON.

WERE STILL GOING ON.

4. I WILL COMPARE NOTES WITH THE OTHER THREE EUROPEANS LATER TODAY AND LET YOU KNOW IF ANYTHING DIFFERENT TRANSPIRED IN THEIR MEETINGS WITH FAISAL.

5. FCO PLEASE PASS SAVING TO ALL OTHER ME POSTS AND EC POSTS.

CAMBRIDGE

[Amend. as requested]

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TO IMMEDIATE F C O

TELEGRAM NUMBER 3352 OF 7 NOVEMBER

INFO IMMEDIATE TEL AVIV CAIRO PARIS THE HAGUE ROME

ROUTINE OTHER EEC POSTS AMMAN AND JEDDA

MY TELNO 3325: SINAI

1. A FURTHER ARTICLE BY GWERTZMAN ON THE FRONT PAGE OF TODAY'S NEW YORK TIMES QUOTES ADMINISTRATION OFFICIALS AS SAYING THAT UNEXPECTED PROBLEMS HAD DEVELOPED IN EFFORTS TO SECURE BRITISH AND EUROPEAN PARTICIPATION IN THE SINAI FORCE. A STATEMENT WHICH THE EUROPEANS HAD PROPOSED TO ISSUE EARLIER THIS WEEK WAS REGARDED AS SO OFFENSIVE TO ISRAEL THAT THE UNITED STATES PERSUADED THE EUROPEANS NOT TO ISSUE IT AND TO REVIEW THEIR POSITION.
2. GWERTZMAN SAYS THAT THE MAIN PROBLEM IS THAT THE EUROPEANS WANT TO INSURE THAT THEIR PARTICIPATION IN THE FORCE DOES NOT SEEM TO RUN COUNTER TO THE VENICE DECLARATION WHICH ISRAEL REJECTED. ... BE SAID TO HAVE ANTAGONIZED THE ISRAELIS BY YOUR PRAISE

TO INSURE THAT THEIR PARTICIPATION IN THE FORCE DOES NOT SEEM TO RUN COUNTER TO THE VENICE DECLARATION WHICH ISRAEL REJECTED. YOU ARE SAID TO HAVE ANTAGONIZED THE ISRAELIS BY YOUR PRAISE OF THE SAUDI PEACE PLAN.

3. A SENIOR ADMINISTRATION OFFICIAL IS QUOTED AS SAYING THAT HE WAS VERY SUSPICIOUS OF BRITISH MOTIVES.

QUOTE : I THINK THAT THE BRITISH REALLY DO NOT WANT TO PARTICIPATE IN THE SINAI FORCE AND ARE TRYING TO DRAFT A STATEMENT THAT WILL COMPEL THE ISRAELIS TO REJECT THEIR PARTICIPATION UNQUOTE

4. THE STATE DEPARTMENT COUNTRY DIRECTOR FOR ISRAEL AND ARAB/ISRAEL AFFAIRS HAS EXPRESSED TO US HIS REGRET AT THE APPEARANCE OF THIS ARTICLE AND HAS ASSURED US THAT IT WAS NOT IN ANY WAY AUTHORISED BY THE DEPARTMENT. THEIR OFFICIAL LINE WITH THE PRESS IS THAT THEY CANNOT GIVE DETAILS OF DIPLOMATIC EXCHANGES ON THIS SUBJECT. WE ARE TAKING THIS STATE DEPARTMENT LINE WITH US AS ONE OF THEIR BETTER RECENT JOKES.

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TO IMMEDIATE FCO

TELEGRAM NO 3351 OF 7 NOVEMBER

INFO IMMEDIATE PARIS THE HAGUE ROME UKMIS NEW YORK TEL AVIV
CAIRO AND OTHER EC POSTS.

YOUR TELEGRAM NO 487 TO PARIS: SINAI: MFO.

1. I HAVE SPOKEN TO MY FRENCH, ITALIAN AND DUTCH COLLEAGUES, GIVING THEM THE GIST OF THE MEETING IN LONDON YESTERDAY.
2. THE ITALIAN AMBASSADOR WILL BE AWAY UNTIL MONDAY AFTERNOON, SO WE WILL NOT HAVE A MEETING OF THE FOUR WITH HAIG BEFORE THEN AT THE EARLIEST. I MYSELF WILL BE IN LONDON NEXT WEEK. JOHN FRETWEL WILL BE IN CHAGRE. BUT I HAVE ARRANGED THAT THE FRENCH AMBASSADOR, AS THE MOST SENIOR AMBASSADOR OF THE FOUR, WILL TAKE THE LEAD AT THE MEETING WITH HAIG. APART FROM THE NECESSITY OF THIS, I THINK THERE IS VIRTUE IN GETTING AWAY FROM THE INCREASED IMPRESSION THAT IS BEING CREATED IN THE MEDIA HERE, NOT WITHOUT HAIG'S ENCOURAGEMENT, THAT HE IS INVOLVED IN SOME SORT OF CONFRONTATION WITH THE BRITISH.
3. IT WILL CERTAINLY BE NECESSARY TO PUT OUR VIEWS CLEARLY TO

THAT HE IS INVOLVED IN SOME SORT OF CONFRONTATION WITH THE BRITISH.

3. IT WILL CERTAINLY BE NECESSARY TO PUT OUR VIEWS CLEARLY TO HAIG AS EXPRESSED IN PART I OF THE PROPOSED DEMARCHE. BUT HE IS TOO PUBLICLY COMMITTED ON THIS NOW, UNDER ISRAELI PRESSURE, THAT I DO NOT THINK THAT WE SHOULD ASSUME THAT HE IS GOING TO BE AT ALL FORTHCOMING AND WE ARE BOUND TO GET TO PART II PRETTY SOON. ABSURD THOUGH IT MAY SEEM TO YOU, WHATEVER HAIG MIGHT BE PERSUADED OF IN HIS OWN MIND I AM SURE THAT HE HAS GOT INTO A POSITION IN WHICH, FAR FROM BEING ABLE TO EXERT PRESSURE ON THE ISRAELIS (AS IS SO OFTEN THOUGHT IN EUROPE THE AMERICANS CAN AND SHOULD), HE IS AT THE MERCY OF ISRAELI PRESSURE.

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FM DAMASCUS 071700Z NOV 81
TO IMMEDIATE FCO
TELNO 361 OF 7 NOVEMBER

INFO ROUTINE JEDDA, TEL AVIV, WASHINGTON, RABAT AND OTHER EC POSTS.
INFO SAVING OTHER ME POSTS UK MIS NEW YORK MOSCOW

MY TEL NO. 360 (NOT REPEATED):-

SYRIAN REQUEST FOR CLARIFICATION ON BRITISH POLICY TOWARDS
PALESTINE.

1. IT TRANSPIRED THAT THE SYRIAN DEPUTY FOREIGN MINISTER ALSO
SUMMONED INDIVIDUALLY REPRESENTATIVES OF THE OTHER SEVEN EC MISSIONS
HERE, AND ASKED THE SAME QUESTIONS. AT A COMMUNITY MEETING HELD ON
7 NOVEMBER, TO DISCUSS THE SYRIAN DEMARCHE, SEVERAL MISSIONS
COMMENTED THAT QADDOUR HAD STATED TO THEM THAT HIS QUESTIONS
WERE IN THE CONTEXT OF THE FAHD PLAN.

2. THERE WERE ONLY MINOR DIFFERENCES IN THE SYRIAN LINE IN

WERE IN THE CONTEXT OF THE FAHD PLAN.

2. THERE WERE ONLY MINOR DIFFERENCES IN THE SYRIAN LINE IN EACH INTERVIEW. THE BELGIAN WAS ASKED WHETHER HIS GOVERNMENT CONSIDERED THAT CAMP DAVID WAS THE APPROPRIATE FRAMEWORK FOR ANY SOLUTION ENVISAGED NOW OR IN THE FUTURE (POINT F). SEVERAL MISSIONS WERE ASKED WHETHER THEIR GOVERNMENTS WERE FOR COMPLETE ISRAELI WITHDRAWAL TO THE 1967 BORDERS - OR WOULD THEY CONSIDER MODIFICATIONS. QADDOUR MADE NO MENTION OF THE PLO.

3. QADDOUR MADE IT CLEAR THAT HE WANTED ANSWER AFTER REFERENCE BACK TO CAPITALS. IN REPLY, THE DUTCH AMBASSADOR REFERRED HIM TO STATEMENTS BY THORN, VANDER KLAUW AND THE SECRETARY OF STATE IN PRESIDENCY CAPACITY. MOST OTHERS ALSO SAID THAT THEIR GOVERNMENTS VIEW WAS EMBODIED IN EC DECLARATIONS. THE BELGIAN ASKED WHETHER SYRIA IN TURN WOULD BE PREPARED TO GIVE PRECISE ANSWERS TO SUCH QUESTIONS. THE REPLY WAS A HESITANT YES. IN ANSWER TO A QUESTION, QADDOUR TOLD THE GERMAN THAT SYRIA HAD YET TO ADOPT AN OFFICIAL POSITION ON THE FAHD PLAN. THE GREEK SIMPLY UNDERTOOK TO REPORT THE SYRIAN REQUEST.

4. QADDOUR CONGRATULATED THE GREEK ON HIS GOVERNMENT'S ATTITUDE TO THE PALESTINIAN ISSUE AND TO THE SINAI FORCE. HE TOLD THE BELGIAN THAT HE HAD SUMMONED EC MISSIONS SEPARATELY BECAUSE THERE WERE DIFFERENCES AMONG EC STATES ON THE QUESTIONS ASKED. THE DUTCH AMBASSADOR TOLD QADDOUR, IN ANSWER TO HIS QUESTION, THAT DELIBERATIONS WERE STILL GOING ON OVER PARTICIPATION IN THE SINAI FORCE.

5. AT THE EC MEETING THE DUTCH WARNED AGAINST INDIVIDUAL GOVERNMENTS REPLYING WITHOUT CONSULTATION, AND THE DANGER OF A SYRIAN ATTEMPT TO EXPLOIT IN HOUSE DIFFERENCES OF APPROACH AMONG EC MEMBER STATES. IT WAS ARGUED THAT THE SYRIAN QUESTIONS MAY HAVE BEEN PROMPTED BY ANY OR ALL OF :

- A) KNOWN GREEK RESERVATIONS OVER SINAI
- B) PRESS COVERAGE IN LEBANON OF ALLEGED REMARKS BY THE AMERICAN SECRETARY OF STATE ABOUT VARIED EUROPEAN ACCEPTANCE OF CAMP DAVID;
- C) A WISH TO SHOW AT THE FEZ ARAB SUMMIT THAT THE EUROPEANS WERE NOT UNITED IN SUPPORT OF THE FAHD PLAN.

6. ALL AGREED TO RECOMMEND TO CAPITALS THAT THE RESPONSE TO THE QUESTIONS SHOULD BE COORDINATED BY THE PRESIDENCY. NO FINAL VIEW EMERGED AS TO WHETHER THE PRESIDENCY ALONE SHOULD REPLY ON BEHALF OF THE TEN: BUT IT WAS AGREED THAT ALL REPLIES SHOULD BE IDENTICAL.

7. THE AMBASSADOR MAY WISH TO COMMENT FURTHER ON HIS RETURN. YOU

QUESTIONS SHOULD BE COORDINATED BY THE PRESIDENCY. NO FINAL VIEW
EMERGED AS TO WHETHER THE PRESIDENCY ALONE SHOULD REPLY ON BEHALF
OF THE TEN: BUT IT WAS AGREED THAT ALL REPLIES SHOULD BE IDENTICAL.

7. THE AMBASSADOR MAY WISH TO COMMENT FURTHER ON HIS RETURN. YOU
MAY WISH TO GIVE TUR THE SAME DISTRIBUTION AS THIS TELEGRAM.

FCO PASS TO OTHER EC POSTS

FCO PASS SAVING TO OTHER ME POST. UKMIS NEW YORK MOSCOW

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FM DAMASCUS 071000Z NOV 81

TO IMMEDIATE FCO

TELNO 368 OF 7 NOVEMBER

BRITISH POLICY TOWARDS PALESTINE:

SYRIAN REQUEST FOR CLARIFICATION

1. IN THE ABSENCE OF THE AMBASSADOR IN ALEPPO, AND WITH MARSHALL
INDISPOSED, CURTIS WAS SUMMONED BY THE DEPUTY FOREIGN MINISTER
ON 7 NOVEMBER AND ASKED TO OBTAIN FROM LONDON ANSWERS TO THE
QUESTIONS LISTED BELOW.

A. WHAT IS HMG'S PRECISE ATTITUDE (THE WORDS USED) TOWARDS
COMPLETE ISRAELI WITHDRAWAL FROM THE TERRITORIES OCCUPIED IN 1967?

B. WHAT IS HMG'S ATTITUDE TOWARDS PALESTINIAN SELF DETERMINATION
AND THE RIGHT OF THE PALESTINIAN PEOPLE TO ESTABLISH THEIR OWN
STATE ON PALESTINIAN SOIL?

ON THE PALESTINIANS' RIGHT OF RETURN TO

B. WHAT IS HMG'S ATTITUDE TOWARDS PALESTINIAN SOIL?
AND THE RIGHT OF THE PALESTINIAN PEOPLE TO ESTABLISH THEIR OWN
STATE ON PALESTINIAN SOIL?

C. WHAT ARE HMG'S VIEW ON THE PALESTINIANS' RIGHT OF RETURN TO
PALESTINE?

D. WHAT IS HMG'S POLICY ON THE QUESTION OF JERUSALEM?

E. WHAT IS HMG'S ATTITUDE TOWARDS ISRAELI SETTLEMENT POLICY IN
GENERAL AND TOWARDS EXISTING SETTLEMENTS IN PARTICULAR?

F. DOES HMG CONSIDER THAT THE CAMP DAVID ACCORDS CONSTITUTE THE
FRAMEWORK WITHIN WHICH A SOLUTION FOR THE MIDDLE EAST PROBLEM MUST
BE SOUGHT?

2. CURTIS UNDERTOOK TO REPORT ACCORDINGLY. THE DEPUTY FOREIGN
MINISTER REQUESTED A REPLY AS SOON AS POSSIBLE.

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FM ROME 071810Z NOV 81

TO IMMEDIATE FCO
TELEGRAM NO.461 OF 07 NOV 81
INFO IMMEDIATE UKREP BRUSSELS BONN, PRIORITY PARIS
SAVING OTHER EC POSTS.

MY TELEGRAM NO. 460: ANGLO ITALIAN SUMMIT: EC ISSUES.
SPADONLINI'S STAFF HAVE TODAY GIVEN US THE FOLLOWING ACCOUNT OF
THE RECOMMENDED LINE TO TAKE ON THE MANDATE IN THE FINAL BRIEF SUB-
MITTED TO HIM BEFORE HE LEAVES FOR LONDON, EMPHASISING THAT ALTHOUGH
HE HAS GIVEN PRELIMINARY APPROVAL OF THE LINE PROPOSED, HIS VIEWS
MAY CHANGE.

2. TIMING AND PROCEDURE: THE ITALIANS ARE, LIKE US, DISAPPOINTED
BY PROGRESS MADE ON THE MANDATE IN BRUSSELS SO FAR. DIVERGEN-
CES OF APPROACH ON SUBSTANCE REMAIN FUNDAMENTAL, AND MUCH OF THE
SUBSTANCE REMAINS UNDEFINED. THEY FEAR THAT, IF THE PRESIDENCY
PRESSES FOR FINAL DECISIONS ON ALL THREE CHAPTERS AT THE NOVEMBER
SUMMIT, THERE WILL BE A DAMAGING CONFRONTATION WHICH THE COMMUNITY
CAN ILL AFFORD. WOULD IT NOT BE BETTER TO ACCEPT THAT MORE TIME IS
NEEDED ON CHAPTERS ONE AND TWO, AND INDEED FOR A FINAL SOLUTION TO
CHAPTER THREE, AND THAT THE COUNCIL SHOULD THEREFORE ADDRESS ITSELF
TO MAKING AS MUCH PROGRESS AS POSSIBLE ON GUIDELINES FOR CHAPTERS
ONE AND TWO AND AGREE ON AN EXTENSION OF RELIEF FOR THE UK, PRIOR
TO FINAL DECISIONS BEING TAKEN AT THE NEXT COUNCIL?

3. SUBSTANCE: ITALY IS CONVINCED THAT THE WAY FORWARD MUST LIE
IN THE DEVELOPMENT OF A MORE BALANCED RANGE OF POLICIES WHICH
TAKEN TOGETHER DO NOT HAVE PERVERSE BUDGETARY EFFECTS. THE STARTING
POINT SHOULD BE TO IDENTIFY WHAT HAS TO BE DONE TO CREATE CONVERG-
ENCE WITHIN THE COMMUNITY, AND TO MAINTAIN THE COMPETITIVITY OF ITS
ECONOMY. THIS IS LIKELY TO CALL FOR RESTRUCTURING, RETRAINING,
AND REALLOCATION OF RESOURCES IN A NUMBER OF SECTORS (INCLUDING
AGRICULTURE) AND AREAS OF THE COMMUNITY. THESE MUST BE IDENTIFIED
BY THE COMMISSION AND PLANS DRAWN UP FOR CONSEQUENT ADJUSTMENTS.
WHERE A MEMBER STATE HAS TO CUT BACK ACTIVITY, COMMUNITY FUNDS
SHOULD FINANCE THE CONSEQUENT REDEPLOYMENT OF LABOUR, REINVESTMENT
IN OTHER FORMS OF PRODUCTION ETC. WHERE, ON THE OTHER HAND, A MEM-
BER STATE IS ABLE AS A CONSEQUENCE TO BENEFIT FROM IMPROVED MARK-
ET CONDITIONS WITHOUT HAVING HAD TO CUT BACK OR CHANGE PRODUCTIVE
CAPACITY, SHE SHOULD BE CONTENT TO HELP FINANCE THE ADJUSTMENTS
MADE BY OTHERS.

CONFIDENTIAL

/4

4. THIS WOULD RESULT, IN TIME, IN A WIDER RANGE OF POLICIES AND FAIRER DISTRIBUTION OF COSTS AND BENEFITS. MEANWHILE, ITALY FULLY ACCEPTS THAT THERE IS A BUDGET INBALANCE PROBLEM, BUT THAT ONLY THE UK IS A SUFFERER. SHE CANNOT ACCEPT THE PRINCIPLE OF A PERMANENT GENERAL ADJUSTMENT MECHANISM COVERING THE BUDGETARY IMPACT OF COMMUNITY POLICIES. BUT IT IS RIGHT THAT THERE SHOULD BE A TEMPORARY EXTENSION OF RELIEF TO THE UK SO LONG AS THE PROBLEM OF THE UK'S IMBALANCE LASTS. THE BENEFITS WHICH THE FRG DERIVES FROM COMMUNITY MEMBERSHIP RENDERS COMPENSATION OF THE SAME PRINCIPLE FOR HER OUT OF THE QUESTION, THOUGH SOME (UNDEFINED) FORM OF HELP MIGHT HAVE TO BE OFFERED.
5. A MAJOR OBSTACLE TO ANY SETTLEMENT AT ALL IS FRANCE. SPADOLINI GLADLY ACT AS MEDIATOR WHEN HE SEES MITTERAND ON 19 NOVEMBER, SEEKING TO PERSUADE HIM (A) THAT WHAT THE UK SEEKS IS NOT A JUSTE RETOUR AND (B) THAT IN CONSEQUENCE SHE MUST BE OFFERED CONTINUED ADEQUATE RELIEF.
6. ON THE EUROPEAN ACT (PARA 3 OF MY TUR), MY GERMAN COLLEAGUE'S LINE LAST NIGHT WAS A LITTLE DIFFERENT FROM WHAT THE ITALIANS HAVE TOLD US. ACCORDING TO RUYTER, ECONOMIC ASPECTS ARE COVERED IN A SEPARATE DOCUMENT WHICH DOES LITTLE MORE THAN RESTATE KNOWN POSITIONS. NOW THAT THE DRAFTS HAVE BEEN APPROVED BY BOTH GOVERNMENTS (IN THE CASE OF FRG AT A CABINET MEETING ON 04 NOVEMBER), IT SHOULD BE POSSIBLE FOR EACH GOVERNMENT TO CIRCULATE THEM EVEN AS SOON AS NEXT WEEK, UNDER DIFFERING COVERING LETTERS. RUYTER CONCLUDED THAT THE GERMANS STILL HOPED THAT THE ACT WOULD BE PRESENTED AT THE NOVEMBER COUNCIL, WHEN HEADS OF GOVERNMENT MIGHT REMIT IT TO FOREIGN MINISTERS FOR FURTHER STUDY.
7. RESIDENT CLERK PLEASE PASS TO NO. 10 DOWNING ST. AND TO SIR R. ARCULUS.
8. FCO PSE PASS SAVING ADDRESSEES.

REPEATED AS REQUESTED

SIMPSON-ORLEBAR [COPIES SENT TO NO10 DOWNINGST, DOT AND DOI]

LIMITED
 WED
 ERD
 ESID
 CRD
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 COD
 MR BULLARD
 LORD BRIDGES
 MR FERGUSSON
 MR HANNAY
 MR BRAITHWAITE
 MR EVANS
 MR HAYES

COPIES TO
 MR SOLO MON. DOI
 MR BURROWS. DOT
 DIO, CABINET OFFICE
 SIR R. ARCULUS (VIA RESIDENT CLERK)

TRANSCRIPT OF A TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER
AND LORD CARRINGTON ON SATURDAY 7 NOVEMBER

PM: Good morning, Peter.

FCS: Good morning, Margaret.

PM: Have you seen the front page of the Telegraph?

FCS: Yes.

PM: Outrageous isn't it?

FCS: Absolutely. Actually it went all right, didn't it?

PM: I'm not talking about Ireland, I'm talking about Haig referring to Mr. Carrington.

FCS: Oh, well, I mean the whole thing this is really what I rang you about. Can you bear to have a word about it all?

PM: Yes, sure. I just didn't want you to have to come in early tomorrow morning. Yesterday on the whole went all right I think.

FCS: I thought it was rather good.

PM: Ian wasn't terribly pleased, Ian Gow you know thinks we should do everything to strengthen the union.

FCS: I don't think you could have done less. I think he was quite right about support.

PM: Ian? Yes he was.

FCS: But I think that in the context that you did it it was perfectly all right.

PM: Yes, he got his word support in in the right context. I thought he looked a bit disappointed Gareth.

FCS: He did quite well on the television.

PM: Did he? I didn't see him.

FCS: Yes, he came over perfectly satisfied and rather nice. I think that given one is in an impossible position it wasn't too bad.

PM: No, no, good. And then we've got Monday. However, we've got other things to talk about at the moment.

FCS: I don't think Monday will be too difficult. And I think they want to help. I thought I'd better go in and meet them.

PM: I think it's an enormous help if you do because I met Mitterrand as you know at Northolt and who else But Helmut never comes out to the aircraft to meet one.

/FCS:

FCS: No, he doesn't.

PM: I think it's absurd.

FCS: Absolutely. But I thought they might contrast their if just Douglas went. On the multinational Sinai thing, the four Political Directors of the participant countries met last night. Have you seen what they said?

PM: No.

FCS: Well, what they have recommended is that we ask the four Ambassadors in Washington to go in to Haig and to explain to him that in the statement there is absolutely nothing new at all, that it is in point of fact a statement, a straight re-statement, of what we've always said, that we're not asking the Americans to agree to it. It's in no sense a condition and that it doesn't alter our position, or the Americans' position, one jot, and that if they could explain that to the Israelis, that it's merely a re-statement of our position which we find necessary for our own domestic consumption, we feel sure that that would be all right. If the Americans say "No", we would then suggest to them, either at that meeting or later on, that we should issue a statement - the four of us - a very short statement saying that we are prepared to, subject to the necessary agreements, go in to do the multinational force. And at the same time, in our own national Parliaments, make that statement which they object to. Now this was, if you remember, something that Haig suggested

PM: ... Yes. I remember that

FCS: Well, from our point of view, that's perfectly all right. The French are rather unwilling to do it. I mean, they're being even tougher than saying the whole thing is intolerable. But I don't see any harm in that.....

PM: What do you mean saying the whole thing is intolerable? They're saying that the idea that we can't make our own statement is intolerable?

FCS: Yes. And they won't change one word of it.

PM: Good Lord. They've turned tail - again.

FCS: Yes, again. I think they may do it again. But at the moment they're being absolutely adamant that there is no way in which the thing could be turned round. The Dutch are being, you know, we musn't offend the Americans, the Dutch are saying and therefore we must abandon the whole statement and just go in unconditionally. But I think the Dutch have been persuaded by the French and the Italians that that's not really a very sensible thing to do.

PM: Well, you saw Begin's loud noises, that no-one would be allowed to take part in Sinai Force unless it linked them in totally to Camp David.

/FCS:

FCS: But of course he's got himself a let-out. I mean what he said was that any statement which condemned Camp David which ours doesn't. I mean, really, the more you read that statement the more it's the least one can say.

PM: Well, I'm really cross with Haig, Peter, I really am. They've got everything they want and I think this is ridiculous and I cannot understand what is happening over there.

FCS: Well, what I find a little bit odd is that, I mean I talked to Al Haig in Cancun as you know and told him all our problems about joining the Force, and he said, you must do it, please do it, and so on. We go out of our way to do it and don't put them in any particular difficulty. I've not said anything - on my trip to Saudi Arabia or anywhere else - which could be construed as in the least bit difficult and he turned round and says that sort of thing, about adjectival pronouncements and so on.

PM: Well, it's ridiculous. He must be in a terrible state.

FCS: He must. But, I mean, I'm not going to respond, of course. I shall just say that I think there must be a misunderstanding or something

PM: and we carry on ...

FCS: and we carry on. But I am a little bit worried about the consequences. I mean, if Al Haig is going on like this, the consequences to European-American relations, coupled with what he's doing about the nuclear thing, it's going to be quite serious. We don't want, you know we really don't want to fall out with the Americans or they with us I would have thought.

PM: No, this is why I just don't understand it.....

FCS: no, nor do I

PM: in any way. I haven't seen the telegrams, last night's telegrams. Do we know anything about how the Hussein visit went?

FCS: How what?

PM: Hussein's visit went.

FCS: Yes, it went rather well.

PM: Did he get his message over?

FCS: Well, who knows? He then came out in Washington in support of the Saudi 8 principles Hussein.....

PM: Hussein, yes, which was really rather good.

FCS: Very good. But you see what is so irritating about the whole thing is that I haven't come out in support of the eight principles. What I've come out and said is that this is a

movement on the part of the Arabs, and in particular the Saudis. They have in effect recognised Israel, they are prepared for a negotiated peace settlement which they never were before, and they've said so publicly, isn't this something on which we can build?

PM: Yes. And Prince Fahd made it perfectly clear that the seventh one referred to Israel.

FCS: That's right. I think that the problem is, I don't know, but I would think there were two problems. First, that the Americans had a very sharp reaction from the Israelis about the AWACS sale and that they've taken fright, that Begin is so unpredictable that he may do something which is either, you know, not give Sinai back or do something in the Lebanon, and that they must use every possible persuasion, go very calmly, to prevent him doing it. I think that maybe the first thing. The second thing which is only a suspicion of mine, and I have no evidence of it, is that when, you know, the Israelis didn't want European participation in the Sinai Force, there is a possibility I think that when Haig persuaded them to accept this he said, well look, if they come in to the Multinational Force, that means the end of Venice.

PM: Yes, that's quite possible.

FCS: And when we issue a statement saying it isn't, he can't sell it to the Israelis.

PM: Yes, but that's very strange because I'd understood that one of the arguments being used was unless we joined the Multinational Force Begin would probably not withdraw.....

FCS: That's right.

PM: from Sinai, and it's very strange then to have it said that he didn't want you to join.

FCS: Well, the Israelis certainly didn't want the Europeans to join.

PM: Why?

FCS: Because of Venice.

PM: Oh, I see. But you mean that without us joining he would still have withdrawn from Sinai?

FCS: Well, the Americans are arguing it both ways.

PM: Yes, I know. Yes, I saw the Henry Brandon note. It is all very worrying.

FCS: Well, it is worrying. And, unfortunately, he appears to have got it in for me.

PM: What Haig?

FCS: Yes. I mean we've heard from other nets that he's got it in for me. And I really don't know why.

/PM:

PM: Has he? But, look, you practically got him what he wanted.

FCS: Yes, I know. I think he must be under terrific pressure, don't you?

PM: Yes. I mean the note that I saw from Henry Brandon indicated that he felt he was really rather isolated.

FCS: Yes. Anyway, I think what we must do is to be absolutely

PM: I think we must be quite firm and it's all a misunderstanding but if you don't like it with the Force, we'll do it in our own Parliament but done it will be.

FCS: And, also I think, at the same time, not join in any personal row about Mr. Carrington and adjectival pronouncements. I think just leave it alone. Don't you think?

PM: Oh, let's now get involved in any personal row. No, it's totally undignified to get involved in a personal row. All right.

FCS: I hope they've sent you the telegrams. I think they're quite sensible. They're very good and I've no doubt that you would agree with what's said as long as you agree with the line.

PM: Yes, I agree with the line.

FCS: OK. Well, I don't need to worry you any more.

PM: No. Oh, Peter, there was one thing I wanted to say. I looked at your Honours List and do you remember we had a letter from the Palace about Armand Hammer. Do you remember? To K Armand?

FCS: I'd forgotten that, yes.

PM: Well, I think we ought to do it. I'll raise it with Clive on Monday.

FCS: Could I just have a look at the correspondence. You know that there is some unease about his relations with the Soviet Union?

PM: Yes, I do, but he has done so much for this country.

FCS: Could I take it back with me and I'll talk to you on Monday.

PM: Yes, all right.

FCS: Have as restful weekend as you can and I'll see you tomorrow.

PM: All right, Peter. Thank you. Goodbye.

GR 540

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DESKBY 061700Z

FM ROME 061535Z NOV 81

TO IMMEDIATE FCO

TELEGRAM NO. 460 OF 06 NOV 81

INFO PRIORITY UKREP BRUSSELS, BONN, PARIS
SAVING INFO OTHER EC POSTS

MY TELEGRAM NO. 454: ANGLO ITALIAN SUMMIT: EC ISSUES.

1. SPADOLINI'S LATEST THOUGHTS ON EUROPE WERE DELIVERED TO A MEETING OF THE COUNCIL OF MINISTERS ON 05 NOVEMBER: HIS STAFF HAVE GIVEN US THE TEXT OF WHAT HE SAID, OF WHICH THE FOLLOWING IS A SUMMARY. THE PRESS COMMUNIQUE ISSUED AFTERWARDS COVERED SIMILAR GROUND BUT IN LESS DETAIL.
2. LOOKING FORWARD TO HIS MEETINGS WITH THE PRIME MINISTER (09 NOVEMBER), PRESIDENT MITTERRAND (19 NOVEMBER) AND THORN (23 NOVEMBER) BEFORE THE EUROPEAN COUNCIL, HE STRESSED THE NEED FOR EUROPE TO PLAY THE ROLE APPROPRIATE TO HER ECONOMIC IMPORTANCE, CULTURAL HERITAGE AND HISTORY. WELCOMING THE GERMANS' IDEAS ON EUROPEAN UNION AND ITALY'S ASSOCIATION WITH THEM, HE TOLD HIS COLLEAGUES THAT ITALY MUST HOWEVER LOOK BEYOND PROPOSALS FOR A EUROPEAN ACT TO WORK FOR A CHANGE IN THE TREND-PATH OF EUROPEAN INTEGRATION, WHERE MOMENTUM AND CONFIDENCE HAD BEEN LOST. HE LOOKED TO THE EUROPEAN COUNCIL DISCUSSIONS OF THE MANDATE AS AN OPPORTUNITY FOR THE RESTORATION OF FAITH, AND ASSUMED PERSONAL RESPONSIBILITY FOR TRYING TO IDENTIFY AREAS OF EQUITABLE COMPROMISE BETWEEN THE INTERESTS OF DIFFERENT MEMBER STATES, AND TO MAKE PROPOSALS TO THAT END. HE STRESSED THE NEED TO TACKLE ALL THREE PARTS OF THE MANDATE TOGETHER.
3. COLOMBO THEN GAVE AN ACCOUNT OF THE ITALIAN/GERMAN EUROPEAN ACT PROPOSALS. THE MFA CONFIRM THAT A COMMON TEXT NOW EXISTS COVERING ECONOMIC INTEGRATION, POLITICAL COOPERATION, CULTURE, SECURITY AND INSTITUTIONS, WITH SOME REFERENCE ALSO TO LEGAL/JUDICIAL COOPERATION. IT HAS NOT YET BEEN DECIDED HOW OR WHEN THIS TEXT WILL BE PUT TO THE PRESIDENCY AND PARTNERS, BUT IT IS CERTAINLY MEANT AS A BASIS FOR FURTHER DISCUSSION RATHER THAN HAVING TO BE ACCEPTED OR REJECTED AS IT STANDS. THE INTENTION IS THAT IT WOULD ISSUE AT A EUROPEAN COUNCIL, RELAUNCHING THE IDEA OF EUROPE AND LEAVING OPEN THE POSSIBILITY OF ITS PROVISIONS FORMING PART OF A NEW TREATY AT SOME LATER STAGE.
4. SPADOLINI'S STAFF TELL US THAT HE HAS GIVEN UP HIS ATTEMPT TO STRENGTHEN THE ECONOMIC CHAPTER OF THE ACT, AND THAT THE WHOLE TEXT IS PRETTY WEAK, THOUGH OF SYMBOLIC VALUE. SPADOLINI WILL TRY TO PURSUE HIS CONCERN WITH THE COMMUNITY'S IMMEDIATE ECONOMIC PROBLEMS DIRECTLY THROUGH HIS APPROACH TO THE MANDATE, LEAVING THE

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/Colombo

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COLOMBO-GENSCHER PROPOSALS TO DEVELOP A MOMENTUM OF THEIR OWN. ALTHOUGH IT IS NOT ENTIRELY CLEAR HOW MUCH OF A FREE HAND COLOMBO HAS BEEN GIVEN TO PRESS ON WITH THE ACT, THE FACT THAT THE WHOLE COUNCIL OF MINISTERS (AND THUS ALL FIVE COALITION PARTIES) HAS ENDORSED ITS TERMS IS A SIGNIFICANT STEP FORWARD.

5. WE UNDERSTAND THAT COLOMBO IS LIKELY TO GIVE YOU A FIRST HAND ACCOUNT OF RECENT DEVELOPMENTS ON 09 NOVEMBER. IF SPADOLINI SPEAKS ABOUT THE ACT TO THE PRIME MINISTER, IT WILL PROBABLY BE ONLY IN GENERAL TERMS.

6. FCO PLEASE PASS SAVING AND ENSURE THAT SIR RONALD ARCULUS SEES THIS TELEGRAM.

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MAED
MR BALLARD
LORD BRIDGES
MR FERGUSON

COPIES TO
MR SOLOMON J-1
MR BULLOCKS J-T

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JS

Key
Return to
me please.
AD 6/11



10 DOWNING STREET

THE PRIME MINISTER

6 November 1981

Dear Sir,

Thank you for your letter of 30 October about Jacques Chirac. I look forward to discussing the matter with you next week.

Yours
Raymond

Sir James Scott-Hopkins, MEP.

JS

Conservative and Unionist Party, GB
Det konservative folkeparti, DK
Ulster Unionist Party, N. Ireland



EUROPEAN DEMOCRATIC GROUP
EUROPEAN PARLIAMENT

Chairman

Sir James Scott-Hopkins, MEP

LONDON

2 Queen Anne's Gate,
London, SW1H 9AA
Tel. (01) 222 0411
(01) 222 1729
Telex 917650 EDGLDN

30th October 1981

Dear Margaret,

Recently a new French Deputy, Mr. Meo, came to see me and it became apparent that he was speaking to me as a direct envoy from Mr. Jacques Chirac. The upshot of the conversation was that, now the RPR are in opposition, Chirac is most anxious to move his party closer to us. It became very clear that one of the first things he would like is to have the opportunity of meeting you. I said that I would pass this message on to you.

Since then I have spoken to Tony Royle and I understand that, with the agreement of Peter Carrington, some form of invitation is being sent to Chirac to visit London. During this visit, which I believe will take place before Christmas, I hope you might find it possible to see me for a moment or two. I think this will be very helpful in improving our relations with the RPR, perhaps not only in the European Parliament but in the other Community institutions as well.

*Yours ever,
J.S.*

Rt. Hon. Mrs. Margaret Thatcher, MP,
Prime Minister & First Lord of the Treasury,
10 Downing Street,
LONDON, S.W.1.

JSH/sgc

PRIME MINISTER

Conrad?

①

Dinner for the Italian Prime Minister
Monday, 9 November 1981

I attach a list of guests attending the dinner on Monday evening together with a draft seating plan which has been seen by Michael Alexander.

Do you agree the seating plan please?

Sue Goodchild

6 November 1981

c.c. Mr. Denis Thatcher

Prime Minister I have put Lady Thorneycroft rather than Lord Thorneycroft at the top table because she can talk to Signor Spadolini in Italian. Lord Hastings is president of the Royal-Italian Society.

Paul

LIST OF GUESTS ATTENDING THE DINNER TO BE GIVEN BY THE PRIME MINISTER
AND MR. DENIS THATCHER IN HONOUR OF HIS EXCELLENCY SENATOR GIOVANNI
SPADOLINI, PRESIDENT OF THE COUNCIL OF MINISTERS OF THE ITALIAN
REPUBLIC ON MONDAY, 9 NOVEMBER 1981 AT 8.00 PM FOR 8.15 PM
BLACK TIE

The Prime Minister
and Mr. Denis Thatcher

His Excellency Senator Giovanni Spadolini

His Excellency The Hon. Emilio Colombo Foreign Minister

His Excellency the Italian Ambassador
and Signora Cagiati

Amb. Bruno Bottai Director-General Political
Affairs at the MFA

Amb. Maurizio Bucci Director-General Economic
Affairs at the MFA

Signor Luigi Fontana Giusti Minister, Italian Embassy
and Signora Fontana Giusti

Min. Sergio Berlinguer Diplomatic Adviser to the
Prime Minister

Min. Luigi Guidobono Cavalchini Deputy Head of Cabinet at the MFA

HM Government

The Rt. Hon. Lord Hailsham of St. Marylebone

The Rt. Hon. Lord Carrington
and Lady Carrington

Opposition

Rt. Hon. Denis Healey, MP
and Mrs. Healey

Mr. Kenneth Marks, MP Chairman, Anglo-Italian
and Mrs. Marks Parliamentary Group

Lord Mayor of London

The Rt. Hon. The Lord Mayor of London Visited Italy in the Spring
and Lady Gardner-Thorpe

Industry

Sir Michael Edwardes Chairman, British Leyland
and Lady Edwardes

Sir George Jefferson Chairman, British Telecom
and Lady Jefferson

Sir Charles Forte Executive Chairman, Trust House
and Lady Forte Forte Ltd.

Media

Mr. Frank Giles
and Lady Katherine Giles

Editor, Sunday Times

Mr. Peter Preston
and Mrs. Preston

Editor, The Guardian

Others

The Lord Hastings
and Lady Hastings

President, British-Italian
Society

The Baroness Elles
and Mr. Neil Elles

Baroness Elles is a Member
of the European Parliament.

The Rt. Hon. Lord Thorneycroft
and Lady Thorneycroft

Venice in Peril

Mr. Denis Mack Smith
and Mrs. Mack Smith

Leading historian on modern
history

Officials

Sir Robert Armstrong
and Lady Armstrong

Sir Michael Palliser
and Lady Palliser

Sir Ronald Arculus
and Lady Arculus

HM Ambassador, Rome

10 Downing Street

Mr. Michael Alexander

Miss Caroline Stephens
and Mr. Richard Ryder

DRAFT SEATING PLAN FOR DINNER ON MONDAY, 9 NOVEMBER 1981

TABLE A

THE PRIME MINISTER
HE SENATOR GIOVANNI SPADOLINI
The Lady Thorneycroft
Sir Ronald Arculus
~~The Lord Hastings~~
~~The Baroness Elles~~ *Sir Charles Forte*
HE The Ambassador of the Italian Republic
The Rt. Hon. The Lord Mayor

TABLE B

RT. HON. LORD CARRINGTON
HE The Hon. Emilio Colombo
Rt. Hon. Denis Healey
Lady Forte
Sir George Jefferson
Lady Katherine Giles
~~Sir Michael Palliser~~ *Lord Hastings*
Signora Cagiati

TABLE C

RT. HON. LORD HAILSHAM OF ST. MARYLEBONE
Signora Fontana Giusti
Sir Michael Edwardes
Mrs. Healey
Mr. Frank Giles
~~Lady Armstrong~~ *Lady Gifford*
Ambassador Bruno Bottai *Bucci*
The Lady Mayoress

TABLE D

MR. DENIS THATCHER
The Lady Hastings
Ambassador ~~Maurizio Bucci~~ *Bottai*
~~Mr. Kenneth Marks~~ *Sir Richard Patten*
Lady Arculus *Mrs. Berlinguer*
Rt. Hon. Lord Thorneycroft
Mr. Peter Preston
Lady Jefferson *Armstrong* *Lady Bellingham*

TABLE E

THE LADY CARRINGTON
~~Sir Charles Forte~~ *Kenneth Arrowood Berlinguer*
Lady Edwardes
Mr. Michael Alexander
Minister Sergio Berlinguer *Kenneth Arrowood*
~~Mrs. Mack Smith~~ *Lady Armstrong*
Mr. Richard Ryder
Signor Luigi Fontana Giusti

TABLE F

SIR ROBERT ARMSTRONG
Lady Palliser
Mr. Neil Elles
Miss Caroline Stephens
Minister Luigi Guidobono Cavalchini
Mrs. Preston
~~Mr. Denis Mack Smith~~
Mrs. Marks

Lady A.

REVISED

LIST OF GUESTS ATTENDING THE DINNER TO BE GIVEN BY THE
PRIME MINISTER AND MR. DENIS THATCHER IN HONOUR OF HIS EXCELLENCY
SENATOR GIOVANNI SPADOLINI, PRESIDENT OF THE COUNCIL OF MINISTERS
OF THE ITALIAN REPUBLIC ON MONDAY, 9 NOVEMBER 1981 AT 8.00 PM
FOR 8.15 PM BLACK TIE

The Prime Minister
and Mr. Denis Thatcher

His Excellency Senator Giovanni Spadolini

His Excellency The Hon. Emilio Colombo Foreign Minister

His Excellency the Italian Ambassador
and Signora Cagiati

Amb. Bruno Bottai Director-General Political
Affairs at the MFA

Amb. Maurizio Bucci Director-General Economic
Affairs at the MFA

Signor Luigi Fontana Giusti Minister, Italian Embassy
and Signora Fontana Giusti

Min. Sergio Berlinguer Diplomatic Adviser to the Prime
Minister

Min. Enzo Perlot Head of MFA Press Dept.

Min. Luigi Guidobono Cavalchini Deputy Head of Cabinet at the
MFA

Dott. Stefano Folli Press Attache, Palazzo Chigi

HM Government

Rt. Hon. Lord Hailsham of St. Marylebone

The Rt. Hon. Lord Carrington
and Lady Carrington

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and Mrs. Healey

Mr. Kenneth Marks, MP Chairman, Anglo-Italian
and Mrs. Marks Parliamentary Group

Lord Mayor of London

Rt. Hon. Lord Mayor of London Visited Italy in the Spring
and Lady Gardner Thorpe

Industry

Sir Michael Edwardes Chairman, British Leyland
and Lady Edwardes

Sir George Jefferson Chairman, British Telecom
and Lady Jefferson

Industry (continued)

Sir Charles Forte
and Lady Forte

Executive Chairman, Trust House
Forte Ltd.

Media

Mr. Frank Giles
and Lady Katherine Giles

Editor, Sunday Times

Mr. Peter Preston
and Mrs. Preston

Editor, The Guardian

Others

The Lord Hastings
and Lady Hastings

President, British-Italian Society

The Baroness Elles
and Mr. Neil Elles

Baroness Elles is a Member
of the European Parliament

The Rt. Hon. Lord Thorneycroft
and Lady Thorneycroft

Venice in Peril

Officials

Sir Robert Armstrong
and Lady Armstrong

Sir Michael Palliser
and Lady Palliser

Sir Ronald Arculus
and Lady Arculus

HM Ambassador, Rome

10 Downing Street

Mr. Michael Alexander

Miss Caroline Stephens
and Mr. Richard Ryder

REVISED

DRAFT SEATING PLAN FOR DINNER ON MONDAY, 9 NOVEMBER 1981

TABLE A

THE PRIME MINISTER
HE SENATOR GIOVANNI SPADOLINI
The Lady Thorneycroft
Sir Ronald Arculus
Sir Charles Forte
The Baroness Elles
HE The Italian Ambassador
Rt. Hon. The Lord Mayor

TABLE B

RT. HON. LORD CARRINGTON
HE The Hon. Emilio Colombo
Rt. Hon. Denis Healey
Lady Forte
Sir George Jefferson
Lady Katherine Giles
The Lord Hastings
Signora Cagiati

TABLE C

RT. HON. LORD HAILSHAM OF ST. MARYLEBONE
Signora Fontana Giusti
Sir Michael Edwardes
Mrs. Healey
Rt. Hon. Lord Thorneycroft
Lady Jefferson
Ambassador Maurizio Bucci
The Lady Mayoress

TABLE D

MR. DENIS THATCHER
The Lady Hastings
Ambassador Bruno Bottai
Sir Michael Palliser
Mrs. Preston
Minister Enzo Perlot
Mr. Frank Giles
Lady Arculus

TABLE E

THE LADY CARRINGTON
Minister Sergio Berlinguer
Lady Edwardes
Mr. Michael Alexander
Mr. Kenneth Marks
Lady Armstrong
Mr. Richard Ryder
Signor Luigi Fontana Giusti

TABLE F

SIR ROBERT ARMSTRONG
Lady Palliser
Minister Luigi Guidobono Cavalchini
Miss Caroline Stephens
Mr. Neil Elles
Mr. Peter Preston
Dott. Stefano Folli
Mrs. Marks

LIST OF GUESTS ATTENDING THE LUNCHEON TO BE GIVEN BY
THE PRIME MINISTER IN HONOUR OF HIS EXCELLENCY SIGNOR GIOVANNI
SPADOLINI, PRESIDENT OF THE COUNCIL OF MINISTERS OF THE ITALIAN
REPUBLIC ON MONDAY, 9 NOVEMBER 1981 AT 1.00 PM FOR 1.15 PM

The Prime Minister

His Excellency Signor Giovanni Spadolini

His Excellency Signor Emilio Colombo Foreign Minister

His Excellency the Italian Ambassador

Amb. Bruno Bottai

Director-General, Political
Affairs at the MFA

Amb. Maurizio Bucci

Director-General Economic
Affairs at the MFA

Min. Sergio Berlinguer

Diplomatic Adviser to the
Prime Minister

The Rt. Hon. Lord Carrington

Sir Ronald Arculus

Mr. Julian Bullard

The Lord Bridges

Mr. Michael Alexander

DRAFT SEATING PLAN FOR LUNCH ON MONDAY, 9 NOVEMBER 1981

Min. Sergio Berlinguer

The Lord Bridges

Amb. Maurizio Bucci

HE The Italian Ambassador

Rt. Hon. Lord Carrington

PRIME MINISTER

HE SIGNOR GIOVANNI SPADOLINI

HE Signor Emilio Colombo

Sir Ronald Arculus

Mr. Julian Bullard

Amb. Bruno Bottai

Mr. Michael Alexander

ENTRANCE

SECRET UK EYES B

*This is a copy. The original
has been extracted and
retained under Section 3(4).*



MO 14/7

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~930 7022~~ 218 2111/3

6th November 1981

Dear Michael,

ANGLO-ITALIAN SUMMIT

I understand that at the Prime Minister's briefing last night, Sir Frank Cooper undertook to provide a revised brief on the Anglo-Italian helicopter project (EH 101). This is attached - and I should add that my Secretary of State very much supports the approach proposed.

*Paragraphs deleted and retained
under Section 3(4).*

*M Wayland
6 September 2011*

I am copying this to Francis Richards (FCO) and David Wright (Cabinet Office).

*Yours sincerely
Mich Evans*

(N H R EVANS)

M O'D B Alexander Esq

SECRET UK EYES B

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WTV(81)4a (Revised)

COPY NO

6 November 1981

ANGLO-ITALIAN SUMMIT
9 NOVEMBER 1981

ANGLO-ITALIAN HELICOPTER (EH 101)

Brief by Ministry of Defence

SPEAKING NOTE

1. I welcome our collaboration on this project. But we have to recognise that our military requirement, while very important, is in itself unlikely to be big enough to justify the cost of development, even allowing for military exports. There is, however, a larger potential civil export market for a helicopter of this kind. If we are to go ahead next year, we need now to concentrate on a programme aimed at both the commercial and the defence requirement. As a consequence, a major role as well as development costs will need to be provided by the civil side as well as by defence. We need to get this clear by the time decisions are taken next year.

BACKGROUND

Anti-Submarine Helicopter to replace Sea King (EH 101)

2. Currently the Royal Navy and Italian Navy both use a version of a Sikorsky-designed ASW Helicopter (designated Sea King and H-3D respectively). Even an Anglo-Italian programme makes it difficult to justify development for defence needs alone, even allowing for the probability that there are reasonable military

/export

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export prospects. Fortunately, the proposed helicopter matches an unfilled commercial civil/military opportunity, and market surveys show good potential for profitable business. Collaboration on a commercial programme offers realistic possibilities meeting wider national economic needs, as well as providing a basic vehicle to meet both defence and civil requirements. Experience shows that maximum advantage depends on considering both requirements together from the start and taking a hard look at the commercial prospects. The big sales market is in the commercial area. Both countries need to exploit the whole market and plan and act accordingly. In Italy this raises peculiar problems of government accounting for expenditure between the defence and commercial interests which seem particularly difficult for the Italian officials. Whilst good progress is being made in current joint studies of the Naval requirements due to end in March 1982, it is essential now to take full account of the commercial potential and recognise that development of the basic airframe and engine cannot be sustained on the military requirement. Recognition of this at the highest Italian political levels should ease the potential of damaging delays at working levels.

Ministry of Defence

6 November 1981

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Italy

PS / NO 10

DOWNING & C

mf

FM ROME 061535Z NOV 81

TO IMMEDIATE FCO
TELEGRAM NO. 463 OF 06 NOV 81
INFO PRIORITY UKREP BRUSSELS, BONN, PARIS
SAVING INFO OTHER EC POSTS

MY TELEGRAM NO. 454: ANGLO ITALIAN SUMMIT: EC ISSUES.

1. SPADOLINI'S LATEST THOUGHTS ON EUROPE WERE DELIVERED TO A MEETING OF THE COUNCIL OF MINISTERS ON 05 NOVEMBER: HIS STAFF HAVE GIVEN US THE TEXT OF WHAT HE SAID, OF WHICH THE FOLLOWING IS A SUMMARY. THE PRESS COMMUNIQUE ISSUED AFTERWARDS COVERED SIMILAR GROUND BUT IN LESS DETAIL.
2. LOOKING FORWARD TO HIS MEETINGS WITH THE PRIME MINISTER (09 NOVEMBER), PRESIDENT MITTERRAND (19 NOVEMBER) AND THORN (23 NOVEMBER) BEFORE THE EUROPEAN COUNCIL, HE STRESSED THE NEED FOR

NOVEMBER), PRESIDENT MITTERRAND (19 NOVEMBER) AND THORN (23 NOVEMBER) BEFORE THE EUROPEAN COUNCIL, HE STRESSED THE NEED FOR EUROPE TO PLAY THE ROLE APPROPRIATE TO HER ECONOMIC IMPORTANCE, CULTURAL HERITAGE AND HISTORY. WELCOMING THE GERMANS' IDEAS ON EUROPEAN UNION AND ITALY'S ASSOCIATION WITH THEM, HE TOLD HIS COLLEAGUES THAT ITALY MUST HOWEVER LOOK BEYOND PROPOSALS FOR A EUROPEAN ACT TO WORK FOR A CHANGE IN THE TREND-PATH OF EUROPEAN INTEGRATION, WHERE MOMENTUM AND CONFIDENCE HAD BEEN LOST. HE LOOKED TO THE EUROPEAN COUNCIL DISCUSSIONS OF THE MANDATE AS AN OPPORTUNITY FOR THE RESTORATION OF FAITH, AND ASSUMED PERSONAL RESPONSIBILITY FOR TRYING TO IDENTIFY AREAS OF EQUITABLE COMPROMISE BETWEEN THE INTERESTS OF DIFFERENT MEMBER STATES, AND TO MAKE PROPOSALS TO THAT END. HE STRESSED THE NEED TO TACKLE ALL THREE PARTS OF THE MANDATE TOGETHER.

3. COLOMBO THEN GAVE AN ACCOUNT OF THE ITALIAN/GERMAN EUROPEAN ACT PROPOSALS. THE MFA CONFIRM THAT A COMMON TEXT NOW EXISTS COVERING ECONOMIC INTEGRATION, POLITICAL COOPERATION, CULTURE, SECURITY AND INSTITUTIONS, WITH SOME REFERENCE ALSO TO LEGAL/JUDICIAL COOPERATION. IT HAS NOT YET BEEN DECIDED HOW OR WHEN THIS TEXT WILL BE PUT TO THE PRESIDENCY AND PARTNERS, BUT IT IS CERTAINLY MEANT AS A BASIS FOR FURTHER DISCUSSION RATHER THAN HAVING TO BE ACCEPTED OR REJECTED AS IT STANDS. THE INTENTION IS THAT IT WOULD ISSUE AT A EUROPEAN COUNCIL, RELAUNCHING THE IDEA OF EUROPE AND LEAVING OPEN THE POSSIBILITY OF ITS PROVISIONS FORMING PART OF A NEW TREATY AT SOME LATER STAGE.

4. SPADOLINI'S STAFF TELL US THAT HE HAS GIVEN UP HIS ATTEMPT TO STRENGTHEN THE ECONOMIC CHAPTER OF THE ACT, AND THAT THE WHOLE TEXT IS PRETTY WEAK, THOUGH OF SYMBOLIC VALUE. SPADOLINI WILL TRY TO PURSUE HIS CONCERN WITH THE COMMUNITY'S IMMEDIATE ECONOMIC PROBLEMS DIRECTLY THROUGH HIS APPROACH TO THE MANDATE, LEAVING THE COLOMBO-GENSCHER PROPOSALS TO DEVELOP A MOMENTUM OF THEIR OWN. ALTHOUGH IT IS NOT ENTIRELY CLEAR HOW MUCH OF A FREE HAND COLOMBO HAS BEEN GIVEN TO PRESS ON WITH THE ACT, THE FACT THAT THE WHOLE COUNCIL OF MINISTERS (AND THUS ALL FIVE COALITION PARTIES) HAS ENDORSED ITS TERMS IS A SIGNIFICANT STEP FORWARD.

5. WE UNDERSTAND THAT COLOMBO IS LIKELY TO GIVE YOU A FIRST HAND ACCOUNT OF RECENT DEVELOPMENTS ON 69 NOVEMBER. IF SPADOLINI SPEAKS ABOUT THE ACT TO THE PRIME MINISTER, IT WILL PROBABLY BE ONLY IN GENERAL TERMS.

6. FCO PLEASE PASS SAYING AND ENSURE THAT SIR RONALD ARCULUS SEES THIS TELEGRAM.

Handwritten initials or mark, possibly "H. J. L." or similar, with a circular stamp or mark above it.

4 November 1981

ANGLO/ITALIAN SUMMIT

The Prime Minister has seen your letter to me of 3 November on this subject. As I have already told you on the telephone, she has decided that she would prefer not to greet Signor Spadolini and would be grateful if Lord Carrington could do so on her behalf.

The Prime Minister draws a distinction between going to RAF Benson to meet guests who are coming to visit her at Chequers (which is relatively simple for her when she is staying at Chequers) and meeting guests at Heathrow or Northolt. She is only prepared to go to the latter airports from central London in exceptional circumstances.

MODBA

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

Handwritten initials or mark, possibly "L. J." or similar, located to the right of the typed name.



Foreign and Commonwealth Office

London SW1A 2AH

3 November 1981

Dear Michael,

Anglo-Italian Summit: 9 November

HM Ambassador in Rome called on the Italian Prime Minister's diplomatic adviser on 30 October to discuss arrangements for next week's Anglo-Italian Summit meeting. His reporting telegram (Rome telno 441, copy enclosed) lists topics on which the Prime Minister might concentrate in her tete-a-tete with Signor Spadolini and those which might best be left for discussion between Foreign Ministers. This division seems sensible to us.

As you will see, Signor Berlinguer suggested amalgamating the expanded session after lunch with the plenary talks. This also seems to us a sensible suggestion. Not only does the small size of the Italian delegation make a division as originally proposed somewhat artificial, but in addition a longer plenary might have presentational as well as administrative advantages. It would also make it possible for the Italian Prime Minister to relax for a few minutes after the plenary talks and prior to departing from No 10 for the press conference.

If you agree to these suggestions we shall be able to finalise the programme and agenda with the Italians.

yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

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GRS 550
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FROM ROME 031635Z NOV 81
TO PRIORITY FCO
TELNO 450 OF 03 NOV 81

INFO SAVING : WASHINGTON, EC POSTS, UKDEL NATO, HOLY SEE (ACTIONED)

MY TELNO 441 (NOT TO ALL) : ANGLO-ITALIAN SUMMIT

1. I SAW SPADOLINI TODAY IN PREPARATION FOR HIS MEETING WITH THE PRIME MINISTER. HE WAS IN ROBUST SPIRITS DESPITE THE RIGOURS OF HIS NEGOTIATIONS WITH THE SOCIAL PARTNERS ON HIS PLAN TO LIMIT INFLATION BY STAGES, AND DESPITE MUTTERINGS AMONG HIS COALITION PARTNERS. HE HAD BEEN CHEERED BY THE OPEN SUPPORT AND ENCOURAGEMENT VOICED BY PRESIDENT PERTINI EARLIER THIS WEEK AND ALSO BY SIGNS THAT THE UNIONS WERE BEGINNING TO SHOW MORE MODERATION. THUS HE IS VERY MUCH LOOKING FORWARD TO HIS DISCUSSIONS WITH THE PRIME MINISTER ON THE BATTLE AGAINST INFLATION.
2. SPADOLINI SPOKE AS IF HE WOULD BE IN POWER UNTIL THE SPRING, BY WHICH TIME HE HOPED TO HAVE MADE REAL PROGRESS ON THE ECONOMIC FRONT AND IN COUNTERING TERRORISM. CRAXI (SOCIALIST) WAS LIKELY TO MAKE A BID TO SUCCEED HIM, BUT THE CHRISTIAN DEMOCRATS WERE UNLIKELY TO CONCEDE THIS WITHOUT A TEST AT THE POLLS.
3. APART FROM THE POLITICAL TALKS, SPADOLINI IS ALSO LOOKING FORWARD TO RENEWING OLD ACQUAINTANCES IN LONDON, PARTICULARLY WITH PROFESSOR MACK SMITH.
4. BERLINGUER (DIPLOMATIC ADVISER) SAID HE HAD BEEN OVER THE GROUND WITH HIS PRIME MINISTER SINCE OUR TALK ON 19 OCTOBER (MY TUR). SPADOLINI HAD AGREED, AS HE CONFIRMED TO ME TODAY, THAT HE WANTED TO CONCENTRATE ON THE FIRST FOUR ITEMS ON THE AGENDA (ECONOMIC/POLITICAL SITUATION IN BOTH COUNTRIES, EC, EAST/WEST, DEFENCE (INCLUDING US/USSR NEGOTIATIONS) PLUS THE MIDDLE EAST (ESPECIALLY ARAB / ISRAEL).

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5. REFLECTING SPADOLINI'S VIEWS, BERLINGUER MADE THE FOLLOWING COMMENTS :

6. EC.

—
THE ITALIAN POSITION ON THE MANDATE WOULD BE BETWEEN THE GERMAN AND THE FRENCH. SPADOLINI DID NOT SHARE COLOMBO'S DOUBTS WHETHER MORE THAN PARTIAL SOLUTIONS COULD BE FOUND AT THE NEXT EUROPEAN COUNCIL. HE WANTED TO DEAL WITH ALL THREE HEADINGS OF THE MANDATE, OTHERWISE GENERAL AGREEMENT WOULD NOT BE POSSIBLE. ITALY HOPED TO BE HELPFUL TO THE PRESIDENCY (CF THE GOOD OLD DAYS OF COSSIGA), BECAUSE OUR BROAD OBJECTIVES WERE SIMILAR EVEN IF WE HAD DIFFERENT DETAILED INTERESTS. IT WAS ESSENTIAL FOR US TO HAVE A SOLUTION ON THE BUDGET AND FOR THE COMMUNITY TO MOVE FORWARD ON BOTH POLITICAL AND ECONOMIC FRONTS. ON EUROPEAN UNION, THE ITALIAN/GERMAN TEXT(S)

—————
HAD STILL TO BE APPROVED BY MINISTERS AND WOULD BE FED INTO THE MACHINE BEFORE THE COUNCIL IN THE HOPE THAT THEY WOULD BE HELPFUL.

7. MIDDLE EAST

————— THE ITALIANS ENTIRELY SHARED YOUR LINE ON THE SINAI FORCE AND ON FUTURE NEGOTIATIONS. THEY WOULD BE VERY KEEN TO HEAR HOW YOUR VISIT TO SAUDI ARABIA WENT. THE SAUDIS PERHAPS WERE THE KEY. THE AGREEMENT TO PARTICIPATE IN THE SINAI FORCE WAS VERY IMPORTANT IN SHOWING THAT THE COMMUNITY COULD REACH AGREEMENT AND DO SOMETHING PRACTICAL.

8. EAST/WEST AND THE AMERICANS

—————
THE ITALIANS AGREED WITH US GENERALLY BUT THEIR POSITION WAS MORE PARALLEL TO THAT OF CHANCELLOR SCHMIDT. GERMANY AND ITALY WERE NPT BUT NON-NUCLEAR POWERS, BOTH WITH INTERNAL DIFFICULTIES. THEY THEREFORE HAD A STRONG INTEREST IN US/USSR NEGOTIATIONS AND IN BEING KEPT INFORMED (AND CONSULTED). THE AMERICAN ADMINISTRATION SHOULD KEEP IN MIND THESE INTERNAL DIFFICULTIES AND AVOID EXACERABATING THEM (AS THE ERW ANNOUNCEMENT HAD DONE).

9. SPADOLINI SAID HE HOPED NO SPEECHES (HE SAID TOAST) AND I SAID NOT. BUT I SUPPOSE THERE MAY BE A SIMPLE TOAST. I SHOULD BE GRATEFUL FOR CLARIFICATION ON THIS POINT.

10. SEE MIFT.

FCO PLEASE PASS TO ALL SAVING ADDRESSEES
ARCULUS

[REPEATED AS REQUESTED]
[THIS TELEGRAM WAS NOT ADVANCED]

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ECD NENAD

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ow.

Prime Minister.

(1)

msb



Foreign and Commonwealth Office

London SW1A 2AH

3 November 1981

It would be a deplorable waste of your time - I would regret it you having to meet, say, Fitzgerald next time. Lord Carrington should go - the Italians can't afford to be very offended! (Meeting Schmidt at ~~London~~ ^{Rome} is different: he doesn't meet you at Köln - which is rather like Heathrow.)

Dear Michael,

And 3/4

Anglo-Italian Summit: 9 November

We have been considering who should meet the Italian Prime Minister on his arrival for the Anglo-Italian Summit. It was agreed some time ago by Chiefs of Protocol of the Ten that minimum formalities should be observed for regular working meetings between EC Heads of Government and other Ministers, but we feel it would be appropriate in this case for a Minister to greet Signor Spadolini on arrival at the airport.

When the Prime Minister visited Italy in November 1979 and again in November 1980, Signor Cossiga and Signor Forlani respectively, the then Prime Ministers, came to the airport to meet her. When Signor Cossiga visited London in January 1980 he was welcomed on arrival by the Lord Privy Seal (who will probably not be free on this occasion). Furthermore, the Italians are aware that Chancellor Schmidt was met by the Prime Minister on his arrival for the Anglo-German Summit.

Given the importance of the Italian voice in Community and European affairs, not least TNF, it is desirable to avoid giving the Italians the impression that we are doing them less honour than our other major EC partners! The Prime Minister may therefore wish to consider whether her other engagements would permit her to meet Signor Spadolini on his arrival at the airport. If this is impossible, we propose that Lord Carrington should meet him on her behalf.

yours ever
 Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
 10 Downing St

If they are coming to
 the press it is easy to meet
 them - but not at
 Heathrow or N. side as a
 regular matter.

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FROM ROME 301100Z OCT 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 441 OF 30 OCT 81

SAVING TO HOLY SEE (ACTIONED))

MY TELNO 436 : ANGLO-ITALIAN SUMMIT

1. I RAN OVER THE GROUND WITH BERLINGUER (DIPLOMATIC ADVISER AT THE CHIGI) LAST EVENING.
2. TIMETABLE. THIS IS SATISFACTORY (AS IN YOUR TELNO .217). THE ITALIAN PRIME MINISTER WILL BE MEETING MRS GANDHI AT ROME AIRPORT AT 9 AM ON 9 NOVEMBER. HE WILL LEAVE FOR LONDON AT 10 AM. WHICH (GIVEN THE TIME DIFFERENCE) SHOULD GET HIM TO DOWNING STREET FOR THE NOON MEETING. BEFORE DINNER HE WILL SEE THE ITALIAN PRESS. HE MAY TRY TO FIT IN THE GONZAGA EXHIBITION.
3. AGENDA. THIS IS ACCEPTABLE (AS IN YOUR TELNO 215). BERLINGUER SAID SPADOLINI WOULD WANT IN THE TEZE-A-TETE TO CONCENTRATE ON ITEMS 1 (SITUATION IN BOTH COUNTRIES), 2 (EC), 3 (EAST / WEST, ESPECIALLY POLAND) AND 4 (DEFENCE). THE PRIME MINISTERS WOULD DOUBTLESS ALSO WANT TO TAKE 6(1) (ARAB/ISRAEL). SPADOLINI WOULD LIKE TO HEAR THE PRIME MINISTER'S OWN IMPRESSIONS OF CANCUN (9) ON WHICH YOU HAD ALREADY BRIEFED YOUR COLLEAGUES.
4. THE FOREIGN MINISTERS WOULD DOUBTLESS ALSO TALK ABOUT THE PREPARATIONS FOR THE EUROPEAN COUNCIL, BUT COULD CONCENTRATE ON ITEMS 5 (MEDITERRANEAN), 6 (ME), 7 (AFRICA) AND 10 (BILATERAL). GREECE WOULD DOUBTLESS COME UP (POSSIBLY UNDER ITEMS 2, 4, 6). HE KNEW OF NO ITEM WHICH THE ITALIANS WOULD RAISE UNDER ITEM 10. DO YOU WISH ME TO WARN THE ITALIANS OF ANY ITEMS WE INTEND TO RAISE?
5. WHO ATTENDS WHAT ? BERLINGUER SAID HE WOULD EXPECT TO ATTEND THE PRIME MINISTERS' TETE-A-TETE WITH A NOTE-TAKER FROM OUR SIDE. HE ASKED FOR CONFIRMATION THAT CAGIATI AND I WOULD SIT IN WITH THE FOREIGN MINISTERS, PLUS A NOTETAKER FROM EACH SIDE. HE SAID SENIOR ITALIAN OFFICIALS WOULD BE FEW, IE. BOTTAI (POLITICAL DIRECTOR) AND BUCCI (ECONOMIC DIRECTOR) BESIDES HIMSELF AND CAGIATI. HE ASKED WHETHER IT WOULD NOT BE MORE PRACTICAL TO COALESCE THE "EXPANDED SESSION" AND THE "PLENARY" WITH THIS SMALL NUMBER OF OFFICIALS PRESENT FROM THE ITALIAN SIDE AND THEIR OPPOSITE NUMBERS FROM OUR SIDE. OTHERWISE IT WAS NOT VERY EASY TO STRUCTURE THE MEETING. A PLENARY WAS PERHAPS ORIGINALLY MEANT TO CATER FOR MINISTERS FROM OTHER DEPARTMENTS, BUT NONE WERE NOW ATTENDING. HE WOULD LIKE EARLY CONFIRMATION ON THESE POINTS.

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6. ON SUBSTANCE , BERLINGUER COMMENTED SIGNIFICANTLY ONLY ON THE PREPARATIONS FOR THE EUROPEAN COUNCIL. SPADOLINI (THOUGH UP TO HIS NECK IN NEGOTIATIONS OVER HIS ECONOMIC PROGRAMME AND NOT YET ENTIRELY RID O THE CORRIERE DELLA SERA SCANDAL) HAD STARTED STUDYING THE EC DOSSIERS. HE WAS STRONGLY OF THE VIEW THAT THE COMMUNITY MUST GO FORWARD ON BOTH FRONTS, ECONOMIC AND POLITICAL. ON THE POLITICA SIDE ,THERE WERE THE AGREED IMPROVEMENTS IN POLITICAL CO-OPERATION. WORK WAS STILL IN PROGRESS ON THE ITALO-GERMAN TEXT(S). HE WOULD WANT TO DISCUSS THE COMMUNITY'S ROLE IN WORLD AFFAIRS. ON THE ECONOMIC SIDE, ALL THREE ASPECTS OF THE MANDATE SHOULD BE TREATED TOGETHER AND THE EUROPEAN COUNCIL SHOULD AT THE LEAST LAY DOWN CLEAR PLANS OF ACTION ON ALL OF THEM. GERMANY WOULD BE THE STUMBLING BLOCK, AND GREECE PERHAPS A COMPLICATION. THE ITALIANS HAD NO FIRM VIEWS YET ON THE FRENCH PORPOSALS BUT THEY WOULD COST MONEY AND THUS ATTRACT SOME OPPOSITION.

7. I SHALL COMMENT SEPARATELY ON SPADOLINI'S POSITION ON THE EVE OF THIS MEETING.

ARCULUS

MINIMAL
WED
ECD(I)
DEF D



gc Sue Goodchild
Italy
Foreign and Commonwealth Office

London SW1A 2AH

28 October 1981

Dear Michael,

Seen 29.10.
Anglo-Italian Summit: 9 November

28 attached
In my letter of 9 October I undertook to inform you as soon as I knew the composition of the Italian delegation for the Anglo-Italian Summit Meeting. I now attach a list of members of the delegation.

I suggested in my earlier letter that four places might be set aside at the dinner for Italian officials in addition to the Italian Ambassador. The Italian Embassy have now asked if most of the delegation could be invited or, if only a limited number, the following could be included: -

- i) Bruno Bottai (Ambassador)
- ii) Maurizio Bucci (Ambassador)
- iii) Sergio Berlinguer (Minister)
- iv) Enzo Perlot (Minister)
- v) Vanni d'Archirafi or Luigi Cavalchini (both Ministers)

I understand that the Prime Minister envisages a working lunch for twelve, excluding interpreters. I would suggest that, apart from the Prime Minister, Foreign Minister and the Italian Ambassador, Messrs Bottai, Bucci and Berlinguer might be included. On our side, officials could be the PUS, Sir Ronald Arculus, Mr Bullard and Lord Bridges.

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON SW 1



<u>Name</u>	<u>Designation</u>
HE Signor Giovanni Spadolini	Prime Minister of Italy
HE Signor Emilio Colombo	Foreign Minister of Italy
Ambassador Bruno Bottai	Director-General Political Affairs at the MFA
Ambassador Maurizio Bucci	Director-General Economic Affairs at the MFA
Minister Sergio Berlinguer	Diplomatic Adviser to the Prime Minister
✓ Minister Enzo Perlot	Head of MFA Press Dept.
Minister Vanni d'Archirafi	Head of Cabinet at the MFA
QR	
Minister Luigi Cavalchini	Deputy Head of Cabinet at the MFA
Cons. Ludovico Ortona	Vice-Diplomatic Adviser to the Prime Minister
Dott. Stefano Folli	Press Attache, Palazzo Chigi
Prefetto Stefano Mallardo	Protocol Department, Palazzo Chigi

(plus two security officers, one interpreter)

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HL

W/K 30/10

Italy

MR. WRIGHT

Anglo/Italian Summit: 9/10 November

This is just to confirm that the Prime Minister has now seen Sir Robert Armstrong's minute to me of 21 October, Ref. A05709. She is content with the suggested objectives and list of briefs annexed to Sir Robert's minute.

WILLIAM RICKETT

27 October 1981

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1 Mr Alexander
2 Prime Minister

(1)

Ref. A05769

MR. RICKETT

Mr Rickett

Given the deadline, I have told Cabinet Office to proceed on this basis. Are you content with the objectives and briefs suggested in the annexes?

Anglo-Italian Summit: 9th-10th November

*WR
22/10*

The Italian Prime Minister, Signor Giovanni Spadolini, is to visit London on 9th-10th November for the next in the series of biannual bilateral meetings with the Prime Minister. The Summit planned for June this year had to be cancelled following the fall of Signor Arnaldo Forlani's Christian Democrat-led coalition Government.

2. Signor Spadolini is to be accompanied by his Foreign Minister, Signor Colombo. There were plans for the Defence Minister, Signor Lagorio, to come to London, but he will not now be in the party. We had earlier recommended participation by the Treasury Minister, Signor Andreatta, but this no longer appears practicable, since the Summit coincides with a Finance Council meeting in Brussels on 9th November, which will be attended both by the Chancellor of the Exchequer and by Signor Andreatta.

3. The Italians are expected to arrive during the morning of 9th November in time for tete-a-tete talks between the Prime Minister and the Italian Prime Minister starting at noon, the accompanying Ministers having separate talks with their opposite numbers. These meetings will be followed by a working lunch. After lunch there will be an extended session with Foreign Ministers present, leading into the plenary talks which begin at 1545 and last for an hour, followed by a Press conference at 1700. There is to be a dinner for 48 hosted by the Prime Minister to conclude the Summit.

4. The Summit will provide an opportunity to exchange views on Community topics in advance of the November European Council. Signor Spadolini is also likely to be interested in an exchange of views on national economic management. Italy's pressing economic problems, particularly rising unemployment and high inflation, are his Government's primary concern. British and Italian objectives for the Summit are set out at Annex A.

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5. The main topics for discussion, as agreed with the Italians, are set out in the list at Annex B. I attach at Annex C a suggested list of briefs, the preparation of which will be co-ordinated by the Cabinet Office. Provided that you are content with these proposals, I will arrange for the briefs to reach you by close of play on Friday, 30th October.

RA

ROBERT ARMSTRONG

21st October, 1981

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ANNEX A

ANGLO-ITALIAN SUMMIT 9th-10th NOVEMBER 1981

UNITED KINGDOM OBJECTIVES

Primary

1. To exchange views on Community topics in advance of the November European Council: in particular to explain our views on the 30th May Mandate in order to maximise areas of agreement with the Italians.
2. To consolidate good working and personal relations between the Prime Minister and the Italian Prime Minister.
3. To underline the importance which Her Majesty's Government attaches to Italian views on current international issues and the value we place on consultations with the Italians in multilateral fora, such as the European Community and the Seven Power Summit.

Subsidiary

4. To exchange views on transatlantic and East-West relations and defence issues in the light of recent developments.
5. To elicit Italian views on areas where they have special experience or interests, eg Malta, Libya and the Horn of Africa.
6. To reach a common assessment of the world economic situation following the Cancun Summit meeting.

PROBABLE ITALIAN OBJECTIVES

1. To consolidate Signor Spadolini's personal relationship with the Prime Minister.
2. On Community matters:
 - (a) To explain and canvass support for Italian (and German) proposals for closer European political and economic integration.
 - (b) On the 30th May Mandate, to press for a solution involving flexibility over the 1 per cent VAT ceiling, the development of new Community policies, and the extension of existing Community non-agricultural policies.

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- (c) To protect Italian interests by seeking support for Mediterranean agriculture.
- 3. To compare notes on domestic economic problems.
- 4. To exchange views on East/West relations, especially Poland, Afghanistan and the prospects for arms control negotiations.
- 5. To discuss the effect that United States policies have in European countries and the need for closer consultations, especially on sensitive defence matters, between the United States and Europe.
- 6. To demonstrate specialist knowledge on those areas, such as the Mediterranean and the Horn of Africa, where Italy sees herself as playing a special role.

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ANNEX B

ANGLO-ITALIAN SUMMIT MEETING: 9-10 NOVEMBER

DRAFT AGENDA

1. Exchange of views on the political and economic situations in both countries
2. European Community Topics
 - (i) 30 May Mandate
 - (ii) European Union
3. East West Relations
 - (i) Poland
 - (ii) Afghanistan
 - (iii) CSCE
4. Defence Questions and Arms Control
5. Mediterranean
 - (i) Malta
 - (ii) Libya
6. Middle East
 - (i) Arab/Israel (including the assassination of President Sadat and Sinai Multinational Force)
 - (ii) Lebanon
 - (iii) Iran/Iraq
7. Africa
 - (i) Southern Africa
 - (ii) Horn of Africa
8. Central America
9. International Economic Situation (including the results of the Cancun Summit and the Italian initiative on World Hunger)
10. Bilateral Questions

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ANNEX C

LIST OF BRIEFS FOR ANGLO-ITALIAN SUMMIT 9-10 NOVEMBER 1981

	<u>Subject</u>	<u>Lead Department</u>	<u>in consultation with</u>
1.	Steering Brief	FCO(WED)	as appropriate
2.	European Community Topics		
	(a) European Community Steering Brief	FCO(ECD(I))	MAFF Treasury Trade Industry Energy
	(b) 30 May Mandate	FCO(ECD(I))	MAFF Treasury Trade
	(c) Political Co-operation (including German ideas on European Union)	FCO(ECD(E))	MOD
	(d) Steel	Industry	FCO(ECD(I))
	(e) Multi-Fibre Arrangement	Trade	FCO(ECD(I))
3.	East-West Relations		
	(a) Poland	FCO(EESD)	
	(b) Afghanistan	FCO(SAD)	
	(c) CSCE	FCO(CSCE Unit)	
	(d) United States Policies and Transatlantic Relations	FCO(NAmD)	
4.	Defence	MOD	FCO(Defence Dept)

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	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
5.	Arms Control		
	(a) SALT/TNF	FCO(Defence Dept)	MOD
	(b) ERW	FCO(Defence Dept)	MOD
6.	Regional Issues		
	*(a) Southern Africa/ Namibia	FCO(SAID)	
	*(b) Central America	FCO(MCD)	
	*(c) Horn of Africa	FCO(EAD)	
	(d) Arab/Israel	FCO(NENAD)	
	(e) Iran/Iraq	FCO(MED)	
	(f) Lebanon	FCO(NENAD)	
7.	Mediterranean Issues		
	*(a) Greek Election	FCO(SED)	
	*(b) Malta	FCO(SED)	
	*(c) Libya	FCO(NENAD)	
8.	The International Economic Scene		
	*(a) General Economic Scene	Treasury	FCO(ERD)
	*(b) Results of the Cancun Summit	FCO(ERD)	Treasury
	*(c) Italian Initiative on World Hunger	ODA	FCO(UND) Treasury

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	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
9.	Bilateral Questions		
	(a) National Economic Management	Treasury	FCO(ERD/ESID) Trade
	*(b) Cultural Relations	FCO(CRD)	
	(c) Viewdata Technology	Industry	FCO(ESSD)
*10.	Italian Internal Political Scene	FCO(WED)	
*11.	Italian Internal Economic Scene	Treasury	FCO(ESID/ERD)

*Background Brief

CONFIDENTIAL

Mr Alexander (or)

Cabinet Office,
70, Whitehall,
London SW1

22nd October, 1981

PS(81) 27

Dear Private Secretary,

Anglo-Italian Summit: 9th November, 1981

This letter sets out the briefing arrangements for the Anglo-Italian Summit which is to take place in London on 9th November.

The objectives for the visit have not yet been approved by the Prime Minister but her office have agreed that briefing arrangements should be put in hand on the basis of the list of objectives at Annex A. The list of briefs to be prepared, with an indication of Departmental responsibility, is at Annex B. Instructions on format are at Annexes C and D. Those preparing briefs should note carefully the details on the format of briefs set out in Annex C, particularly (b) on the structure of briefs. The list of briefs contains some briefs which are for background purposes only and which are not therefore expected to include any Points to Make.

70 copies of each brief should be sent to the Cabinet Office as soon as they are ready, and should in any event arrive no later than 12.00 noon on Friday 30th October. They should be addressed to Mr. W. Ewing in Committee Section in the Cabinet Office, who should be consulted (tel. no. 233 7628) about any technical points arising.

I should be grateful if Departments could take account of the objectives in Annex A in preparing for any bilateral Ministerial or senior official exchanges with the Italians which may be planned for the period before 9th November. It is important that the objectives for any such meetings should be co-ordinated for those of the Summit itself. It would also be helpful in arranging for the follow-up to the Summit if Departments could let me and the Foreign and Commonwealth Office know of any subjects on which they anticipate that follow-up may be necessary. A list of such subjects can then be finalised once the Summit is over.

I am sending copies of this letter to the Private Secretaries to Sir Michael Palliser, Sir Douglas Wass, Sir Frank Cooper, Sir Kenneth Clucas, Sir Peter Carey, Sir Brian Hayes, Sir Peter Preston and Mr. Robin Ibbes, and to Michael Alexander (No. 10).

Yours sincerely,

(Signed) D. J. WRIGHT

CONFIDENTIAL

ANGLO-ITALIAN SUMMIT
9th-10th NOVEMBER 1981

UNITED KINGDOM OBJECTIVES

Primary

1. To exchange views on Community topics in advance of the November European Council: in particular to explain our views on the 30th May Mandate in order to maximise areas of agreement with the Italians.
2. To consolidate good working and personal relations between the Prime Minister and the Italian Prime Minister.
3. To underline the importance which Her Majesty's Government attaches to Italian views on current international issues and the value we place on consultations with the Italians in multilateral fora, such as the European Community and the Seven Power Summit.

Subsidiary

4. To exchange views on transatlantic and East-West relations and defence issues in the light of recent developments.
5. To elicit Italian views on areas where they have special experience or interests, eg Malta, Libya and the Horn of Africa.
6. To reach a common assessment of the world economic situation following the Cancun Summit meeting.

PROBABLE ITALIAN OBJECTIVES

1. To consolidate Signor Spadolini's personal relationship with the Prime Minister.
2. On Community matters:
 - (a) To explain and canvass support for Italian (and German) proposals for closer European political and economic integration.
 - (b) On the 30th May Mandate, to press for a solution involving flexibility over the 1 per cent VAT ceiling, the development of new Community policies, and the extension of existing Community non-agricultural policies.

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- (c) To protect Italian interests by seeking support for Mediterranean agriculture.
- 3. To compare notes on domestic economic problems.
- 4. To exchange views on East/West relations, especially Poland, Afghanistan and the prospects for arms control negotiations.
- 5. To discuss the effect that United States policies have in European countries and the need for closer consultations, especially on sensitive defence matters, between the United States and Europe.
- 6. To demonstrate specialist knowledge on those areas, such as the Mediterranean and the Horn of Africa, where Italy sees herself as playing a special role.

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ANNEX B

LIST OF BRIEFS FOR ANGLO-ITALIAN SUMMIT
9-10 NOVEMBER 1981

<u>WMV(81)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	Steering Brief	FCO(WED)	as appropriate
2.	European Community Topics		
	(a) European Community Steering Brief	FCO(ECD(I))	MAFF Treasury Trade Industry Energy
	(b) 30 May Mandate	FCO(ECD(I))	MAFF Treasury Trade
	(c) Political Co-operation (including German ideas on European Union)	FCO(ECD(E))	MOD
	(d) Steel	Industry	FCO(ECD(I))
	(e) Multi-Fibre Arrangement	Trade	FCO(ECD(I))
3.	East-West Relations		
	(a) Poland	FCO(EESD)	
	(b) Afghanistan	FCO(SAD)	
	(c) CSCE	FCO(CSCE Unit)	
	(d) United States Policies and Transatlantic Relations	FCO(NAmD)	
4.	Defence	MOD	FCO(Defence Dept)

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<u>WMV(81)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
5.	Arms Control		
	(a) SALT/TNF	FCO(Defence Dept)	MOD
	(b) ERW	FCO(Defence Dept)	MOD
6.	Regional Issues		
	*(a) Southern Africa/ Namibia	FCO(SAfD)	
	*(b) Central America	FCO(MCD)	
	*(c) Horn of Africa	FCO(EAD)	
	(d) Arab/Israel	FCO(NENAD)	
	(e) Iran/Iraq	FCO(MED)	
	(f) Lebanon	FCO(NENAD)	
7.	Mediterranean Issues		
	*(a) Greek Election	FCO(SED)	
	*(b) Malta	FCO(SED)	
	*(c) Libya	FCO(NENAD)	
8.	The International Economic Scene		
	*(a) General Economic Scene	Treasury	FCO(ERD)
	*(b) Results of the Cancun Summit	FCO(ERD)	Treasury
	*(c) Italian Initiative on World Hunger	ODA	FCO(UND) Treasury

CONFIDENTIAL

<u>WMV(81)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
9.	Bilateral Questions		
	(a) National Economic Management	Treasury	FCO(ERD/ESID) Trade
	*(b) Cultural Relations	FCO(CRD)	
	(c) Viewdata Technology	Industry	FCO(ESSD)
*10.	Italian Internal Political Scene	FCO(WED)	
*11.	Italian Internal Economic Scene	Treasury	FCO(ESID/ERD)

*Background Brief

CONFIDENTIAL

ANNEX C

INSTRUCTIONS ABOUT FORMAT

All briefs should be laid out in the same way with a top page in accordance with the specimen layout at Annex D. Those preparing briefs should pay particular attention to ensuring that the following instructions are fully observed:

Content

- (a) Briefs should be concise. Each brief should if possible be no more than four sides long.
- (b) The main body of each brief should comprise two sections, a concise list of Points to Make, followed by a factual Background section which distinguishes clearly between information which can be freely used and information which should not be disclosed.
- (c) Briefs should be complete and self-contained with all the information required on that particular subject. Briefs should not be divided into separate self-contained sub-sections.

Layout

- (d) Briefs should be typed in double spacing, using both sides of the paper. Pages should be numbered at the foot of each page.
- (e) As shown in the specimen at Annex D, the top page only of each brief should contain the following details: the symbol and number of the brief in the top left-hand corner (e.g. WMV(81) 10) with the date of production below; a copy number in red at the top right-hand corner; the visit heading; the title of the brief (in capitals) and the name of the Department responsible.
- (f) At the foot of the last page and on the left-hand side, briefs should bear the name of the originating Government Department and the date of origin.

Reproduction

- (g) Briefs should be reproduced throughout on white paper, with each page bearing a security classification at top and bottom (as in Annex D). Care should be taken that the reproduction method employed results in clear readable copies.

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- (h) It is important that on arrival at the Cabinet Office, briefs should be complete in all detail - collated, stapled and copy numbered and ready for immediate circulation.

Updating

- (i) If late developments require a brief to be amended or updated, an addendum should be prepared. It should be set out in the form described at (e) above, with the brief number (e. g. WMV(81) 10 Addendum) and title to which it relates at the top of the front page. The Private Secretary to the Secretary of the Cabinet should be informed when an addendum is in preparation. Revised briefs and corrigenda should be similarly treated.
- (j) Additions to the list of briefs in Annex B require the authorisation of the Private Secretary to the Secretary of the Cabinet.

CLASSIFICATION

ANNEX D

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

WMV(81) Serial Number as specified in Annex B COPY NO. in red

Date

ANGLO-ITALIAN SUMMIT
9-10 NOVEMBER 1981

Leave 1½"
margin

SUBJECT Insert subject in capitals

Brief by name of originating Department, eg Foreign and Commonwealth Office

At the foot of the last page:-
left-hand side

Originating Government Department, eg Foreign and Commonwealth Office or Department of Industry, not a subordinate section or division

Date of origin

CLASSIFICATION



From The Permanent Secretary
Sir Kenneth Clucas, K.C.B.

Italy
DEPARTMENT OF TRADE
1 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01 215 3785
SWITCHBOARD 01 215 7877

20 October 1981

David Wright Esq
PS/Sir Robert Armstrong KCB CVO
Cabinet Office
Whitehall
LONDON SW1

Dear David,

ANGLO-ITALIAN SUMMIT: 9/10 NOVEMBER

The Department of Trade has no comments on the draft statements of objectives in Annexes A and B of Sir Antony Acland's letter of 14 October to Sir Robert Armstrong. We are also content with the draft agenda at Annex C, provided that the "Mandate" heading under "European Community Topics" is to be understood in the wide sense rather than the narrow one suggested by the restricted list of Departments that are to be consulted about the corresponding brief, 2(ii) in Annex D; and provided also that there will be an opportunity to raise, as at present seems likely to be appropriate, the issue of the renegotiation of the textile multi-fibre arrangement (MFA).

Of the briefs suggested in Annex D, the Foreign and Commonwealth Office have noted that they should consult the Department of Trade about the European Community steering brief, which as I have indicated is likely to need to cover the MFA as well as certain internal Community questions of interest to us. We should also be grateful if the Treasury could consult us about brief 9(i), in relation to the Italian import deposit scheme.

We shall be glad (eg possibly in relation to the MFA, insurance or air transport) to respond to the invitation, suggested in paragraph 6 of Sir Antony's letter, to propose subjects to be followed up bilaterally after the Summit.

Yours sincerely,

Jonathan

J PHILLIPS
Private Secretary



cc: PS/Sir Douglas Wass GCB
HM Treasury

PS/Sir Brian Hayes KCB
MAFF

PS/Sir Frank Cooper GCB CMG
Ministry of Defence

PS/Sir Kenneth Barnes KCB
Department of Employment

PS/Sir Donald Maitland GCMG OBE
Department of Energy

PS/Sir Peter Carey KCB
Department of Industry

C A Whitmore Esq
10 Downing Street



DEPARTMENT OF INDUSTRY
Permanent Secretary's
Office
Ashdown House
123 Victoria Street
London SW1E 6RB
Tel: 01 212 7003

Mr C. Whitmore

With the Compliments of
Sir Peter Carey

CONFIDENTIAL



Sir Peter Carey KCB
Permanent Secretary

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 7003
SWITCHBOARD 01-212 7676

19 October 1981

Sir Robert Armstrong KCB CVO
Cabinet Office
70 Whitehall
LONDON SW1

Ken
Paul

Dear Robert,

I am content with the arrangements proposed in Anthony Acland's letter of 14 October about the Anglo-Italian Summit. We will be ready to brief on Steel; it would also be useful if we were consulted about the European Community Steering Brief since there are a number of areas of Community policy where Italian industrial practices cause difficulties for us.

We will also furnish the briefing for item 9(iii) - Viewdata technology, which will need to cover the follow-up to Mr Baker's visit to Italy later this month.

Yours ever,

Pete
Peter Carey

Mr Alexander.

Paul

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GRS 71

CONFIDENTIAL

FM FCO 161215Z OCTOBER 1981

TO IMMEDIATE ROME

TELEGRAM NUMBER 222 OF 16 OCTOBER

ANGLO-ITALIAN SUMMIT: 9 NOVEMBER

1. WE HAVE BEEN INFORMED BY THE ITALIAN EMBASSY THAT SIGNOR LAGORIO, DEFENCE MINISTER, WILL NOT (NOT) AFTER ALL BE ABLE TO COME TO LONDON FOR THE ANGLO-ITALIAN SUMMIT TALKS.
2. THE ITALIAN EMBASSY PUT THIS CHANGE OF PLAN DOWN TO UNSPECIFIED 'INTERNAL ENGAGEMENTS' WHICH THE MINISTER COULD NOT BREAK.

CARRINGTON

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WED

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Italy
cc LPSO
CO

15 October, 1981

Anglo/Italian Summit: 9 November

Thank you for your letter of 7 October to Michael Scholar. The Prime Minister has now decided that the Anglo/Italian Summit should only last one day. The question of the Chancellor's attendance on 10 November, as well as that of Signor Andreatta, does not therefore arise.

I am copying this letter to Stephen Gomersall (Lord Privy Seal's Office) and David Wright (Cabinet Office).

W. F. S. RICKETT

J O Kerr, Esq
H M Treasury

VUB

Await CO minute WA
-also

Italy

Foreign and Commonwealth Office

London SW1A 2AH

14 October 1981

Sir Robert Armstrong KCB CVO
CABINET OFFICE

Dear Robert

ANGLO-ITALIAN SUMMIT: 9-10 NOVEMBER

1. The Italian Prime Minister, Signor Giovanni Spadolini, is to visit London on 9-10 November for the next in the series of biannual bilateral meetings with the Prime Minister. You will recall that the Summit planned for June this year had to be cancelled following the fall of Signor Arnaldo Forlani's Christian Democrat-led coalition government.
2. The Italian Embassy have confirmed that Signor Spadolini will be accompanied by his Foreign Minister, Signor Colombo, and his Defence Minister, Signor Lagorio (both of whom retain the posts they held in Signor Forlani's government). We had earlier recommended participation by the Treasury Minister, Signor Andreatta, but this no longer appears practical, since the Summit coincides with a Finance Council meeting in Brussels on 9 November, which will be attended both by the Chancellor of the Exchequer and by Signor Andreatta.
3. We expect the Italian party to arrive during the morning of 9 November in time for tête-à-tête talks between the Prime Minister and the Italian Prime Minister starting at 1200 hours, the accompanying Ministers having separate talks with their opposite numbers. These meetings will be followed by a working lunch. After lunch the Prime Minister wishes to have an extended session with Foreign Ministers present, leading into the plenary talks which begin at 1545 and last for an hour, followed by a Press Conference at 1700. There is to be a dinner for 48 hosted by the Prime Minister to conclude the Summit.

/4.

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4. The Summit will provide a valuable opportunity to exchange views on Community topics in advance of the November European Council. Signor Spadolini is also likely to be interested in an exchange of views on national economic management. Italy's pressing economic problems, particularly rising unemployment and high inflation, are his Government's primary concern. Our estimates of British and Italian objectives are set out at Annexes A and B.

5. The main topics for discussion, as agreed with the Italians, will be those set out in the list at Annex C. I attach at Annex D a suggested list of briefs, the preparation of which should, I suggest, be coordinated in the usual way by the Cabinet Office.

6. It was agreed at your meeting on 18 September that, in advance of future summits, we should prepare a list of likely topics for bilateral discussion after the meetings had taken place. There will no doubt be follow-up on Community issues and the Italians will want to keep in close touch over European responses to the policies of the Reagan administration. On the bilateral relations side, post-Summit action may be called for on collaborative defence projects. Perhaps your commissioning letter might offer other Whitehall Departments an opportunity to add to or subtract from this list, which we shall aim to revise in the light of discussion at the Summit itself.

7. As in the case of the Anglo-German Summit, you may also wish to put down a marker in your commissioning letter to the effect that in any bilateral Ministerial or senior official meetings which may have been arranged in the next four weeks, it will be important to coordinate the objectives with those of the Summit itself. I agree with you that there is no need on this occasion to convene a meeting of Permanent Secretaries to discuss the draft steering brief.

Antony Acland

Antony Acland

/cc:



cc: Sir Douglas Wass GCB
HM TREASURY

Sir Brian Hayes KCB
MAFF

Sir Frank Cooper GCB CMG
MINISTRY OF DEFENCE

Sir Kenneth Clucas KCB
DEPARTMENT OF TRADE

Sir Kenneth Barnes KCB
DEPARTMENT OF EMPLOYMENT

Sir Donald Maitland GCMG OBE
DEPARTMENT OF ENERGY

C A Whitmore Esq
10 DOWNING STREET

Sir Peter Carey KCB
DEPARTMENT OF INDUSTRY



ANGLO-ITALIAN SUMMIT: 9-10 NOVEMBER

BRITISH OBJECTIVES

PRIMARY

1. To exchange views on Community topics in advance of the November European Council: in particular to explain our views on the 30 May Mandate in order to maximise areas of agreement with the Italians.
2. To consolidate good working and personal relations between the Prime Minister and the Italian Prime Minister.
3. To underline the importance which Her Majesty's Government attaches to Italian views on current international issues and the value we place on consultations with the Italians in multilateral fora, such as the European Community and the Seven Power Summit.

SUBSIDIARY

4. To exchange views on Transatlantic and East-West relations and defence issues in the light of recent developments.
5. To elicit Italian views on areas where they have special experience or interests, eg Malta, Libya and the Horn of Africa.
6. To reach a common assessment of the world economic situation following the Cancun Summit meeting.



ANGLO-ITALIAN SUMMIT: 9-10 NOVEMBER

PROBABLE ITALIAN OBJECTIVES

1. To consolidate Signor Spadolini's personal relationship with the Prime Minister.
2. On Community matters:
 - (a) to explain and canvas support for Italian (and German) proposals for closer European political and economic integration;
 - (b) on the 30 May Mandate, to press for a solution involving flexibility over the 1% VAT ceiling, the development of new Community policies, and the extension of existing Community non-agricultural policies;
 - (c) to protect Italian interests by seeking support for Mediterranean agriculture and to urge rapid progress towards enlargement.
3. To compare notes on domestic economic problems.
4. To exchange views on East/West relations, especially Poland, Afghanistan and the prospects for Arms Control negotiations.
5. To discuss the effect that United States policies have in European countries and the need for closer consultations, especially on sensitive defence matters, between the United States and Europe.
6. To demonstrate specialist knowledge on those areas, such as the Mediterranean and the Horn of Africa, where Italy sees herself as playing a special role.



ANGLO-ITALIAN SUMMIT MEETING: 9-10 NOVEMBER

DRAFT AGENDA

1. Exchange of views on the political and economic situations in both countries
2. European Community Topics
 - (i) 30 May Mandate
 - (ii) European Union
3. East West Relations
 - (i) Poland
 - (ii) Afghanistan
 - (iii) CSCE
4. Defence Questions and Arms Control
5. Mediterranean
 - (i) Malta
 - (ii) Libya
6. Middle East
 - (i) Arab/Israel (including the assassination of President Sadat and Sinai Multinational Force)
 - (ii) Lebanon
 - (iii) Iran/Iraq
7. Africa
 - (i) Southern Africa
 - (ii) Horn of Africa
8. Central America
9. International Economic Situation (including the results of the Cancun Summit and the Italian initiative on World Hunger)
10. Bilateral Questions



ANGLO-ITALIAN SUMMIT: 9-10 NOVEMBER

LIST OF BRIEFS

	<u>Lead Dept</u>	<u>In Consultation with</u>
1. <u>Steering Brief</u>	FCO (WED)	As appropriate
2. <u>European Community Topics</u>		
(i) European Community Steering Brief	FCO (ECD(I))	MAFF/HM Treasury Dept of Trade
(ii) 30 May Mandate	FCO (ECD(I))	MAFF/HM treasury
(iii) Political Cooperation (Including German ideas on European Union)	FCO (ECD(E))	Ministry of Defence
(iv) Steel	Dept of Industry	FCO (ECD(I))
3. <u>East-West Relations</u>		
(i) Poland	FCO (EESD)	
(ii) Afghanistan	FCO (SAD)	
(iii) CSCE	FCO (CSCE Unit)	
(iv) US Policies and Transatlantic Relations	FCO (NAmd)	
4. <u>Defence</u>	Ministry of Defence	FCO (Defence Dept)
5. <u>Arms Control</u>		
(i) SALT/TNF		
(ii) ERW	FCO (Defence Dept)	Ministry of Defence
6. <u>Regional Issues</u>		
*(i) Southern Africa/Namibia	FCO (SAfD)	
*(ii) Central America	FCO (MCD)	
* (iii) Horn of Africa	FCO (EAD)	
(iv) Arab (Israel)	FCO (NENAD)	
(v) Iran/Iraq	FCO (MED)	
(vi) Lebanon	FCO (NENAD)	



7. Mediterranean Issues
- | | | | |
|---------|----------------|-------------|--|
| * (i) | Greek Election | FCO (SED) | |
| * (ii) | Malta | FCO (SED) | |
| * (iii) | Libya | FCO (NENAD) | |
8. The International Economic Scene HM Treasury FCO (ERD)
- | | | | |
|--------|------------------------------------|-----------|-----------|
| * (i) | Results of the Cancun Summit | FCO (ERD) | |
| * (ii) | Italian Initiative on World Hunger | ODA | FCO (UND) |
9. Bilateral Questions
- | | | | |
|--------|------------------------------|------------------|----------------|
| (i) | National Economic Management | HM Treasury | FCO (ERD/ESID) |
| * (ii) | Cultural Relations | FCO (CRD) | |
| (iii) | Viewdata technology | Dept of Industry | FCO (ESSD) |
- *10. Italian Internal Political Scene FCO (WED)
- *11. Italian Internal Economic Scene HM Treasury FCO (ESID/ERD)

* Background Brief

Paul

Mr Alexander (ov)

Caroline

6/11/68

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PP ROME
GRS 87
CONFIDENTIAL
FM FCO 131700Z OCTOBER 1981
TO PRIORITY ROME
TELEGRAM NUMBER 217 OF 13 OCTOBER
OUR TELNO 215: ANGLO-ITALIAN SUMMIT

9 November

1. WE HAVE INFORMED THE ITALIAN EMBASSY THAT THE PRIME MINISTER WOULD PREFER THE SUMMIT PROGRAMME TO BE CONCENTRATED IN A SINGLE DAY.
2. AS A RESULT THE PROGRAMME NOW APPEARS AS FOLLOWS:-

1200	TETE-A-TETE
1300	WORKING LUNCH
1430 - 1530	EXPANDED SESSION WITH FOREIGN MINISTERS PRESENT
1545 - 1645	PLENARY
1700	PRESS CONFERENCE
	SOCIAL DINNER

CARRINGTON

NNNN

FCO/WHITEHALL
W E D

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File AH

10 DOWNING STREET

From the Principal Private Secretary

12 October 1981

BF

Dear Francis,

ANGLO-ITALIAN SUMMIT : 9-10 NOVEMBER

You wrote to Michael Alexander on 24 September about the shape of the programme for the Anglo-Italian Summit next month.

The Prime Minister sees no reason why the programme should not be encompassed in a single day (which would be Monday 9 November), and she would like it to take the following form:-

- a) 1200 Tête-à-tête
- b) 1300 Working lunch
- c) 1430- Expanded session with Foreign Ministers
1530 present
- d) 1545- Plenary
1645
- e) 1700 Press conference
- f) Social dinner

Unless you see any difficulty about this, I should be grateful if you would put this programme to the Italians.

Yours ever,

Muri Whimome.

Francis Richards Esq.,
Foreign and Commonwealth Office.

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AH

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31503 - 2

GRS 192

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FM FCO 121530Z OCT 81

TO IMMEDIATE ROME

TELEGRAM NUMBER 215 OF 12 OCTOBER

OUR TELNOS 209 AND 211: ANGLO-ITALIAN SUMMIT

1. THE FOLLOWING REVISED AGENDA, WHICH TAKES INTO ACCOUNT ITALIAN COMMENTS, HAS BEEN PROVISIONALLY AGREED WITH THE ITALIAN EMBASSY, SUBJECT TO CONFIRMATION FROM ROME.

1. EXCHANGE OF VIEWS ON THE POLITICAL AND ECONOMIC SITUATION IN BOTH COUNTRIES.
2. EUROPEAN COMMUNITY QUESTIONS
 - (I) 30 MAY MANDATE
 - (II) EUROPEAN UNION
3. EAST-WEST RELATIONS
 - (I) POLAND
 - (II) AFGHANISTAN
 - (III) CSCE
4. DEFENCE QUESTIONS AND ARMS CONTROL
5. MEDITERRANEAN
 - (I) MALTA
 - (II) LIBYA
6. MIDDLE EAST
 - (I) ARAB/ISRAEL (INCLUDING SINAI MULTINATIONAL FORCE AND THE ASSASSINATION OF PRESIDENT SADAT)
 - (II) LEBANON
 - (III) IRAN/IRAQ
7. AFRICA
 - (I) SOUTHERN AFRICA
 - (II) HORN OF AFRICA
8. CENTRAL AMERICA
9. INTERNATIONAL ECONOMIC SITUATION (INCLUDING THE RESULTS OF THE CANCUN SUMMIT AND THE ITALIAN INITIATIVE ON WORLD HUNGER)

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31503 - 2

10. BILATERAL QUESTIONS

2. THE ITALIAN EMBASSY HAS NOW CONFIRMED THAT SIGNOR LAGORIO
PLANS TO ATTEND THE SUMMIT.

CARRINGTON

DIST:
FCO/WHI
WED

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

8 October 1981

Dear Michael,

Anglo-Italian Summit: 9-10 November

I attach a list of suggested names for inclusion in the guest list for the Prime Minister's dinner in honour of Signor Spadolini, the Italian Prime Minister, on 9 November. I understand that the Prime Minister envisages forty-eight persons attending. We think space should be allowed for four official members of the Italian delegation in addition to Ministers. We shall let you know as soon as we have names of the Italian party.

Yours sincerely
F N Richards

11

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing St

LIST OF SUGGESTED GUESTS FOR DINNER TO BE GIVEN BY THE PRIME MINISTER ON MONDAY, 9 NOVEMBER 1981

FULL NAME, TITLE AND DECORATIONS	ADDRESS	REASON FOR INVITATION
2. Signor Giovanni Spadolini, Prime Minister of Italy	c/o Italian Embassy, 4 Three Kings Yard, Davies Street, London W1Y 2EH (Tel: 629.8200)	Summit Participant
3. Signor Emilio Colombo, Foreign Minister	''	''
4. Signor Lelio Laurio, Defence Minister	''	''
5-6. Signor Andrea Cagiati GCVO and Signora Cagiati	4 Grosvenor Square, London W1 (Tel: 629.8200)	Ambassador of Italy
7-8. Signor Luigi Fontana Giusti and Signora Fontana Giusti	c/o Italian Embassy, 4 Three Kings Yard, London W1 (Tel: 629.8200)	Minister, Italian Embassy
9-10. The Lord Carrington KCMG MC, and the Lady Carrington		Foreign and Commonwealth Secretary
11-12. The Rt Hon John Nott MP and Mrs Nott		Secretary of State for Defence
13-14. Sir Robert Armstrong KCB CVO and Lady Armstrong		Secretary to the Cabinet
15-16. Sir Michael Palliser GCMG and Lady Palliser		Permanent Under Secretary FC
17-18. Sir Ronald Arculus KCMG KCVO and Lady Arculus		British Ambassador to Italy
19-20. The Rt Hon Denis Healey MP CH MBE and Mrs Healey	House of Commons, London W1 (Tel: 219.3000)	Deputy Leader of the Labour Party (Speaks Italian, frequent visitor to Italy)
21-22. Mr and Mrs Ken Marks MP	House of Commons, London SW1 (Tel: 219.3000)	Chairman, Anglo-Italian Parliamentary Group
23-24. The Lord and the Lady Hastings	25 Roebuck House, Palace St Westminster SW1 or Fulmodeston Hall, Fakenham, Norfolk	President, British-Italian Society

FULL NAME, TITLE AND DECORATIONS	ADDRESS	REASON FOR INVITATION
48-49. Sir Derek Ezra and Lady Ezra	National Coal Board, Hobart House, Grosvenor Place, London SW1 (Tel: 235.2020)	Chairman, National Coal Board
<u>RESERVES</u>		
Miss Angela Rippon	c/o BBC TV Centre, Wood Lane, London W12 (Tel: 7438000)	TV Newsreader/ Personality
Mr and Mrs David Price MP	House of Commons, London SW1 (Tel: 219.3000)	Vice-Chairman, Anglo-Italian Parliamentary Group
The Earl of Harewood and the Countess of Harewood	3 Clifton Hill, London NW8 0QE	Patron, British-Italian Society
Sir Claus Moser KCB and Lady Moser	3 Regents Park Terrace, London NW1 7EE (Tel: 485.1619)	Director, The Economist Newspaper
Dr and Mrs Roy Strong	Victoria and Albert Museum, Cromwell Road, London SW7 (Tel: 589.6371)	Museum Director (V+A) 'Splendours of the Gonzaga'
The Rt Hon Gordon Richardson MBE and Mr Richardson	Bank of England, Threadneedle Street, London EC2 (Tel: 601.4444)	Governor, Bank of England
The Lord Aldington PC KCMG CBE DSO and the Lady Aldington	Flat R, 45 Eaton Square, London SW1W 9BD (Tel: 235.3425)	Westland Helicopters
Miss Glenda Jackson	c/o Crouch Associates, 59 Frith St London W1B 5TA (Tel: 734.2167)	Actress
The Rt Hon The Lord Mayor Col Sir Ronald Gardner-Thorpe OBE TD DCL and Lady Gardner-Thorpe	Mansion House, London EC4N 8BH (Tel: 626.2500)	Lord Mayor of London (Visited Italy in the Spring)

FULL NAME, TITLE AND DECORATIONS	ADDRESS	REASON FOR INVITATION
25-26. Sir Guy Millard KCMG and Lady Millard	c/o British-Italian Society, Kensington Palace Barracks, Kensington Church Street London W8 (Tel: 937.1644)	Chairman, British-Italian Society; formerly Ambassador to Italy
27-28. Mr Neil Elles and the Baroness Elles MEP	75 Ashley Gardens, Thirleby Road, London SW1 (Tel: 828.0175)	Baroness Elles is a Member of the European Parliament. Speaks fluent Italian
29-30. Mr Peter Preston and Mrs Preston	28 Fulbourne Road, London E17 (Tel: 531.4141)	Editor, The Guardian
31-32. Mr and Mrs Denis Mack Smith	All Souls College, Oxford (Tel: 0865.722251)	Leading historian on Modern Italy
33-34. Dr and Mrs David Chambers	Warburg Institute, London University, Woburn Square London WC1 (Tel: 580.9603)	Principal Organiser 'Splendours of the Gonzaga' Exhibition at the Victoria and Albert Museum
35-36. Signor Claudio Abbado and Signora Abbado	Harold Holt Limited, 134 Wigmore Street, London W1 (Tel: 935.2331)	Italian Conductor, London Symphony Orchestra
37. Dame Iris Murdoch	Cedar Lodge, Steeple Aston Oxford (no telephone)	Authoress
38-39. The Lord Thorneycroft CH PC and the Lady Thorneycroft	House of Lords, London SW1 (Tel: 219.3000)	Venice in Peril
40-41. The Viscount Norwich and the Viscountess Norwich	House of Lords, London SW1 (Tel: 219.3000) or 24 Blomfield Road, London W9 1AD	Venice in Peril
42-43. Sir Michael and Lady Edwardes	35-38 Portland Square, London W1	Chairman, British Leyland
44-45. Mr Frank Giles and Lady Katherine Giles	New Printing House Square, Grays Inn Road, London WC1 (Tel: 837.1234)	Editor, Sunday Times
46-47. Sir Charles and Lady Forte	86 Park Lane, London W1 (Tel: 759.6311)	Chairman, Trust House Forte

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FM FCO 080930Z OCT 81

TO IMMEDIATE ROME

TELEGRAM NUMBER 211 OF 8 OCTOBER

INFO HOLY SEE.

OUR TELNO 209 AND TELECONS GLADSTONE/TOMKYS AND OSBORNE/REDMAN:
ANGLO-ITALIAN SUMMIT

1. WE WERE GRATEFUL TO YOU FOR PASSING ON INITIAL ITALIAN REACTIONS TO THE SUGGESTED AGENDA SET OUT IN OUR TUR. THESE HAVE RESULTED IN SOME CHANGES TO THE AGENDA, THE MOST IMPORTANT OF WHICH ARE AS FOLLOWS:-

(A) UNDER EUROPEAN COMMUNITY TOPICS ITEMS (I) AND (II) BECOME 30 MAY MANDATE.

(B) ITEM 1(IV) BECOMES EUROPEAN UNION INSTEAD OF POLITICAL COOPERATION.

(C) LEBANON IS INCLUDED AT 5(IV) NECESSITATING THE RENUMBERING OF PREVIOUS ITEMS (IV) AND (V).

(D) SPECIFIC REFERENCE IS MADE UNDER ITEM 7 (INTERNATIONAL ECONOMIC SCENE) TO THE ITALIAN INITIATIVE ON WORLD HUNGER.

2. SUBJECTS LISTED IN THE AGENDA ARE NOT ARRANGED IN ORDER OF IMPORTANCE. THE PRIME MINISTER WILL DECIDE AT THE TIME IN WHICH ORDER TO DISCUSS THEM.

3. WE HAVE INFORMED THE ITALIAN EMBASSY HERE OF THE CHANGES LISTED IN PARA 1 ABOVE, BUT STILL AWAIT THEIR FORMAL REACTIONS TO THE AGENDA WE PUT TO THEM EARLIER. WE HAVE ALSO ASKED THEM FOR THE COMPOSITION OF THE ITALIAN DELEGATION. THE SOONER WE OBTAIN BOTH THE BETTER. IN ACCORDANCE WITH NORMAL PRACTICE WE SHALL CONTINUE TO USE THE ITALIAN EMBASSY AS OUR MAIN CHANNEL

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OF COMMUNICATION BUT WILL KEEP YOU FULLY INFORMED.

4. THE TREASURY ARE NOW RECOMMENDING AGAINST PARTICIPATION IN THE SUMMIT TALKS BY THE CHANCELLOR OF THE EXCHEQUER, OWING TO THE BRUSSELS FINANCE COUNCIL MEETING ON 9 NOVEMBER. WE HAVE TOLD THE ITALIAN EMBASSY THAT WE HOPE THAT SIGNOR LAGORIO WILL ATTEND AND UNDERSTAND FROM THEM THAT HIS PARTICIPATION IS UNDER CONSIDERATION IN ROME. YOU MAY WISH TO CONFIRM THIS WITH THE MFA.

CARRINGTON

F C O/WHITEHALL
W E D

C O N F I D E N T I A L



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

7 October 1981

M. Scholar, Esq.,
10, Downing Street,
LONDON,
S.W.1.

Dear Michael,

ANGLO/ITALIAN SUMMIT: 9-10 NOVEMBER

Michael Alexander sent me a copy of his letter of 24 September to Stephen Gomersall about the suggestion that the Chancellor of the Exchequer should take part in whatever concluding plenary discussions with the Italians take place on the morning of 10 November.

The Chancellor would be happy to fall in with this suggestion. Given that the time available on the morning of 10 November for a separate meeting with Signor Andreatta would be very limited, he is however reluctant to press Andreatta to come over to London from Brussels, on 9 November, where they will both be engaged on that day in what is likely to prove a protracted meeting of the Finance Council. The Chancellor and Andreatta have of course met on a number of occasions in the last month - in Brussels on 17 September, in Washington between 24 and 30 September, and in Brussels again on 3 October. The Chancellor will also take the opportunity of the informal meeting of Community Finance Ministers and Central Bank Governors in London on 30-31 October to have a further talk with him. If a report to the plenary meeting on 10 November about their exchanges and joint views is thought necessary, the Chancellor would aim to have a further quick word with him on 9 November, in order to ensure that such a report was fully up to date.

If you see any difficulty in this plan, please let me know.

Copies of this letter go to Stephen Gomersall and David Wright.

*Yours ever,
John Kerr.*

J.O. KERR

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FM FCO 061115Z OCTOBER 81

TO PRIORITY ROME

TELEGRAM NUMBER 209 OF 6 OCTOBER

AND TO INFO ROUTINE HOLY SEE

ANGLO-ITALIAN SUMMIT

1. THE FOLLOWING PROPOSED AGENDA HAS BEEN HANDED TO THE ITALIAN EMBASSY TO PASS TO ROME:-

1. EUROPEAN COMMUNITY TOPICS
 - (I) BUDGET RESTRUCTURING
 - (II) CAP REFORM
 - (III) STEEL
 - (IV) POLITICAL COOPERATION
2. EAST-WEST RELATIONS
 - (I) POLAND
 - (II) AFGHANISTAN
 - (III) CSCE
 - (IV) US POLICIES AND TRANSATLANTIC RELATIONS
3. DEFENCE
4. ARMS CONTROL
5. REGIONAL ISSUES
 - (I) SOUTH AFRICA
 - (II) ARAB/ISRAEL (INCLUDING SINAI MULTINATIONAL FORCE)
 - (III) IRAN/IRAQ
 - (IV) CENTRAL AMERICA
 - (V) HORN OF AFRICA
6. MEDITERRANEAN
 - (I) GREEK ELECTIONS
 - (II) MALTA
 - (III) LIBYA
7. THE INTERNATIONAL ECONOMIC SCENE
(INCLUDING THE RESULTS OF THE CANCUN SUMMIT)
8. BILATERAL QUESTIONS
 - (I) NATIONAL ECONOMIC MANAGEMENT

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- (II) CULTURAL RELATIONS
- (III) VIEWDATA TECHNOLOGY

2. WE HAVE ASKED THE ITALIANS FOR EARLY COMMENTS, BUT ACCEPT THAT FORMAL AGREEMENT OF THE AGENDA IS UNLIKELY BEFORE SUBMISSION OF THE OBJECTIVES LETTER LATER THIS WEEK.

CARRINGTON

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FROM ROME 241530Z SEP 81

TO PRIORITY FCO

TELNO 383 OF 24 SEP 81

SAVING TO HOLY SEE (ACTIONED)

YR TELNO 199 : ANGLO/ITALIAN SUMMIT

1. NEITHER THE PRIME MINISTER'S OFFICE NOR THE MFA HAVE YET FOCUSED ON THE SUMMIT IN ANY DETAIL. THE GOVERNMENT IS TOTALLY OCCUPIED THIS WEEK IN TRYING TO PUT TOGETHER AN ECONOMIC PACKAGE. IN MID-OCTOBER, WHEN WE HAVE AN AGENDA AND AGREED MINISTERIAL PARTICIPATION, I SHALL GO THROUGH THE POINTS IN DETAIL WITH BERLINGUER AND EITHER VANNI D'ARCHIRAFI (HEAD OF COLOMBO'S OFFICE) OR BOTTAI. COLOMBO'S TALKS IN NEW YORK, IMPORTANT DEVELOPMENTS ON KEY TOPICS LIKE THE EC BUDGET OR POLAND, OR ANOTHER INCIDENT LIKE THE GULF OF SIRTE COULD CHANGE THE ITALIAN ORDER OF PRIORITIES BETWEEN NOW AND THE SUMMIT (ONE REASON WHY THE ITALIANS NEVER PLAN SO FAR AHEAD) SUBJECT TO THAT CAVEAT, I SHOULD EXPECT SPADOLINI'S OBJECTIVES TO BE AS FOLLOWS:

A. GENERAL

TO REINFORCE ITALY'S CLAIM TO BE A TOP-TABLE PARTNER BY MAKING THE MOST OF TOP-LEVEL BILATERAL CONTACT WITH THE UNITED KINGDOM.

B. INTERNATIONAL ISSUES

1. TO DISCUSS EAST/WEST RELATIONS, WITH PARTICULAR EMPHASIS ON THE PROSPECTS FOR ARMS CONTROL NEGOTIATIONS, POLAND AND AFGHANISTAN.

2. TO DISCUSS EUROPE'S RELATIONS WITH THE UNITED STATES, BOTH IN THE ECONOMIC, MONETARY AND IN THE DEFENCE FIELD, TO COMPARE NOTES ON THE IMPACT SO FAR OF THE NEW US ADMINISTRATION, AND ON THE NEED FOR CLOSER UNITED STATES/EUROPEAN CONSULTATION.

3. TO ARGUE THAT ITALY HAS A SPECIAL ROLE TO PLAY IN THE MEDITERRANEAN (MALTESE NEUTRALITY, CYPRUS, LIBYA) AND TO EXCHANGE VIEWS ON THE (BY THEN) NEW GREEK GOVERNMENT.

4. TO OFFER SPECIALISED KNOWLEDGE OF THE HORN OF AFRICA.

5. TO SEEK BRITISH PRESIDENCY SUPPORT (WITHIN THE EC) FOR THE ITALIAN INITIATIVE ON WORLD HUNGER.

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6. (ESPECIALLY IF LAGORIO PARTICIPATES)
TO COMPARE NOTES ON THE PRACTICAL PROBLEMS OF ACCEPTING TNF BASES.

C. EUROPEAN COMMUNITY ISSUES

1. TO UNDERLINE THE ITALIAN DESIRE FOR THE DEVELOPMENT OF EUROPE, AND THEIR ATTRACTION TO GERMAN IDEAS ON GREATER POLITICAL INTEGRATION.
2. TO ENSURE THAT THE ITALIAN VISION OF AN EXPANDING EUROPE IS NOT PUT AT RISK BY ACRIMONY AND THE NARROW PURSUIT OF INTEREST IN NEGOTIATIONS OVER RESTRUCTURING THE EC BUDGET.
3. ON BUDGET RESTRUCTURING, TO PRESS FOR A SOLUTION INVOLVING FLEXIBILITY OVER THE 1% VAT CEILING, THE DEVELOPMENT OF NEW COMMUNITY POLICIES, AND THE EXTENSION OF EXISTING COMMUNITY NON-AGRICULTURAL POLICIES.
4. ON CAP REFORM, TO SEEK BRITISH SUPPORT FOR THE LEAST POSSIBLE DAMAGE TO, AND PREFERABLY REINFORCEMENT OF, SUPPORT FOR MEDITERRANEAN AGRICULTURE.
5. ON ENLARGEMENT, TO ARGUE FOR RAPID PROGRESS TOWARDS SPANISH AND PORTUGUESE ACCESSION WITHOUT DAMAGE TO ITALIAN ECONOMIC, AND PARTICULARLY AGRICULTURAL, INTERESTS.

D. BILATERAL

1. TO CONSOLIDATE SPADOLINI'S PERSONAL RELATIONSHIP WITH THE PRIME MINISTER.
2. TO COMPARE POINTS ON DOMESTIC ECONOMIC PROBLEMS (CURBING INFLATION AND CUTTING PUBLIC EXPENDITURE).

ARCULUS

[NOT ADVANCED]

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(1)



Prime Minister.

I think this is excessive. I

Foreign and Commonwealth Office

London SW1A 2AH

Suggest instead:-

24 September 1981

- (a) tea & coffee from noon - lunchtime
- (b) small working lunch
- (c) session with Foreign Ministers from 14.30 - 15.30
- (d) plenary from 15.45 - 16.45.

Dear Michael,

(e) Press conference 17.00.

(f) social dinner in the evening.

Anglo-Italian Summit: 9-10 November

Yes not
Agree?
Rm
s/x.

Thank you for your letter of 24 September. I should now welcome your advice on the shape of the programme.

In the light of the Prime Minister's wish not to offer lunch on the Tuesday, we suggest that the Italian party arrive - at their discretion - either on the Sunday evening 8 November (for a private dinner) or on the morning of 9 November in time for a tête-à-tête beginning at 10.30 or 11.00. There could then be a working lunch, followed by further discussions in which Foreign Ministers might join while other accompanying Ministers continued talks with their counterparts. The plenary session could begin at 16.15 and last for about one and a half hours. I understand that the Prime Minister will host a dinner at No 10 that evening. There could be a joint press conference the following morning at say 10.00 after which the Italian party would leave for Rome.

ie. not involving official British participation.

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing St



10 DOWNING STREET

From the Private Secretary

24 September 1981

Anglo/Italian Summit: 9-10 November 1981

The Prime Minister has seen your letter to me of 23 September on this subject. She agrees that the Secretary of State for Defence and the Chancellor of the Exchequer should be invited to take part. I should add, however that, as I mentioned to Francis Richards on the telephone, it seems to me that the discussions, if any, on the second day of the visit will be very brief. If the Italians are to arrive in time for lunch on 9 November and to spend a large part of the afternoon of that day in discussion, it is hard to imagine that there will be much left for the following morning other than a brief round up and a press conference. The Prime Minister will not be able to entertain the Italians to lunch on 10 November.

I am sending a copy of this letter to John Kerr (H.M. Treasury), David Omand (Ministry of Defence) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

S. J. Gomersall, Esq.,
Lord Privy Seal's Office.

CC HMT
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Italy

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Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

Amend me

23 September 1981

① Agree that Defence Secretary & Chancellor of the Exchequer should participate in principle? (I am not sure that there will be much in the way of talks on the second day: more probably only a brief meeting Dear Michael & a few conference.)

② The talks will now be on Monday/Tuesday rather than Sunday/Monday as was the case when we last discussed.

ANGLO-ITALIAN SUMMIT: 9 - 10 NOVEMBER

Amend 23/9

We have been considering which Ministers should participate in the next Anglo-Italian Summit. On the previous two occasions, in London, in January 1980 and in Rome in November that year, our representatives have been the Prime Minister and Foreign Secretary only. On this occasion, the Lord Privy Seal, with the concurrence of the Foreign and Commonwealth Secretary who is abroad, recommends that, in addition to the Prime Minister and Lord Carrington, the Secretary of State for Defence and, on 10 November, the Chancellor of the Exchequer should take part (the Chancellor and his opposite number, Signor Andreatta, will be unable to attend the talks on 9 November owing to the coincidence of a Finance Council meeting in Brussels the same day). The case for participation by these Ministers was set out in Rome telegram No 365 (copy attached). We may of course need to take another look at the list in the light of Signor Spadolini's reactions to our suggestions, which we shall put to his office as soon as the Prime Minister agrees.

I am copying this letter to John Wiggins (HM Treasury), Brian Norbury (Ministry of Defence) and David Wright (Cabinet Office).

Copy sent, S J Gomersall

S J Gomersall
Private Secretary to the
Lord Privy Seal

Private Secretary
10 Downing Street
London SW1

WRJ 026/2

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FOR COPY

GR 490
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FM ROME 101300Z SEP. 81
TO ROUTINE FCO
TELEGRAM NUMBER 365 OF 10 SEPTEMBER 1981

YOUR TELNO 177: ANGLO/ITALIAN SUMMIT 9/10 NOVEMBER

1. WHILE IT IS TOO SOON TO OFFER AN ASSESSMENT OF ITALIAN OBJECTIVES FOR THE SUMMIT, YOU MAY NOW WISH TO CONSIDER (AS SUGGESTED LAST TIME IN MY TELNO 102) THE POSSIBILITY OF INCREASING MINISTERIAL PARTICIPATION ON BOTH SIDES. BILATERAL CONTACTS BETWEEN PAIRS OF MINISTERS HAVE BEEN DIFFICULT TO ARRANGE, AND COULD BE FACILITATED BY EXPANDING THE SUMMIT MEETING. THIS WOULD ALSO BE MORE IN LINE WITH THE FRENCH AND GERMAN PRACTICE (FOR EXAMPLE, WHEN SCHMIDT COMES HERE ON 10/11 SEPTEMBER HE WILL BRING MATTHOEFER AS WELL AS GENSCHER).

2. THE CASE IN MY TELNO 102 FOR INCLUDING INDUSTRY MINISTERS ISS LESS STRONG NOW: UNFORTUNATELY WE HAVE NO NEW PROPOSALS IN THE NUCLEAR ENERGY FIELD, ON COAL THERE WILL HAVE BEEN A COAL DAY IN MILAN ON 28 OCTOBER, AND MR KENNETH BAKER WILL BE VISITING ROME IN OCTOBER ON INFORMATION TECHNOLOGY. THE MINISTERS MOST WORTHY OF CONSIDERATION THIS TIME ARE LAGORIO (DEFENCE) AND ANDREATTA (TREASURY). THE PRESENCE OF ANDREATTA MIGHT BE USEFUL IN THE CONTEXT OF BUDGET RESTRUCTURING, AND THERE ARE CLEARLY OPPORTUNITIES FOR DISCUSSION OF COMMON ECONOMIC THEMES, BOTH DOMESTIC AND EXTERNAL, WHICH WILL BE THE CHIEF CONCERN OF SPADOLINI'S NEW GOVERNMENT THIS AUTUMN. BUT I BELIEVE THAT AGAINST A BACKGROUND OF GENERAL CONCERN ABOUT THE TRANSATLANTIC RELATIONSHIP, ABOUT NATO'S FUTURE, TNF ETC, THE ITALIANS WOULD PARTICULARLY WELCOME THE INCLUSION OF AN EXCHANGE OF VIEWS ON DEFENCE MATTERS, FOR WHICH THERE IS PERHAPS LESS OPPORTUNITY FOR REGULAR DISCUSSION THAN COMMUNITY MEETINGS ALLOW IN THE CASE OF ECONOMIC AFFAIRS. DISCUSSION COULD COVER TNF (PUBLIC REACTION TO GLCM BASES), ERW AND ARMS CONTROL, SPANISH ENTRY INTO NATO AND MEDITERRANEAN SECURITY. LAGORIO WOULD BE A GOOD PARTICIPANT AND DEFENCE IS ONE OF THE AREAS WHERE IT IS MOST IMPORTANT FOR THE ITALIAN GOVERNMENT TO BE ABLE TO SHOW THAT THEY ARE IN CLOSE TOUCH WITH THEIR PARTNERS.

3. IF YOU DID DECIDE TO INCLUDE AN ADDITIONAL MINISTER OR MINISTERS, I SHOULD PUT A SPECIFIC PROPOSAL TO THE ITALIANS BY THE END OF THIS MONTH. THEY WOULD CERTAINLY WELCOME THE CHANCE OF BROADENING THE CONSULTATIONS, IF OTHER MINISTERIAL COMMITMENTS PERMIT. I WOULD FAVOUR INVITING BOTH ANDREATTA AND LAGORIO, BUT IF A CHOICE HAD TO BE MADE MY PREFERENCE WOULD BE FOR THE LATTER.

THIS TELEGRAM
WAS NOT
ADVANCED

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FM FCO 140945Z AUG 81

TO PRIORITY ROME

TELEGRAM NUMBER 177 OF 14 AUGUST

FCO TELNO 173: ANGLO-ITALIAN SUMMIT

1. ITALIAN EMBASSY HAVE NOW CONFIRMED THAT THE TIME-TABLE SET
OUT IN MY TUR (ARRIVAL AM 9 NOVEMBER - DEPARTURE PM 10 NOVEMBER)
IS ACCEPTABLE TO SIGNOR SPADOLINI.

CARRINGTON

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FM ROME 071115Z AUG 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 317 OF 7 AUGUST 1981

YOUR TELNO 167: ANGLO/ITALIAN SUMMIT

1. WHEN I PUT 8/9 NOVEMBER TO BERLINGUER ON RECEIPT OF YOUR TUR, HE SAID ITALIOF HAD BEEN TRYING TO REARRANGE THE BILATERAL ELEMENTS OF MRS GHANDI'S VISIT SO AS TO ENABLE THEM TO REVERT TO 9/10 NOVEMBER FOR THE VISIT TO LONDON.
2. THIS MORNING BERLINGUER (TO WHOM WE HAD MEANWHILE EXPLAINED YOUR POSITION OVER THE ALTERNATIVE DATES ON BASIS OF TELECONS WITH THE DEPARTMENT) TELEPHONED TO SAY THAT SIGNOR SPADOLINI'S STRONG PREFERENCE WAS NOW 9/10 NOVEMBER. I TOLD BERLINGUER THIS WOULD BE ACCEPTABLE.
3. ITALIANS ARE HAPPY WITH PROGRAMME AND TIMINGS ON LINES OF PARA 1 OF YOUR TUR.

SIMPSON-ORLEBAR

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FM FCO 071700Z AUG 81
TO PRIORITY ROME

TELEGRAM NUMBER 173 OF 7 AUGUST

FCO TELEGRAM NO 167: DATES FOR ANGLO-ITALIAN SUMMIT

1. THE ITALIAN EMBASSY TELEPHONED THE DEPARTMENT ON 6 AUGUST TO SAY THAT 9-10 NOVEMBER WOULD BE POSSIBLE FOR THE ITALIAN SIDE AFTER ALL. WE HAVE TODAY TOLD THE ITALIAN EMBASSY THAT THESE DATES ARE IN PRINCIPLE CONVENIENT FOR US TOO AND HAVE AGREED PROVISIONALLY ON THE FOLLOWING TIME-TABLE:

9 NOVEMBER

AM ARRIVAL FOLLOWED BY WORKING LUNCH
PM TALKS (TETE A TETE AND RESTRICTED)
FORMAL DINNER

10 NOVEMBER

AM TALKS
LUNCH (PERHAPS GIVEN BY ITALIAN SIDE)
EARLY AFTERNOON DEPARTURE

2. WE SHALL LET YOU KNOW AS SOON AS THIS TIME-TABLE IS CONFIRMED.

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PP ROME

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FM FCO 031815Z AUG 81

TO PRIORITY ROME

TELEGRAM NUMBER 167 OF 3 AUGUST

ANGLO-ITALIAN SUMMIT : YOUR TELNO 306

1. 11-12 NOVEMBER IS NOT (NOT) CONVENIENT TO THE PRIME MINISTER. PLEASE THEREFORE ISSUE A FIRM INVITATION TO SIGNOR SPADOLINI TO VISIT LONDON FOR TALKS ON 3-9 NOVEMBER. WE ENVISAGE A WORKING DINNER AND PERHAPS A TETE A TETE ON 8 NOVEMBER, AND A PLENARY SESSION, PRESS CONFERENCE AND A FORMAL LUNCH THE FOLLOWING DAY, ALLOWING FOR A MID-AFTERNOON DEPARTURE.
2. WE APPRECIATE THAT THESE DATES WILL BE AWKWARD FOR SIGNOR SPADOLINI. THEY ARE NOT PARTICULARLY CONVENIENT FOR THE PRIME MINISTER EITHER, BUT THERE ARE REGRETTABLY NO ALTERNATIVES AVAILABLE PRIOR TO THE NOVEMBER EUROPEAN COUNCIL MEETING.

CARRINGTON

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10 DOWNING STREET

From the Private Secretary

31 July 1981

ANGLO/ITALIAN SUMMIT

I have discussed Rome Tel. 306 on this subject with the Prime Minister. It will not be possible for the Prime Minister to put the meeting back to 11/12 November. However, it would just be possible for her to agree to a meeting on 8/9 November. The pattern would have to be an Italian arrival late on 8 November with a working dinner, and perhaps a tete-a-tete, that evening. There could then be a plenary session and press conference the following morning, a formal lunch, followed by Italian departure in mid-afternoon. This is not a particularly convenient or suitable arrangement but seems to be the best that can be done. Presumably there is in any case a substantial chance that the visit will never take place.

M. O'D. B. ALEXANDER

Francis Richards, Esq.,
Foreign and Commonwealth Office.

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GR 85
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FM ROME 281555Z JUL 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 306 OF 28 JULY 1981

*Rin Stephens:
for any obs.*

ANGLO/ITALIAN SUMMIT: YOUR TELNO 156

1. I PUT 9/10 NOVEMBER TO BERLINGUER TODAY. HE SAID THESE DATES WERE IMPOSSIBLE FOR SIGNOR SPADOLINI SINCE THEY CLASHED WITH A BILATERAL SUMMIT ALREADY ARRANGED WITH MRS GANDHI TO TAKE PLACE IN ROME ON 10/11 NOVEMBER. MRS GANDHI WILL BE HERE TO DELIVER THE KEY NOTE SPEECH AT THE 21ST FAO BI-ANNUAL CONFERENCE WHICH STARTS ON 7 NOVEMBER. HER SPEECH WILL BE ON 9 NOVEMBER WITH THE BILATERAL TALKS FOLLOWING ONCE THE FAO BUSINESS IS COMPLETED.

2. BERLINGUER SUGGESTED THAT SIGNOR SPADOLINI COULD MANAGE 11/12 NOVEMBER IN LONDON. AS A FALL-BACK, 8/9 NOVEMBER MIGHT JUST BE POSSIBLE FOR HIM. EITHER ARRANGEMENT WOULD CLEARLY MEAN THE ITALIANS CUTTING THEIR ARRANGEMENTS WITH THE INDIANS PRETTY FINE BUT BERLINGUER SEEMED CONFIDENT THAT THEY WOULD BE READY TO DO SO.

ARCULUS

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RF 4. 10. 81

23 July 1981

I believe Michael Alexander has been in touch about Italian bilaterals in November. I am afraid we can no longer offer 12 and 13 November as the Lord Mayor's Banquet is going to be on Monday 16th and the Prime Minister will need those dates to prepare her speech. But we can manage Monday 9th and the morning of Tuesday 10th and I have pencilled these dates into the Prime Minister's diary.

CAROLINE STEPHENS

CS

Christopher Jebb, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

cc Madba
(Ottawa folder)



Foreign and Commonwealth Office

London S.W.1

17 July 1981

h.g. (see letter to B. Fall)

Dear Michael,

Amr

Anglo-Italian Summit

We need to consider whether to offer the Italians dates for the next in the biannual series of Anglo-Italian summits. You will recall that the summit arranged for 2-3 June in London had to be cancelled because of the fall of the Forlani government. We have in mind that the Prime Minister will be seeing Signor Spadolini at Ottawa, and believe that it would be useful if she could say to him that she looks forward to seeing him in London for a bilateral summit in due course.

As to timing, given that the June summit was cancelled at Italian request, it may be best to leave it to them to decide when they are ready to rearrange it. The prospects for the survival of the Spadolini government are uncertain and it clearly needs time to settle down. We do not consider a meeting between the Prime Minister and Signor Spadolini before the November European Council to be essential. I attach a draft telegram to Rome prepared on the assumption that it may be preferable in the circumstances to offer Signor Spadolini an invitation in principle but to leave it to him to propose dates in due course. Should he respond by asking for a meeting before the European Council I understand that 12-13 November are likely to be the only dates that can readily be offered to him.

Yours ever,

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

CONFIDENTIAL

OUT TELEGRAM

	Classification and Caveats CONFIDENTIAL	Precedence/Deskby PRIORITY
--	---	--------------------------------------

ZCZC
GRS
CLASS
CAVEATS
DESKBY
FM FCO
PRE/ADD
TEL NO

1 ZCZC
2 GRS
3 CONFIDENTIAL
4
5
6 FM FCO
7 PRIORITY ROME
8 TELEGRAM NO
9 Your telegram no 270: ANGLO-ITALIAN SUMMIT
10 FROM WED
11 1. As discussed during your recent visit to the department, we
12 think it may be preferable to offer Spadolini an invitation in
13 principle but to leave it to the Italian side to propose dates
14 when they are ready to do so. The Prime Minister has it in mind
15 to say to Spadolini at Ottawa that she looks forward to seeing him
16 for a bilateral meeting in London in due course. There is no
17 objection to your transmitting the same message in Rome.
18 2. For your own information we do not consider a meeting with
19 Spadolini before the November European Council essential and
20 pressure on Ministers' diaries for the rest of this year is
21 severe. Given the uncertain prospects of the Spadolini govern-
22 ment and the fact that the June summit was cancelled at Italian
23 request, we should prefer to leave it to the Italians to tell us
24 when they are ready to rearrange it. If in the event it should
25 slip over into next year we should not be dismayed. CARRINGTON NNNN

///
//
/

NNNN ends telegram	BLANK	Catchword
File number	Dept Sofs office	Distribution FCO Whitehall WED
Drafted by (Block capitals)		
Telephone number		
Authorised for despatch		
Comcen reference	Time of despatch	

after breakfast - THU 12 + Dinner
Talks + Press Conference on 13:
+ Working lunch.

GRS 230
CONFIDENTIAL
FROM ROME 080920Z JUL 81
TO PRIORITY FCO
TELEGRAM NUMBER 270 OF 08 JUL 81

CONFIDENTIAL

fa
And

MY TWO IPT: YOUR VISIT TO ROME

1. ANGLO-ITALIAN RELATIONS ARE BACK TO NORMAL AND COLOMBO SHOULD RESUME HIS USUAL , HELPFUL PART. WE HAVE YET TO GET SPADOLINI ON BOARD.
2. THE ITALIANS CANCELLED ONE BILATERAL SUMMIT IN EARLY JUNE BECAUSE OF THEIR GOVERNMENT CRISIS, AND WILL REALISE THAT ALTERNATIVE DATES ARE VERY HARD TO FIND, PARTICULARLY DURING OUR PRESIDENCY AND IN THE HECTIC AUTUMN. BUT I THINK WE HAVE AN OBLIGATION TO ISSUE AN INVITATION TO LONDON WHEN IT CAN BE FITTED IN, AND IT WOULD BE GOOD TACTICS TO MOVE SOON.
3. THUS I RECOMMEND THAT, AS DISCUSSED WITH YOU HERE, I BE AUTHORISED TO SEEK A FIRST APPOINTMENT WITH SPADOLINI THIS MONTH BEFORE ROME CLOSES FOR THE AUGUST HOLIDAY, TO OFFER HIM A DATE OR CHOICE OF DATES BEFORE THE NOVEMBER EUROPEAN COUNCIL, WHEN HE MIGHT COME TO LONDON FOR THE NEXT BILATERAL ROUND.
4. WILL SPADOLINI STILL BE IN OFFICE BY THEN ? HE IS EXPECTED TO GET A VOTE OF CONFIDENCE IN PARLIAMENT THIS WEEK-END AND HIS CHANCES THEREAFTER ARE NO WORSE THAN THOSE OF MOST OF HIS CHRISTIAN DEMOCRAT PREDECESSORS. BOTH THE SOCIALISTS AND THE CHRISTIAN DEMOCRATS HAVE REASON TO LET HIM RUN FOR SOME MONTHS, BUT PREDICTION IS UNREWARDING HERE. IN ANY CASE THERE IS NOTHING TO LOSE AND SOMETHING TO GAIN BY PROPOSING A DATE.

ARCULUS

FCO WHITEHALL
WED

THIS TELEGRAM
WAS NOT
ADVANCED

CONFIDENTIAL



file 116

10 DOWNING STREET

From the Private Secretary

8 June 1981

Italy

Thank you for your letter of 5 June and for its enclosure. I enclose a copy, for your information, of a letter which the Prime Minister has sent to Signor Forlani through our Embassy in Rome.

M. O'D. B. ALEXANDER

His Excellency Signor Andrea Cagiati,
G.C.V.O.

NM

SUBJECT

CF



10 DOWNING STREET

cfw
Mater
Ops
Italy. June 79. Sitⁿ

B Italy

THE PRIME MINISTER

3 June 1981

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T85/8**

Dear Signor Forlani:

Thank you for your letter of 27 May explaining that you were unable to come to London for talks on 2/3 June. I too much regret the postponement of a meeting to which I had been greatly looking forward, but of course I fully understand the need for you to be in Rome at the present time.

Italy. June 79. Sitⁿ

Perhaps I could take this opportunity to thank you also for your letter of 16 May, in which you expressed gratitude for the help given by the Government and people of the United Kingdom in the areas of Italy affected by last November's earthquake. As you know, I was myself in Rome when the earthquake struck, and the vivid memory of those first moments makes me particularly glad that my country has been able to contribute towards the relief and reconstruction programme.

Yours sincerely
Margaret Thatcher

His Excellency Signor Arnaldo Forlani

Handwritten mark



Foreign and Commonwealth Office

London SW1A 2AH

Type for PM's signature
& submit with both letters
referred to.

2 June 1981

Phuds 3/6

Dear Michael,

— see Italy: June 79
Int 8/2

With your letter of 21 May you enclosed a letter from the Italian Prime Minister thanking Mrs Thatcher for the British earthquake relief effort. Your letter of 27 May enclosed a further letter from Signor Forlani expressing regret that he was obliged to postpone his planned visit to London for the Anglo-Italian Summit meeting.

The Prime Minister may wish to reply to these two letters together on the lines of the attached draft. If the text is acceptable, we could ask Sir R Arculus in Rome to deliver it.

Yours ever,

Francis Richards

(Francis Richards)

Private Secretary

M O'D B Alexander Esq
10 Downing St

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

PRIME MINISTER

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

TO:

On Arnaldo Forlani
President of the Council of Ministers
ROME

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

Thank you for your letter of 27 May explaining that you were unable to come to London for talks on 2/3 June. I too much regret the postponement of a meeting to which I had been greatly looking forward, but of course I fully understand the need for you to be in Rome at the present time.

Perhaps I could take this opportunity to thank you also for your letter of 16 May, in which you expressed gratitude for the help given by the Government and people of the United Kingdom in the areas of Italy affected by last November's earthquake. As you know, I was myself in Rome when the earthquake struck, and the vivid memory of those first moments makes me particularly glad that my country has been able to contribute towards the relief and reconstruction programme.

Enclosures—flag(s).....

vb

Italy

BF 2.6.81

29 May 1981

I enclose a copy of the text of a letter which the Prime Minister has received from Signor Forlani. I have acknowledged receipt of the letter but you may consider that the Prime Minister should send a substantive reply. If so, I should be grateful if you could let me have a draft early next week.

MODBA

Francis Richards, Esq.,
Foreign and Commonwealth Office.

88

The Italian Ambassador

4 Grosvenor Square,
London, W.1.

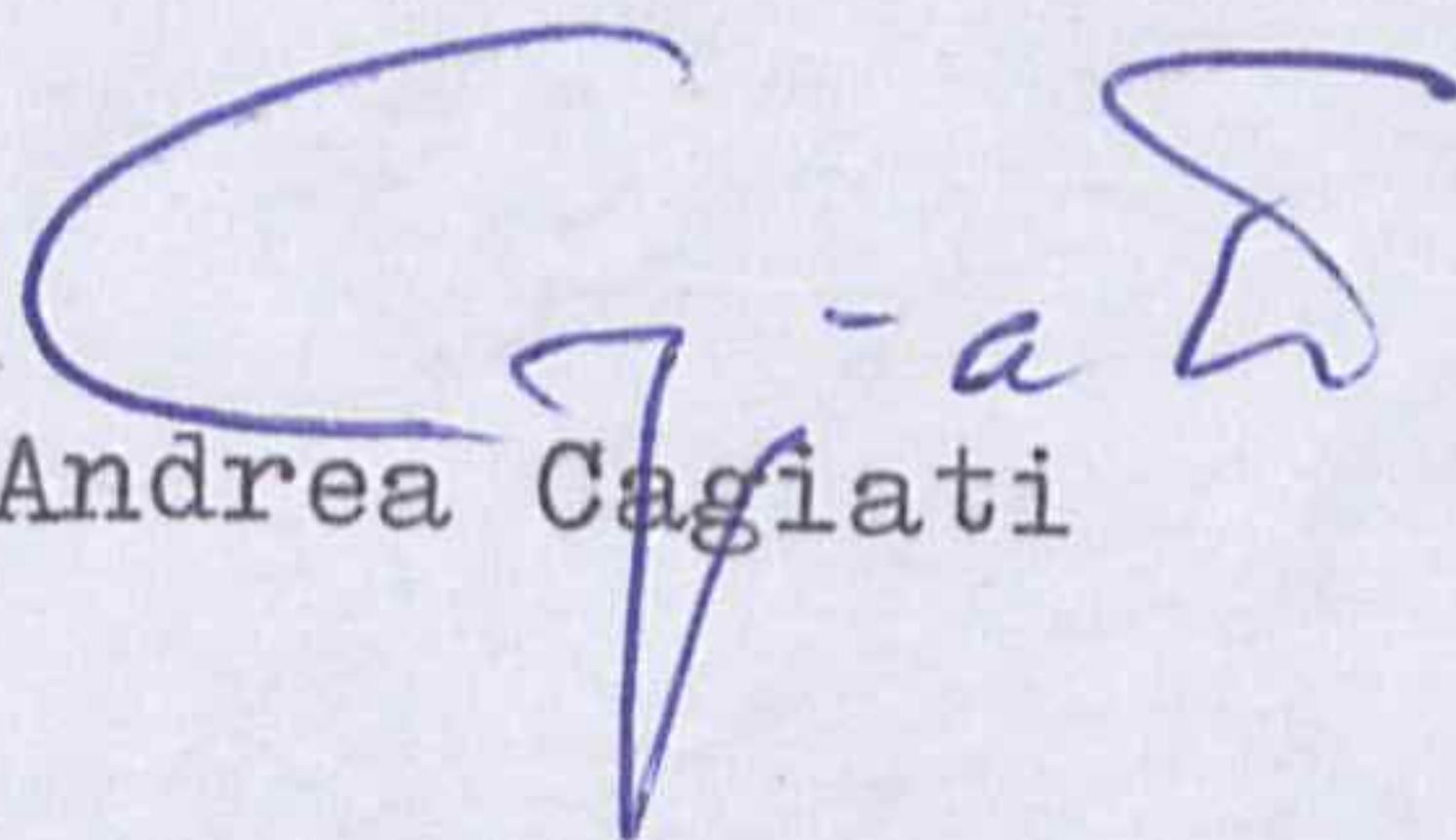
4744

5th June, 1981

Dear Friend,

I have now received the enclosed original text of Signor Forlani's letter to the Prime Minister, the contents of which were conveyed to you on May 28th.

Very sincerely yours


Andrea Cagiati

Enc.

M. O'D. B. Alexander
Private Secretary to the
Prime Minister (Overseas Affairs)
10 Downing St.,
SW1



T. 80/81
Roma, 26 maggio 1981

Gentile Signora Thatcher,

in relazione all'orientamento emerso tra i partiti della maggioranza governativa circa l'esigenza di un chiarimento e di una verifica politico-programmatica, il Consiglio dei Ministri ha oggi con me concordato sull'opportunità di rassegnare le dimissioni al Capo dello Stato.

In tale situazione mi trovo nell'impossibilità di allontanarmi da Roma nei prossimi giorni. E' pertanto con vivissimo rammarico che debbo chiederLe di rinviare la visita di lavoro programmata per il 2 - 3 giugno a Londra, nell'auspicio che essa possa comunque aver luogo ad una data ravvicinata.

Nella certezza che comprenderà le motivazioni di questo rinvio, La prego di accogliere i miei più cordiali ed amichevoli saluti

*Suo M.
G. De Michelis*

Signora
Margaret Thatcher
Primo Ministro di
Gran Bretagna

L O N D R A

vb

29 May 1981

Thank you for your letter of 28 May.
I have arranged for the enclosed letter from
the President of the Council of Ministers to
be placed before the Prime Minister.

MODBA

Signor Stefano Biondo

Sl

CONFIDENTIAL

Italy ✓

Cabinet Office,
70 Whitehall,
London, SW1

PS(81) 12

28th May 1981

Dear Private Secretary,

Anglo-Italian Summit: 2nd-3rd June 1981

Following the resignation of the Italian Government, the Anglo-Italian Summit arranged for 2nd-3rd June has been cancelled.

Accordingly the briefing requested in David Wright's Private Secretary letter dated 19th May (PS(81) 11) will not now be required.

I am sending copies of this letter to the Private Secretaries to Sir Michael Palliser, Sir Douglas Wass, Sir Frank Cooper, Sir Kenneth Clucas, Sir Brian Hayes, Sir Peter Carey, Sir Donald Maitland, Sir Peter Preston, Sir Kenneth Couzens and Mr. Robin Ibbs, and to Michael Alexander, No. 10.

Yours sincerely,

(Signed)

B. G. HILTON

CONFIDENTIAL

Economic Department

3943

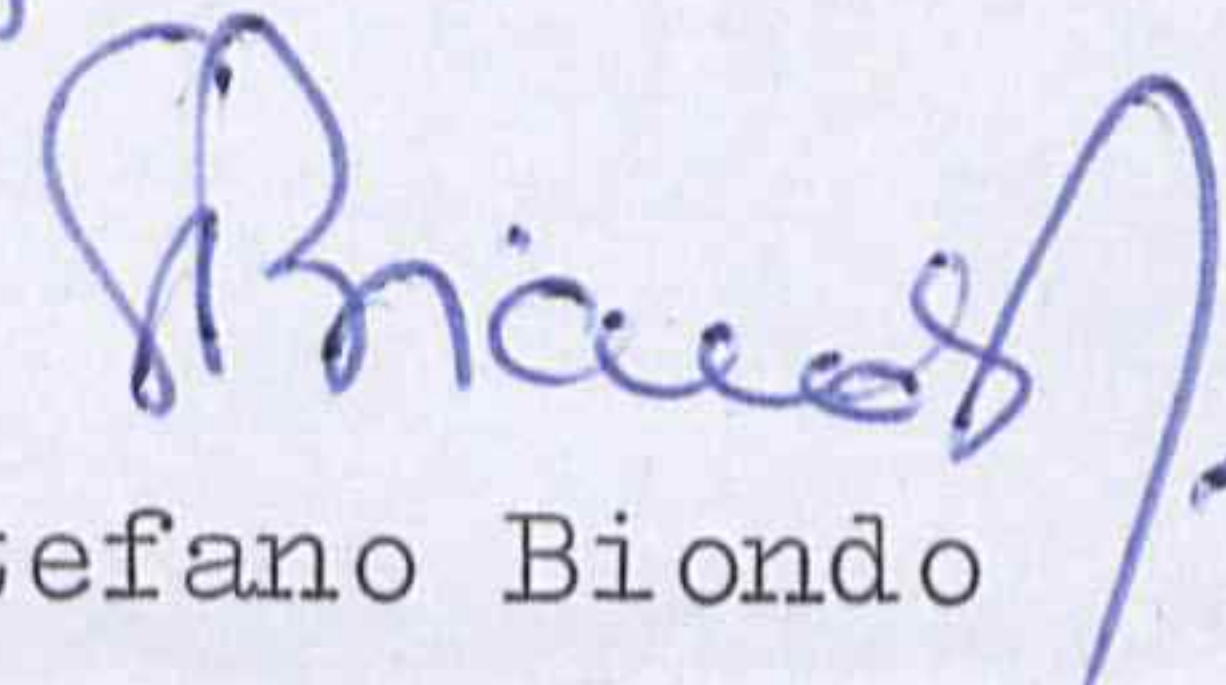
*Italian Embassy,
14, Three Kings Yard,
London, W.1.*

28th May 1981

Dear Mr. Alexander,

Following my yesterday phone call I send you the enclosed text of a letter of the Italian President of the Council of Ministers addressed to the Prime Minister, together with a rough translation of it.

Sincerely yours



Stefano Biondo

Minister Counsellor (Economic)

Mr. Michael Alexander
Private Secretary to the Prime Minister
10 Downing Street
London - SW1

encs.

TESTO DELLA LETTERA DELL'ONOREVOLE PRESIDENTE DEL CONSIGLIO DIRETTA AL PRIMO MINISTRO INGLESE

URGENTE

T 80/81

Roma, 27 maggio 1981.

Gentile Signora Thatcher,

in relazione all'orientamento emerso tra i partiti della maggioranza governativa circa l'esigenza di un chiarimento e di una verifica politico-programmatica, il Consiglio dei Ministri ha oggi con me concordato sull'opportunità di rassegnare le dimissioni al Capo dello Stato.

In tale situazione mi trovo nell'impossibilità di allontanarmi da Roma nei prossimi giorni. E' pertanto con vivissimo rammarico che debbo chiederLe di rinviare la visita di lavoro programmata per il 2-3 giugno a Londra, nell'auspicio che essa possa comunque aver luogo ad una data ravvicinata.

Nella certezza che comprenderà le motivazioni di questo rinvio, La prego di accogliere i miei più cordiali ed amichevoli saluti.

Forlani

SUBJECT

cc Master
Ops

TRANSLATION

TEXT OF THE LETTER OF THE ITALIAN PRESIDENT OF THE COUNCIL OF MINISTERS
TO THE BRITISH PRIME MINISTER

T 80/81

URGENT

Rome, 27th May 1981.

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 80/81**

Dear Mrs. Thatcher,

In accordance with the views which have emerged amongst the majority parties in the Italian Government about the need of a clarification and of a political and programmatic re-examination, the Council of Ministers has today agreed with me on the necessity of handing its resignation to the Head of State.

In these circumstances I find it impossible to leave Rome in the next few days. It is therefore with deepest regret that I have to ask you to postpone the working visit planned for the 2nd and 3rd June in London, in the hope that it will in any case be possible to rearrange it at a near date.

I am sure you will understand the reasons for this postponement. Please accept the expression of my most heartfelt and friendly regards.

Forlani



10 DOWNING STREET

cc R. Alexander

Paul

With the compliments of -



Italy

10 DOWNING STREET

From the Press Secretary

20 May, 1981

Dear Jack,

Anglo/Italian Bilateral Meeting: 2/3 June

The Prime Minister is to give a joint press conference with Signor Forlani, the Italian Prime Minister, at the end of their bilateral meeting on the morning of 3 June. We have booked the Vickers Cinema at Millbank Tower for this purpose and I am writing to seek the COI's assistance in making the necessary technical arrangements for the press conference.

I do this against the background of the joint press conference given at the last Anglo/Italian bilateral held in London last summer which was little short of a disaster. This was largely due to the failure of Tannoy working under the supervision of the PSA to explain how their equipment at Church House should be used by the interpreters and those in the auditorium to best advantage. Furthermore, they failed to identify an electronic fault on the desk where the Prime Minister and Signor Cossiga were sitting which seriously interfered with the reception on the headphones that Mrs. Thatcher and Signor Cossiga were using.

Naturally, the Prime Minister was upset by these shortcomings and said afterwards that she never wanted to hold

/another

another press conference at Church House. In view of last year's experience, I am anxious that the joint press conference this year should go smoothly. Again, the current Italian Prime Minister, Signor Forlani, does not speak much English so some formal, complicated, technical arrangements will be needed to make sure the joint press conference goes without hitch:

- simultaneous translation from English to Italian and vice versa;
- headphones at the top table and in the auditorium.

We have come to rely on COI's good services for the Prime Minister's press conferences and I am glad to say that whenever your office has been in charge of these arrangements, whether it be at Vickers Cinema, No. 12 Downing Street or near Chequers, there has never been any problem. I hope, therefore, that you will be willing to take charge of the arrangements this time and, together with the Facilities Unit of FCO News Department, to ensure that things go smoothly this time.

Yours sincerely
B. Ingham

B. INGHAM

Jack Cooper, Esq.,
Director,
Overseas Press and Radio Division,
Central Office of Information

CONFIDENTIAL

km
Haby

Cabinet Office,
70 Whitehall,
London SW1

19th May 1981

PS(81) 11

Dear Private Secretary,

Anglo-Italian Summit: 2nd-3rd June 1981

This letter sets out the briefing arrangements for the Anglo-Italian Summit from 2nd to 3rd June.

Objectives for the talks are at Annex A. A list of briefs to be prepared, with an indication of Departmental responsibility, is at Annex B. These have both been approved by the Prime Minister. Instructions on format are at Annexes C and D. Those preparing briefs should note carefully the details on the format of briefs set out in Annex C, particularly (b) on the structure of briefs. Briefs 4-11 should be produced as Background Notes.

70 copies of each brief should be sent to the Cabinet Office as soon as they are ready, and should in any event arrive no later than 12.00 noon on Thursday 28th May. They should be addressed to Mr. W. Ewing in Committee Section, who should be consulted (tel. no. 233 7628) about any technical points arising.

I am sending copies of this letter to the Private Secretaries to Sir Michael Falliser, Sir Douglas Wass, Sir Frank Cooper, Sir Kenneth Clucas, Sir Brian Hayes, Sir Peter Carey, Sir Donald Maitland, Sir Peter Preston, Sir Kenneth Couzens and Mr. Robin Ibbs, and to Michael Alexander, No. 10.

Yours sincerely,

(Signed) D. J. WRIGHT

Visit cancelled
27/5/81

CONFIDENTIAL

ANGLO-ITALIAN SUMMIT
2nd-3rd JUNE 1981

UNITED KINGDOM OBJECTIVES

1. To consolidate the good personal relations between the Prime Minister and the Prime Minister of Italy and to demonstrate to the Italians the importance which Her Majesty's Government attaches to Italian views on current international issues.
2. To exchange views with the Italians on Community issues and the implications for the Community of the change of Administration in France before the next European Council meeting (22nd-23rd June) and in preparation for the United Kingdom Presidency of the European Community; and also to explain our views on restructuring and CAP reform, in order to establish what scope there is for agreement.
3. To exchange views on transatlantic and East-West relations in the light of recent developments.
4. To exchange views on areas where the Italians have special experience or interests, e.g. Malta, Libya and the Horn of Africa.

PROBABLE ITALIAN OBJECTIVES

1. To exchange views on the current state of East-West relations, especially Poland, and on other world problems, pointing up areas where they see a special role for themselves e.g. the Mediterranean and Libya.
2. To discuss United States Administration attitudes.
3. In the light of the May NATO meeting, to discuss the theatre nuclear forces issue (TNF).
4. On Community issues to exchange views on the implications for the Community of the change of Administration in France and to explore United Kingdom attitudes in advance of our Presidency and in particular -
 - (i) To underline the Italian wish to see the Community budget restructured as an effective instrument for convergence, a change which the Italians believe makes lifting the 1 per cent ceiling imperative.
 - (ii) To impress upon the Prime Minister the difficulties faced by the Italian economy, especially the agricultural and state industrial sectors, which they will argue need continuing subvention in delicate Italian political circumstances.

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- (iii) On enlargement, to assure themselves that the United Kingdom will continue to support real progress towards Spanish and Portuguese accession and that Italian Mediterranean agricultural producers will not suffer as a result.
- (iv) To exchange views on the development of machinery for political collaboration.

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ANNEX B

LIST OF BRIEFS FOR ANGLO-ITALIAN SUMMIT
2nd-3rd JUNE 1981

<u>UMV(81)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	Steering Brief	FCO	as appropriate
2.	European Community Topics		
	(a) Steering Brief	FCO	as appropriate
	(b) Restructuring and CAP Reform	FCO	Treasury MAFF Cabinet Office
	(c) European Community: Internal (including Steel and State Aids)	FCO	Industry as appropriate
	(d) European Community: External	FCO	Industry Trade as appropriate
	(e) Political Co-operation (including Herr Genscher's ideas on European Union)	FCO	as appropriate
	(f) European Community Policy of the New French Administration	FCO	as appropriate
	(g) United Kingdom Presidency	FCO	as appropriate
3.	Bilateral Questions		
	(a) Viewdata Technology	Industry	FCO Cabinet Office
	(b) Tornado	MOD	FCO
	(c) Energy Questions	Energy	FCO
	<u>Background Notes</u>		
4.	East West Relations	FCO	as appropriate
	(a) Poland		
	(b) El Salvador		

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<u>UMV(81)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
	(c) Afghanistan		
	(d) Madrid Conference, if still in progress		
5.	Defence (including TNF)	MOD	FCO
6.	Arms Control	FCO	MOD
7.	The International Economic Scene (including preparations for the Economic Summit meeting in July)	FCO	Treasury Cabinet Office
8.	The Middle East and the Near East	FCO	as appropriate
	(a) Iran/Iraq		
	(b) Arab/Israel		
	(c) Lebanon		
9.	The Mediterranean and the Horn of Africa	FCO	as appropriate
	(a) Libya		
	(b) Malta		
	(c) Horn of Africa		
10.	Italian Internal Political Scene	FCO	as appropriate
11.	Italian Economic Situation	Treasury	FCO

INSTRUCTIONS ABOUT FORMAT

All briefs should be laid out in the same way with a top page in accordance with the specimen layout at Annex D. Those preparing briefs should pay particular attention to ensuring that the following instructions are fully observed:

Content

- (a) Briefs should be concise. Each brief should if possible be no more than four sides long.
- (b) The main body of each brief should comprise two sections, a concise list of Points to Make, followed by a factual Background section which distinguishes clearly between information which can be freely used and information which should not be disclosed.
- (c) Briefs should be complete and self-contained with all the information required on that particular subject. Briefs should not be divided into separate self-contained sub-sections.

Layout

- (d) Briefs should be typed in double spacing, using both sides of the paper. Pages should be numbered at the foot of each page.
- (e) As shown in the specimen at Annex D, the top page only of each brief should contain the following details: the symbol and number of the brief in the top left-hand corner (e.g. UMV(81) 10) with the date of production below; a copy number in red at the top right-hand corner; the visit heading; the title of the brief (in capitals) and the name of the Department responsible.
- (f) At the foot of the last page and on the left-hand side, briefs should bear the name of the originating Government Department and the date of origin.

Reproduction

- (g) Briefs should be reproduced throughout on white paper, with each page bearing a security classification at top and bottom (as in Annex D). Care should be taken that the reproduction method employed results in clear readable copies.

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- (h) It is important that on arrival at the Cabinet Office, briefs should be complete in all detail - collated, stapled and copy numbered and ready for immediate circulation.

Updating

- (i) If late developments require a brief to be amended or updated, an addendum should be prepared. It should be set out in the form described at (e) above, with the brief number (e.g. UMV(81) 10 Addendum) and title to which it relates at the top of the front page. The Private Secretary to the Secretary of the Cabinet should be informed when an addendum is in preparation. Revised briefs and corrigenda should be similarly treated.
- (j) Additions to the list of briefs in Annex B require the authorisation of the Private Secretary to the Secretary of the Cabinet.

CLASSIFICATION

ANNEX D

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

UMV(81) Serial Number as specified in Annex B COPY NO. in red
Date

ANGLO-ITALIAN SUMMIT
2-3 JUNE 1981

Leave 1½"
margin

SUBJECT Insert subject in capitals

Brief by name of originating Department, eg Foreign and Commonwealth Office

At the foot of the last page:-
left-hand side

Originating Government Department, eg Foreign and Commonwealth Office or Department of Industry, not a subordinate section or division

Date of origin

CLASSIFICATION

CONFIDENTIAL



AK 24

ITALY

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

ANGLO/ITALIAN SUMMIT MEETING :
2/3 JUNE

The Prime Minister has seen your minute AO4920 of 15 May 1981 and is content with the lists of objectives and briefs for the forthcoming meeting with Signor Forlani.

B/F
It would be very helpful if, as you suggest, you could arrange for briefs to reach this office by close of play on Thursday 28 May.

list cancelled
27/5/81

KW.

18 May 1981

CONFIDENTIAL

AK

A04920

MR ALEXANDER

Yes not

①
 Ronnie Minister.
 As you will see most of the briefs
 are now described as background
 notes & can be kept v. short. Unleil?

Anglo/Italian Summit Meeting, 2/3 June

Runt

1. The Italian Prime Minister, Signor Arnaldo Forlani, is to visit London on 2/3 June for a further round of bilateral talks with the Prime Minister. These bilateral Anglo-Italian contacts at Head of Government level are now well established, although the United Kingdom Presidency in the second half of 1981 is likely to rule out a further meeting until early in 1982. We do not yet know the composition of the Italian delegation, but would expect Signor Forlani to be accompanied by his Foreign Minister, Signor Colombo.

2. Our main aim at this meeting, in addition to strengthening the good personal relations between the Prime Minister and Signor Forlani, will be to harmonise views with the Italians as far as possible in advance of the United Kingdom Presidency of the European Community. The timing of this meeting, shortly before the European Council and the beginning of the United Kingdom Presidency is fortuitous but convenient. We should explain to the Italians our views on restructuring and CAP reform and establish what scope for agreement there may be. Our estimates of United Kingdom and likely Italian objectives are set out at Annex A.

3. The provisional programme for Signor Forlani's visit includes a formal dinner given by the Prime Minister on 2 June, preceded by a short tete-a-tete between the two Heads of Government. Talks would take place the following morning from 10.00 - 12.00 and would be followed by a Press Conference from 12.15 - 12.45 and a working lunch.

4. H M Embassy in Rome has been asked to obtain Italian views on the agenda. Community questions will inevitably predominate but there is also likely to be discussion of trans-Atlantic and East/West relations, particularly Poland, and of the Middle East; of the international economic scene; of relations with the Third World; of Mediterranean questions, including Malta and Libya; and of bilateral relations including information technology.



5. Annex B to this letter gives a suggested list of briefs which will be coordinated by the Cabinet Office. As with the briefs for the recent Anglo-German Summit, I have arranged these in two sets: substantive briefs and background notes. Only the first will contain points for the Prime Minister to make.

6. I should be grateful if you could let me know whether the Prime Minister is content with these lists of objectives and briefs. If so I will arrange for the briefs to be commissioned. I understand that you doubt whether a briefing meeting will be necessary for these talks: one would in any event be difficult to arrange ^{because of the Spring Bank Holiday recess. If so, I will arrange} for the briefs to reach you by close of play on Thursday 28 May. If after seeing the briefs, the Prime Minister decided that she wished to discuss them with her colleagues, it might be possible to arrange a meeting on Monday 1st June.

Christopher Cloke

approved by Robert Armstrong
& signed on his behalf.

15 May 1981



Anglo/Italian Summit: 2/3 June 1981

British Objectives

1. To consolidate the good personal relations between the Prime Minister and the Prime Minister of Italy and to demonstrate to the Italians the importance which Her Majesty's Government attaches to Italian views on current international issues.
2. To exchange views with the Italians on Community issues and the implications for the Community of the change of administration in France before the next European Council meeting (22 - 23 June) and in preparation for the United Kingdom Presidency of the European Community; and also to explain our views on restructuring and CAP reform, in order to establish what scope there is for agreement.
3. To exchange views on transatlantic and East/West relations in the light of recent developments.
4. To exchange views on areas where the Italians have special experience or interests, e.g. Malta, Libya and the Horn of Africa.

15 May 1981



Probable Italian Objectives

1. To exchange views on the current state of East/West relations, especially Poland, and on other world problems, pointing up areas where they see a special role for themselves e.g. the Mediterranean and Libya.
2. To discuss United States Administration attitudes
3. In the light of the May NATO meeting, to discuss the theatre nuclear forces issue (TNF).
4. Our Community issues to exchange views on the implications for the Community of the change of administration in France and to explore United Kingdom attitudes in advance of our Presidency and in particular -
 - i to underline the Italian wish to see the Community budget restructured as an effective instrument for convergence, a change which the Italians believe makes lifting the 1 per cent ceiling imperative;
 - ii to impress upon the Prime Minister the difficulties faced by the Italian economy, especially the agricultural and state industrial sectors, which they will argue need continuing subvention in delicate Italian political circumstances;
 - iii on enlargement, to assure themselves that the United Kingdom will continue to support real progress towards Spanish and Portuguese accession and that Italian Mediterranean agricultural producers will not suffer as a result;
 - iv to exchange views on the development of machinery for political collaboration.

15 May 1981

CONFIDENTIAL

ANNEX B

LIST OF BRIEFS FOR ANGLO-ITALIAN SUMMIT 2nd-3rd JUNE 1981

<u>UMV(81)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	Steering Brief	FCO	as appropriate
2.	European Community Topics		
	(a) Steering Brief	FCO	as appropriate
	(b) Restructuring and CAP Reform	FCO	Treasury MAFF Cabinet Office
	(c) European Community: Internal (including Steel and State Aids)	FCO	Industry as appropriate
	(d) European Community: External	FCO	Industry Trade as appropriate
	(e) Political Co-operation (including Herr Genscher's ideas on European Union)	FCO	as appropriate
	(f) European Community Policy of the New Trend Administration	FCO	as appropriate
	(g) United Kingdom Presidency	FCO	as appropriate
3.	Bilateral Questions		
	(a) Viewdata Technology	Industry	FCO Cabinet Office
	(b) Energy Questions	Energy	FCO
	<u>Background Notes</u>		
4.	East West Relations	FCO	as appropriate
	(a) Poland		
	(b) El Salvador		

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<u>UMV(81)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
	(c) Afghanistan		
	(d) Madrid Conference, if still in progress		
5.	Defence (including Tornado and TNF)	MOD	FCO
6.	Arms Control	FCO	MOD
7.	The International Economic Scene (including preparations for the Economic Summit meetings in July)	FCO	Treasury Cabinet Office
8.	The Middle East and the Near East	FCO	as appropriate
	(a) Iran/Iraq		
	(b) Arab/Israel		
	(c) Lebanon		
9.	The Mediterranean and the Horn of Africa	FCO	as appropriate
	(a) Libya		
	(b) Malta		
	(c) Horn of Africa		
10.	Italian Internal Political Scene	FCO	as appropriate
11.	Italian Economic Situation	Treasury	FCO

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Foreign and Commonwealth Office

London SW1A 2AH

13 May 1981

Sir Robert Armstrong KCB CVO
CABINET OFFICE

Italy
R/IF with Cabinet Office
minute

Pauls

Jean Robert,

ANGLO/ITALIAN SUMMIT MEETING, 2/3 JUNE

1. The Italian Prime Minister, Signor Arnaldo Forlani, is to visit London on 2/3 June for a further round of bilateral talks with the Prime Minister. These bilateral Anglo-Italian contacts at Head of Government level are now well established, although the United Kingdom Presidency in the second half of 1981 is likely to rule out a further meeting until early in 1982. We do not yet know the composition of the Italian delegation, but would expect Signor Forlani to be accompanied by his Foreign Minister, Signor Colombo.
2. Our main aim at this meeting, in addition to strengthening the good personal relations between the Prime Minister and Signor Forlani, will be to harmonize views with the Italians as far as possible in advance of the United Kingdom Presidency of the European Community. The timing of this meeting, shortly before the European Council and the beginning of the United Kingdom Presidency is fortuitous but convenient. We should explain to the Italians our views on restructuring and CAP reform and establish what scope for agreement there may be. Our estimates of United Kingdom and likely Italian objectives are set out at Annexes A and B.
3. The provisional programme for Signor Forlani's visit includes a formal dinner given by the Prime Minister on 2 June, preceded by a short tête-à-tête between the two Heads of Government. Talks would take place the following morning from 1000 - 1200 and would be followed by a Press Conference from 1215 - 1245 and a working lunch.

/4.



4. HM Embassy in Rome has been asked to obtain Italian views on the agenda. Community questions will inevitably predominate but there is also likely to be discussion of trans-Atlantic and East/West relations, particularly Poland, and of the Middle East. We see the main subjects for discussion as follows:-

- (a) Community issues and Political Cooperation
- (b) East/West relations (Poland, Afghanistan, Madrid Conference)
- (c) Trans-Atlantic relations and United States foreign policy
- (d) Defence/Arms Control, including SALT and TNF
- (e) Middle East, including Iran/Iraq and Arab/Israel
- (f) Mediterranean questions, including Malta and Libya
- (g) The international economic scene
- (h) Bilateral relations including information technology.

/ 5. Annex C to this letter gives a suggested list of briefs which, if you and other recipients of this letter agree, might best be coordinated by the Cabinet Office. No doubt Michael Alexander will let us know whether, as she did for the Anglo-German summit, the Prime Minister would prefer some of the briefs to be in the form of background notes.

Yours ever,

Michael

Michael Palliser

/cc:

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cc:

Sir Douglas Wass GCB
HM TREASURY

Sir Brian Hayes KCB
MINISTRY OF AGRICULTURE, FISHERIES AND FOOD

Sir Frank Cooper GCB CMG
MINISTRY OF DEFENCE

Sir Donald Maitland GCMG OBE
DEPARTMENT OF ENERGY

Michael Alexander Esq
NO 10 DOWNING STREET ✓.

Sir Peter Carey KCB
DEPARTMENT OF INDUSTRY

Sir Kenneth Clucas KCB
DEPARTMENT OF TRADE

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ANGLO/ITALIAN SUMMIT: 2/3 JUNE 1981

BRITISH OBJECTIVES

1. To consolidate the good personal relations between the Prime Minister and the Prime Minister of Italy and to demonstrate to the Italians the importance which Her Majesty's Government attaches to Italian views on current international issues.
2. To exchange views with the Italians on Community issues before the next European Council meeting (22 - 23 June) and in preparation for the United Kingdom Presidency of the European Community, and also to explain our views on restructuring and CAP reform, in order to establish what scope there is for agreement.
3. To exchange views on transatlantic and East/West relations in the light of recent developments.
4. To exchange views on areas where the Italians have special experience or interests, e.g. Malta, Libya and the Horn of Africa.



ANGLO/ITALIAN SUMMIT: 2/3 JUNE 1981

PROBABLE ITALIAN OBJECTIVES

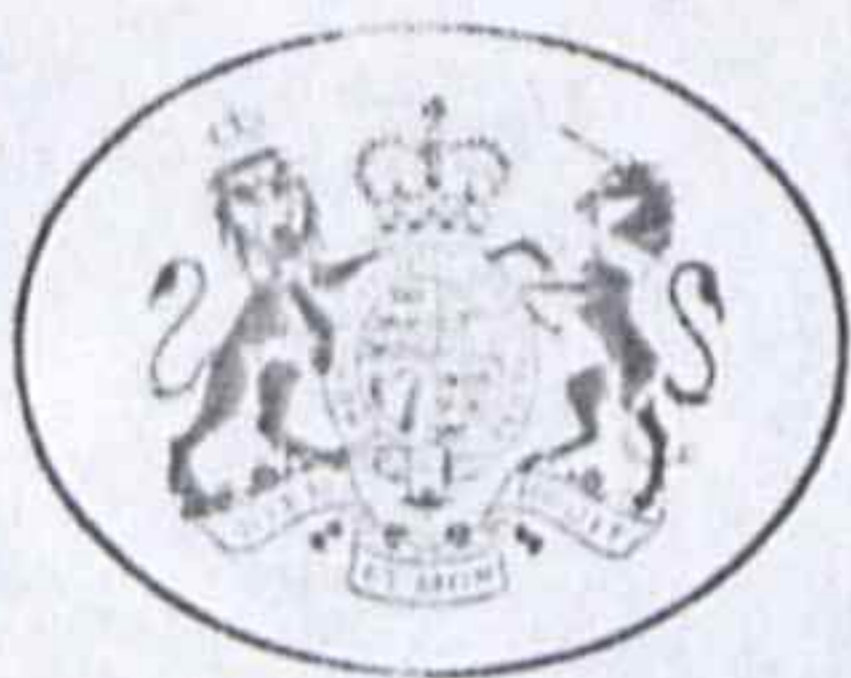
1. To exchange views on the current state of East/West relations, especially Poland, and on other world problems, pointing up areas where they see a special role for themselves e.g. the Mediterranean and Libya.
2. To discuss United States Administration attitudes
3. In the light of the May NATO meeting, to discuss the theatre nuclear forces issue (TNF).
4. Our Community issues, to explore United Kingdom attitudes in advance of our Presidency and in particular:-
 - (i) to underline the Italian wish to see the Community budget restructured as an effective instrument for convergence, a change which the Italians believe makes lifting the 1% ceiling imperative;
 - (ii) to impress upon the Prime Minister the difficulties faced by the Italian economy, especially the agricultural and state industrial sectors, which they will argue need continuing subvention in delicate Italian political circumstances;

/(iii)



- (iii) on enlargement, to assure themselves that the United Kingdom will continue to support real progress towards Spanish and Portuguese accession and that Italian Mediterranean agricultural producers will not suffer as a result;

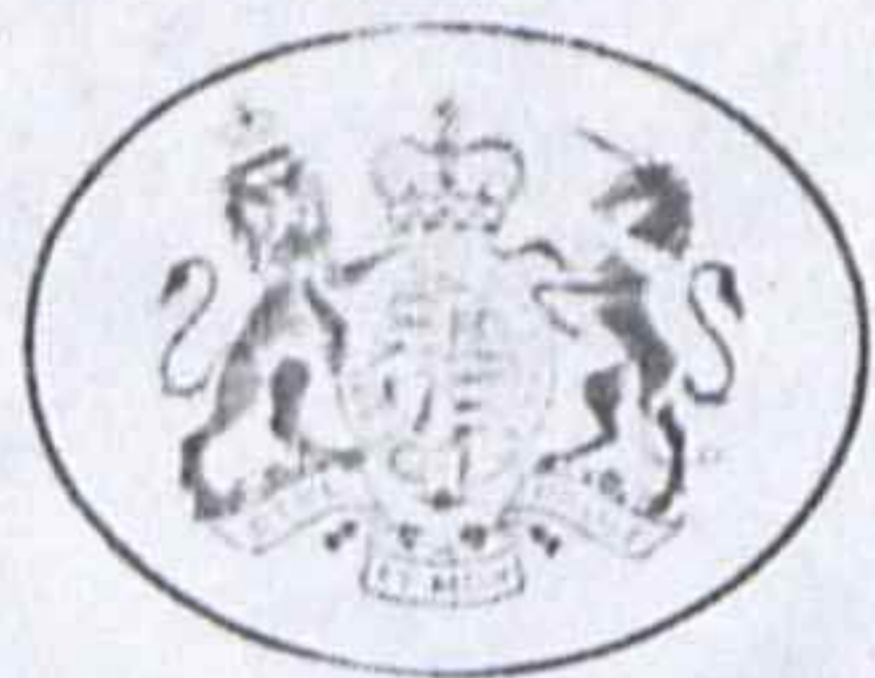
- (iv) to exchange views on the development of machinery for political collaboration.

ANGLO/ITALIAN SUMMIT: 2/3 JUNE 1981

LIST OF BRIEFS

1. Steering Brief
2. European Community Topics
 - (i) Restructuring and CAP reform
 - (ii) European Community: Internal (including Steel and State Aids)
 - (iii) European Community: External
 - (iv) Political Cooperation (including Herr Genscher's ideas on European Union)
 - (v) United Kingdom Presidency
3. East West Relations
 - (i) Poland
 - (ii) El Salvador
 - (iii) Afghanistan
 - (iv) Madrid Conference, if still in progress
4. Defence
5. Arms Control
6. The International Economic Scene

including preparations for the Economic Summit meetings in July
7. The Middle East and the Near East
 - (i) Iran/Iraq
 - (ii) Arab/Israel
 - (iii) Lebanon



8. The Mediterranean and The Horn of Africa
 - (i) Libya
 - (ii) Malta
 - (iii) Horn of Africa

9. Bilateral Questions
 - (i) Tornado
 - (ii) Viewdata technology
 - (iii) Energy Questions

10. Italian internal political and economic scene



File No
cc Miss Stephens

10 DOWNING STREET

From the Private Secretary

5 May 1981

CF blue

ANGLO/ITALIAN SUMMIT, 2-3 JUNE

The Prime Minister has seen your letter to me of 1 May on this subject.

She would be willing to see Signor Forlani for a short tete-a-tete before dinner on 2 June and this might be for, say, 30 minutes.

As regards the morning of 3 June, the Prime Minister thinks that three hours talks with Signor Forlani would be too long. She would prefer to think in terms of talks from 1000-1200; a Press Conference from 1215-1245 and a working lunch at 1315.

I should be grateful if you could elaborate a programme on these lines.

M. O'D. B. ALEXANDER

F. N. Richards, Esq.,
Foreign and Commonwealth Office.

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Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

A three hour plenary session
seems to me too much on the second
day. Talks 10-12. Press conference
12.15 - 12.45. ^{Worship} Lunch at 1.15, might
be more sensible. Agree?

1 May 1981

Yes - much better
not.

Dear Michael,

Anglo-Italian Summit, 2-3 June

With the approach of the next Anglo-Italian Summit I should welcome your advice on the shape of the programme.

We await details of the composition of Signor Forlani's party but on past practice the only Minister likely to accompany him is the Foreign Minister, Signor Colombo. We would not recommend participation in the talks by British Ministers other than the Prime Minister and the Foreign and Commonwealth Secretary.

We expect the Italian party to arrive on the afternoon of 2 June. Signor Forlani will probably stay with his Ambassador. I understand that the Prime Minister will host a government dinner that evening. There should be time beforehand for Mrs Thatcher and Signor Forlani to hold a short meeting in private if the Prime Minister wishes.

30 minutes?
Yes mb

On 3 June we envisage a plenary session of talks beginning at 10.00 am and lasting through the morning, followed by a working lunch. The talks could conclude with a press conference in the early afternoon following which the Italian party would leave for Rome.

We should be grateful if you would seek the Prime Minister's agreement to these proposals.

Yours ever,

(F N Richards)
Private Secretary

Francis

M O'D B Alexander Esq
10 Downing Street

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file SIC

Italy

5 March 1981

The Prime Minister is hosting a dinner for Signor Forlani, President of the Council of Ministers in Italy, on Tuesday 2 June.

I should be grateful if you could please arrange for us to have a full briefing in due course.

CAROLINE STEPHENS

CS

Francis Richards, Esq.,
Foreign and Commonwealth Office

file HC

5 March 1981

I have noted that the Anglo/Italian Summit is to take place on 2/3 June. Can I please remind you that the Prime Minister will not be available until after Questions on the Tuesday and will give a dinner in honour of Signor Forlani that evening. Presumably talks will take place soon after his arrival.

I shall keep Wednesday morning free for further talks and/or a press conference.

CAROLINE STEPHENS

Christopher Jebb, Esq.,
Foreign and Commonwealth Office



File

10 DOWNING STREET

MR. THATCHER

The Prime Minister is hosting a dinner for Signor Forlani, President of the Council of Ministers in Italy, on Tuesday 2 June.

Are you agreeable to invitations being issued in your joint names?

CAROLINE STEPHENS

11 February 1981



File

10 DOWNING STREET

MR, INGHAM

We have heard today that there are to be Anglo/Italian bilaterals in London on 2/3 June. We will have to organise a press conference on the morning of Wednesday 3 June.

CAROLINE STEPHENS

11 February 1981

vb

TRAC7

27 January 1981

Anglo/Italian Summit

The Prime Minister has seen your letter to me of 20 January about her next meeting with the Prime Minister of Italy. As I have already told you on the telephone, she would be content for Signor Forlani to be invited to visit this country on 18/19 June.

I am sending a copy of this letter to David Wright (Cabinet Office).

(SGD) MICHAEL ALEXANDER

Francis Richards, Esq.,
Foreign and Commonwealth Office.

↓

PRIME MINISTER

Anglo-Italian Summit

Mr. Richards' letter, attached, raises the question of this year's visit to London by the Italian Prime Minister. I fear it is unavoidable that he be invited to come in the first half of the year but I am sure that, in the effort to increase the gap between visits, we should aim for the second rather than the first quarter of the year. In any case your diary is already hopelessly full in March, which is the month the Italians would prefer.

Caroline and I have identified Thursday/Friday, 18/19 June as a possible date. One could defend these dates on the basis that they would provide a useful opportunity, immediately before the UK assumed the Presidency, to view the prospects for the European Council at the end of the month and for the Economic Summit in July. Agree?

Reviewing your programme for June raises again the question of whether or not to invite President Giscard here then. I know that you do not view the prospect with any enthusiasm but there would be obvious political attractions in having him in, say, the first week of June. It is generally agreed that we are going to get little satisfaction out of him before the French Elections. But if he is to be set on a new course after the Elections, assuming he wins them, the sooner you see him the better. It would also be useful to see him:

- (a) Before the UK takes over the Presidency; and
- (b) Before the three Summit meetings due to take place in June and July.

Finally, June is an attractive time to be in this country. Insofar as the incidentals on these visits have any effects on visitors, it is a good time for them to come. Would you be prepared to agree that we float the idea of a visit in the first week of June with the French?

21 January 1981

still think we have too many heads
J.T.

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Foreign and Commonwealth Office

London SW1A 2AH

20 January 1981

Dear Michael,

Anglo-Italian Summit

During the Prime Minister's visit to Rome in November, Mrs Thatcher told HM Ambassador that she thought April would be the time for Signor Forlani to pay a return visit to London, i.e. between the March and June European Councils. We have now heard that Signor Forlani's preferred timing would be in advance of the European Council Meeting in Maastricht on 23/24 March. The Italian Embassy have suggested a date during the period 10-18 March. Their initial reaction to our tentative suggestion of April was that this might be a little too soon before the June Council meeting.

The European calendar before the March Council, however, already looks crowded, and we consider that the Foreign Affairs Council on 16/17 March, which the Secretary of State will attend, should serve as adequate preparation for the Maastricht meeting. Furthermore, as you know, we intend to suggest in due course to the Italians that the second Summit due in the autumn of 1981 be postponed, presumably until 1982 (your letter of 15 December). We consider that we might find it easier to restrict the frequency of Summits this year if the next in the series is held later rather than sooner. The Anglo-German Summit is to be held at Chequers on 11-12 May. The dates for the Anglo-French Summit have not yet been decided but could be in June. We therefore suggest that in spite of the Italian preference Mrs Thatcher may wish to consider inviting Signor Forlani to visit London sometime in late May or early June, if dates convenient to her can be found during this period.

Yours over,

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

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