

PART 2

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CONFIDENTIAL Filing

Anglo Italian Summits

ITALY

Visit of Sugar Fanfani

PART 1 January 1981

PART 2 FEBRUARY 1982

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
25-2-83 21-3-83 -pt Ends-							
<p style="font-size: 2em;">PREM 19/1071</p>							

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PART 2 ends:-

PM to Funfani (7/32/83)
21/3

FCO to WH 23/8/83.

PART 3 begins:-

TF to FCO 1/9

ANGLO-ITALIAN SUMMIT
25 FEBRUARY, 1983

1. STEERING BRIEF
2. EUROPEAN COMMUNITY TOPICS
 - a. EUROPEAN COMMUNITY
 - b. BUDGET
 - c. 1983 CAP PRICE-FIXING
MEDITERRANEAN
AGRICULTURE
 - d. STEEL
 - e. -
 - f. INTERNAL MARKET
 - g. INTERNATIONAL TRADE ISSUES
 - h. GENSCHER/COLOMBO
PROPOSALS
 - i. NEW COMMUNITY POLICIES
(inc. REGIONAL POLICY)
3. EAST-WEST RELATIONS
 - a. INTRODUCTION (INCLUDING EAST-WEST POLITICAL RELATIONS)
 - b. POLAND
 - c. EASTERN EUROPE (INCLUDING ECONOMIC QUESTIONS)
 - d. CSCE
 - e. AFGHANISTAN
 - f. BULGARIAN INTELLIGENCE
ACTIVITIES (BACKGROUND)
4. ARMS CONTROL AND DEFENCE
 - a. INF, START
 - b. ITALIAN DEFENCE POLICY
 - c. SALE OF TORNADO TO GREECE
5. TRANSATLANTIC RELATIONS
 - a. EAST/WEST ECONOMIC FOLLOW-UP
 - b. EC/UNITED STATES
6. MIDDLE EAST
 - a. ARAB/ISRAEL
 - b. LEBANON
 - c. IRAN/IRAQ

Briefs AMV(83)1-15
can be found in CAB133/529
The set attached to this
file has been destroyed.

7. MEDITERRANEAN ISSUES
 - a. MALTA
 - b. CYPRUS
 - c. LIBYA
8. OTHER REGIONAL ISSUES
 - a. LATIN AMERICA
 - b. CENTRAL AMERICA
 - c. HORN OF AFRICA
 - d. SOUTH EAST ASIA
 - e. NAMIBIA/ANGOLA
9. *World Economic Prospects.*
10. UNITED KINGDOM ECONOMY
11. ITALIAN ECONOMY
12. BILATERAL RELATIONS
 - a. COLLABORATIVE PROJECTS
 - i. EH 101 HELICOPTER
 - ii. AIRBUS
 - b. INDUSTRIAL AND RESEARCH AND DEVELOPMENT COLLABORATION
 - c. BANCO AMBROSIANO (BACKGROUND)
13. SUPER SARA RESEARCH PROJECT
14. UNLOSC
15. ITALY: INTERNAL POLITICS

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Foreign and Commonwealth Office

London SW1A 2AH

23 August 1983

JH says he would be happy to wait for AJC's return for a reply to this.

*18. 20
31. 10/83*

Dear Willie,

W Holmes

Possible Anglo-Italian Summit

Since my letter of 10 August to you about a possible meeting in the autumn between the Prime Minister and the new Italian Prime Minister, Signor Craxi, the Italians have spoken to us both in Rome and in London about their hope that a Summit can be arranged, preferably in October. They envisage inviting the Prime Minister to Rome.

The Italians have not yet proposed any dates and have asked for guidance from us on when the Prime Minister might be available. We have so far said only that we need to await the Prime Minister's return before we can make any helpful response.

The arguments in favour of an autumn Summit were set out in my previous letter. They are strengthened by the clear Italian expectation of a Summit this autumn (Craxi has already referred publicly to this). Clearly we must reply to the Italians before too long and it would be helpful if you would let me know whether the Prime Minister agrees in principle to a Summit in Rome (it is the Italians' turn to host and they are clearly expecting to do so), and if so what dates in October or early November might be possible.

As you know, the French have now agreed to 21 October for the Anglo-French Summit (I hope to write shortly in greater detail about the arrangements). The other dates in October which we had earlier offered to the French were the 24th and 31st. In addition, we had proposed 18 November. Any of these dates might be possible for an Anglo-Italian Summit.

I am copying this letter to Richard Hatfield (Cabinet Office).

You are
J E Holmes

(J E Holmes)
Private Secretary

Willie Rickett Esq
10 Downing Street

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Foreign and Commonwealth Office

London SW1A 2AH

10 August 1983

Dear Tim,

ASC
OJY (seen)

Possible Anglo-Italian Summit

In the last paragraph of his letter of 13 July to Roger Bone, John Coles said that it might be difficult to fit in a Summit meeting with the Italians before the end of the year. He went on to say, however, that there was no point in looking at dates until we knew more about the new Italian government. As that has now been formed, you may wish to know our latest thinking on a possible meeting.

It looks as though the new Italian government will have settled in by the beginning of September. While Signor Craxi faces an uphill task, both in maintaining the government's cohesion and in tackling some of Italy's basic structural and economic problems, there can be no doubt that he has surrounded himself with experienced politicians, including several former Prime Ministers. It will be in our interests to make early contact with all those Ministers directly involved in Anglo-Italian relations, as well as with Signor Craxi himself. In her message of congratulations to Signor Craxi, the Prime Minister expressed the hope that it would be possible to meet soon. The Ambassador at Rome has put forward a number of cogent reasons for an early Summit: We need to influence Italian views on the future financing of the Community at the highest level before the crucial European Council in Athens; we can expect the French to work hard on the new government; we also need to compare notes on INF negotiations and cruise missile deployment with a fellow basing country. In his government statement on 9 August, Signor Craxi is reported to have spoken firmly in favour of the 1979 dual track decision. But there may be one or two alarms along the way. We would also hope to build on the recent progress in industrial co-operation between the UK and Italy. Last, but not least, we face the difficult task of keeping our Community partners in line over the Falklands debate at the United Nations this autumn. Craxi himself may be difficult to convince. A Summit, or the prospect of a Summit could have an important impact on the Italian voting decision.

/We



We do not wish to put forward any specific proposal at this stage. We have still not managed to fix a date for the Anglo-French Summit, though we still hope the French will agree to 21 October. If they do not one possibility might be for the Prime Minister to invite Signor Craxi to London on that date (or alternatively offer to go to Rome). If the French do agree to 21 October, we might consider using the first Anglo-French Summit reserve date of 18 November with the Italians.

I should add that the Foreign and Commonwealth Secretary is hoping to arrange a meeting in London with the new Italian Foreign Minister in October. Timing would obviously need to take account of any decision on a Summit.

Subject to the Prime Minister's views on the principle of a reasonably early Summit we will be in touch about possible dates in due course, when the position about the Anglo-French Summit is clearer.

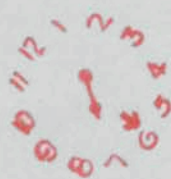
I am sending a copy of this letter to the Private Secretary to Sir Robert Armstrong.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

T Flesher Esq
10 Downing St

110 AUG 1983



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SUBJECT



10 DOWNING STREET

I. Staley HC
cc 720
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THE PRIME MINISTER

21 March 1983

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 32/83**

My dear Prime Minister,

Thank you so much for your kind letter of 3 March. I shall read with pleasure your publication on "Truce, Reforms, Development and Peace" and I was delighted to receive the book about your paintings.

It was extremely kind of you to send me a coffee machine. This will be a permanent souvenir of your recent visit to London. On your next visit we shall both be able to derive greater pleasure from the coffee that is served.

I much look forward to seeing you again at the European Council in Brussels next week.

Yours sincerely

Raymond Storer

His Excellency Senator Amintore Fanfani

[Handwritten mark]



10 DOWNING STREET

Peter Taylor is holding
the coffee machine
referred to in the
attached correspondence.

Mark

16/3

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The Ambassador

2271

Italian Embassy,
4. Grosvenor Square,
London, W.1.

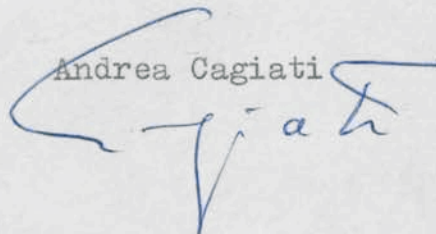
16th March 1983

Dear Mr. Coles,

Further to my letter of 15th March I take pleasure in enclosing, herewith, a letter with two publications sent to the Prime Minister, Mrs Margaret Thatcher, from the President of the Italian Council of Minister, Senator Amintore Fanfani.

A rough translation of the letter is also provided.

Sincerely yours

Andrea Cagiati


Mr A.J. Coles
Private Secretary to the Prime Minister,
10, Downing Street
LONDON SW1

encs:



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T. Kelly

10 DOWNING STREET

From the Private Secretary

16 March, 1983

Thank you very much for your letter of 15 March with which you forwarded a present to the Prime Minister from the President of the Italian Council of Ministers. The Prime Minister will be writing to Senator Fanfani. .

A. J. COLES

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

NR

The Ambassador

*Italian Embassy,
4, Grosvenor Square,
London, W.1.*

2171

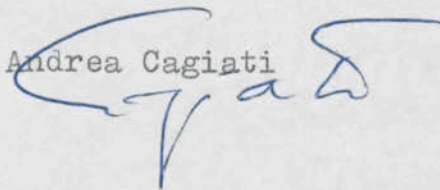
15th March 1983

Dear Mr. Coles

I take pleasure in sending you a present to the Prime Minister, Mrs Margaret Thatcher, from the President of the Italian Council of Ministers, Senator Amintore Fanfani, as a souvenir of his recent visit to London, with reference to their conversation related to the good qualities of Italian coffee.

Sincerely yours

Andrea Cagiati



Mr A.J. Coles
Private Secretary to the Prime Minister,
10, Downing Street
LONDON SW1

SUBJECT

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UNOFFICIAL TRANSLATION

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 75 AA/83

Dear Mrs. Thatcher,

during the conversations we had in London I anticipated my intention to send you a publication on the method used by Saint Francis to negotiate peace (with the wolf, with the bandits, with the Muslims). Today I send you the publication. I add an album in English about the paintings of your guest, which you had the kindness to remember in your gentle toast.

Moreover, in order to meet your nostalgia for Italian "espresso coffee" I send you - with your permission - a machine to prepare two cups at the same time.

As you can see, I maintain a good memory of our useful conversations on political subjects, which were rendered somehow lighter by some digression.

With my best regards

yours sincerely

Amintore Fanfani

Rome, 3rd of March, 1983



Al Presidente
del Consiglio dei Ministri

Roma, 3. 3. '83

Carissima Signora Thatcher,

nel corso della mia conversazione
londinese con lei mi permisi di presun-
ciare l'invio di un mio opuscolo sul
museo creato da San Francisco per ripristinare
la pace (col tempo, con i signori, con i musul-
mani). Eppoi le mandai l'opuscolo, ogni miei-
to. Aggiungo un quaderno in inglese sulla
fabbrica del suo spirito, che ella vede la neces-
sità di rivedere nel suo amabile frontino.

Dunque per venire incontro alla Sua
nostalgia per il caffè-espresso, tabacco
le invio - e mi scusi - una marchi-
etta per preparare che alla volta.

Come vede ho buon ricordo delle nostre
molto utili conversazioni politiche, at-
tente da qualche discussione.

Con il migliore ricordo

Suo devoto
Luigi Jannacci



JP

10 DOWNING STREET

From the Private Secretary

1 March 1983

VISIT BY THE ITALIAN PRIME MINISTER

I enclose with this letter a record of the plenary talks between the Prime Minister and the Prime Minister of Italy which were held at 12 noon on Friday, 25 February. I regret that this record has reached you rather late owing to my absence from the office yesterday.

I am copying this letter and enclosure to the Private Secretaries to the Chancellor of the Exchequer, the Secretaries of State for Defence and Industry, and Sir Robert Armstrong.

A. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office.

SUBJECT
C.M.A.

RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE PRIME
MINISTER OF ITALY, SIGNOR AMINTORE FANFANI, AT 10 DOWNING STREET,
ON FRIDAY 25 FEBRUARY 1983 AT 12 NOON

Present:

Prime Minister	Signor Amintore Fanfani
Secretary of State for Foreign and Common- wealth Affairs	Signor Emilio Colombo
Chancellor of the Exchequer	Signor Pier Luigi Romita
Secretary of State for Defence	Signor Giovanni Gorla
Secretary of State for Industry	Signor Lelio Lagorio
Mr. C. Whitmore, Ministry of Defence	Signor Filippo Pandolfi
Mr. G. Littler, HM Treasury	Signor Andrea Cagiati
Sir Julian Bullard, FCO	Signor Maurizio Bucci
Lord Bridges, FCO	Signor Bruno Bottai
Mr. R. Evans, FCO	Signor Remo Paolini
Mr. S. Roith, Department of Industry	Dr. Mario Sarcinelli
Mr. A. J. Coles, No.10	Signor Fulvio Martini
Mr. A. Wood, FCO	Professor Umberto Ratti
	Dr. Vittoria Barattieri
	Signor Luigi Garofoli
	Signor Leonardo Visconti di Modrone
	Signor Luigi Fontana Giusti

* * * * *

The Prime Minister welcomed the Italian participants and said that she and Senator Fanfani has had interesting and useful discussions, concentrating on the major problems, especially the deployment of Cruise and Pershing missiles in Europe in the context of the negotiations for the zero option. They had also discussed the wider question of the need to keep public opinion on our side in appreciating the need for resolution and strength in

/ the

the negotiations. The Soviet Union, for its part, had no public opinion to worry about. Secondly, she had discussed with the Italian Prime Minister the approach to the Economic Summit at Williamsburg. Public opinion would expect a significant message to emerge from that Summit and we should approach it in a united and clear-minded way. Discussions at Williamsburg ought, no doubt, to be informal but there would also have to be a statement for the press either by means of a communique or by President Reagan speaking on behalf of all the participants. She and Mr. Fanfani had also discussed a variety of Community problems. She thought a general lesson was that we did not always pay sufficient attention to the public presentation of policies despite the care with which the policies themselves were considered.

Senator Fanfani thanked the Prime Minister for arranging the Plenary meeting. He thought her summary very complete and suggested that the other Ministers present report on their bilateral meetings.

Mr. Pym said that during his conversations with Signor Colombo they had considered two subjects:

- (a) INF and arms control, which were of central importance. Their perceptions had been very similar and both had taken a robust line on deployment. They had noted the emerging evidence that Andropov was taking a very hard attitude towards the Geneva negotiations. At some point reasoned comment would be necessary on the Soviet proposals to expose their unrealistic and unbalanced nature. An intermediate position looking towards the zero option would have to be considered in due course, bearing in mind the work by the negotiators at Geneva and the need to approach any particular proposal with extreme care;

/ (b)

- (b) the Middle East, where they had agreed that the next few weeks would be especially critical and important. The Palestine National Council had been critical of the Reagan plan, but had not rejected it. King Hussein would be meeting Arafat in the next few weeks. That might produce an Arab position to be put to the United States, thus focussing attention on whether Israel would be prepared to take part in the peacemaking process. There were two conditions for judging this: firstly, whether Israel would withdraw from the Lebanon (where there were some signs of movement, but not much of significance) and secondly, whether there was a freeze on Israeli settlements in the West Bank, the prospects for which looked doubtful. The political position in the United States in a pre-election period would soon inhibit action. He and Signor Colombo and perhaps the 10 jointly would be expressing the view to both the United States and Israel that early progress was needed.

Signor Colombo said that he agreed with this account of their talks.

Sir Geoffrey Howe said that he and Signor Gorla had discussed two of the three topics he had wanted to review:

- (a) the British and Italian domestic economies showed similarities. They had shared their concern about unemployment, especially among the young, talked over problems of growth and discussed how to secure progress in the battle against inflation. They had agreed on the need to keep interest rates down and control budgetary deficits. They thought this would make a gradual resumption in growth possible. One could see this coming in the United Kingdom. Signor Gorla had placed more emphasis on the Italian need for stimulus from growth in other countries.

/ They both

They both thought the fall in the oil price level might help provided it was not too severe and kept under control. They welcomed the signs of growth in the US economy, hoping that growth would be sustained. He trusted that Williamsburg would underline our general commitment to responsible policies;

- (b) their exchanges on the Community had concentrated on the Budget. They had agreed on the need to avoid an annual argument and therefore the need for a durable solution. Their ideas were different, but not contradictory, on how to achieve the latter.

Signor Gorla had pointed to the necessity, as he saw it, of an increase in the Community's financial resources if a just result was to be obtained. The Chancellor had observed that it would be hard to impose higher burdens on European taxpayers during a recession. They had agreed it would be useful to explore the mechanisms which would allow proper adjustments to take place.

Signor Gorla said that he would like to underline two points in Sir Geoffrey Howe's account. Firstly, they had both been worried about the lasting nature of the US recovery and thought this question might be looked at before Williamsburg. Secondly, the Italians thought the Chancellor had understood their point that the terms of discussion over the Community Budget needed to be widened. It was in this context that they had agreed on further discussions. The views of the two sides did not coincide but he hoped neither would be too rigid.

Mr. Heseltine said his discussions with Signor Lagorio had covered four points:

- (a) the Italian Government remained committed to achieving a 3% growth in real terms in its defence budget. So did HMG;

(b)

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- (b) the EH 101 helicopter had taken up a considerable amount of their discussion. Both Italy and the UK were moving through the decision-making process and Signor Lagorio was a firm supporter of the project. He hoped for an Italian decision in March, to be confirmed in the summer. For his part, Mr. Heseltine thought the British position would become firm within the next few weeks;
- (c) Tornado had been offered to the Greeks through Panavia on agreed credit and offset terms. Greek reactions were awaited; meanwhile it was necessary to watch the competition;
- (d) their attitudes towards installing Cruise missiles in Sicily and the UK had been clear and consistent. Signor Lagorio said he had nothing to add. He had been glad of the opportunity for their talks.

/Mr. Jenkin said

Mr. Jenkin said that he, Signor Pandolfi and Signor Romita had discussed a wide range of subjects of which he would report on three:-

- (a) The EH101 helicopter had been seen by both sides as important and they hoped it would be possible to sign an agreement before Easter. This might perhaps be mentioned to the press. They had also agreed that an official committee on aerospace matters should be set up to consider matters like the Airbus, the A320 and space;
- (b) they had had a useful exchange on nuclear and industrial collaboration which they hoped would lead to wider cooperation. Many areas they had looked at were perhaps more the province of individual enterprises than the Government. He, for his part, would be speaking to those involved on the British side;
- (c) he had emphasised the importance of bringing European steel-making capacity into line with demand and made the point that this would only be possible if all 10 members of the Community collaborated in implementing agreed policies. Signor Pandolfi had explained that substantial reductions were in hand in the private sector but that the public sector in Italy presented great difficulties. He would be discussing the matter with Commissioner Davignon in Brussels, but accepted the need to make the Community policy work.

Signor Pandolfi commented that Mr. Jenkin's summary had been comprehensive. So far as the EH 101 helicopter was concerned, there would be no problem of funding or of a political decision for the civil version and agreement on that could be signed before Easter. So far as steel was concerned, it was easier to combat over-production in the private than the public sector. Lastly, in agreeing to the development of coal policies in a Community framework, Italy had accepted progress in an area of interest to

the UK would would offset the budgetary imbalance. This would help with the mechanisms for adjusting the problem mentioned by Sir Geoffrey Howe. In answer to a comment of approbation from Senator Fanfani, the Prime Minister commented that all we needed now was some 19 or 20 similar mechanisms and the problem might be solved.

Signor Romita said that he accepted Mr. Jenkin's observation that bilateral cooperation was very much the business of individual enterprises. Italian enterprises, for their part, were ready and willing to meet their UK counterparts with a view to collaboration in applying research results in the fields of space, energy and bio-technology. Secondly, he wished to stress the importance of our joint commitment in the Community context to research as symbolised by ISPRA. If Super Sara were to be abandoned alternatives would have to be found for ISPRA and he was looking for a clear commitment to this effect from the next meeting in Brussels. He hoped this might be mentioned in the final statement.

The Prime Minister said that the bilateral conversations had ^{clearly} covered a wide range of problems most effectively. She thought the meeting as a whole had taken place in a happy atmosphere and could properly be described as friendly and successful. Senator Fanfani agreed.

The meeting ended at 1255 hours.

A-J-C.

25 February, 1983.

RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND
THE PRIME MINISTER OF ITALY, SIGNOR AMINTORE FANFANI,
AT 10 DOWNING STREET, ON FRIDAY 25 FEBRUARY 1983 AT
12 NOON

Present

Prime Minister	Signor Amintore Fanfani
Secretary of State for Foreign and Commonwealth Affairs	Signor Emilio Colombo Signor Pier Luigi Romita
Chancellor of the Exchequer	Signor Giovanni Goria
Secretary of State for Defence	Signor Lelio Lagorio Signor Filippo Pandolfi
Secretary of State for Industry	Signor Andrea Cagiati
Cabinet Office represent- ative	Signor Maurizio Bucci Signor Bruno Bottai
Mr C Whitmore, Ministry of Defence	Signor Remo Paolini
Mr G Littler, Treasury	Dr Mario Sarcinelli
Sir Julian Bullard, FCO	Signor Fulvio Martini
Mr R Evans, FCO	Professor Umberto Ratti
Lord Bridges, FCO	Dr Vittoria Barattieri
Mr S Roith, Department of Industry	Signor Luigi Garofoli
Mr Brian Fall, FCO	Signor Leonardo Visconti di Modrone
Mr ^{A.S.} John Coles, No 10	Signor Luigi Fontana Giusti
Mr A Wood, FCO	

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1. The Prime Minister welcomed the Italian participants and said that she and Senator Fanfani had had interesting and useful discussions, concentrating on the major problems, especially the deployment of Cruise and Pershing missiles in Europe in the context of the negotiations for the zero option. ~~and taking down the SS20s.~~ They had also ~~talked over~~ ^{discussed} the wider question of the need to keep public opinion on our side in appreciating the need for resolution and strength in the negotiations. The Soviet Union, for its part, had no public opinion to worry about. Secondly, she had discussed with the Italian Prime Minister the approach to the ^{Economic} Summit at Williamsburg. Public opinion ~~would~~ ^{could} expect a significant message to emerge from that Summit and ~~it was best to~~ ^{we should} approach it in a united and clear-minded way. Discussions at Williamsburg ought, no doubt, to be informal but there would also have to be a statement for the press either by means of a communique or by President Reagan speaking on behalf of all the participants. ~~They had turned to~~ ^{She and Mr. Fanfani had also discussed} a variety of Community problems. ~~during the time when they had been joined by the two Foreign Ministers.~~ She thought a general lesson was that we did not always pay sufficient attention to the public presentation of policies despite the care with which the policies themselves were considered.

2. Senator Fanfani thanked the Prime Minister for

/arranging

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CONFIDENTIAL

arranging the Plenary meeting. He thought her summary very complete and suggested that the other Ministers present report on their bilateral meetings.

3. Mr Pym said that during his conversations with Signor Colombo they had considered two subjects:

(a) INF and arms control, which ^{were} ~~was~~ of central importance.

Their perceptions had been very similar and both had taken a robust line on deployment. They had noted the emerging evidence that Andropov was taking a very hard ^{attitude} ~~line~~ towards the Geneva negotiations. At some point reasoned comment would be necessary on ^{the} ~~the~~ Soviet proposals to expose their unrealistic and unbalanced nature. An intermediate position looking towards the zero option would have to be considered in due course, bearing in mind the work by the negotiators at Geneva and the need to approach any particular proposal with extreme care ~~and~~.

(b) the Middle East, where they had agreed that the next few weeks would be especially critical and important.

The ² ~~2~~ Palestinian National Council had been critical of the Reagan plan but had not rejected it. King Hussein would be meeting Arafat in the next few weeks. That might produce an Arab position to be put to the United States, thus focussing attention on whether Israel would be prepared to take part in the peacemaking process. There were two conditions for judging this: firstly, whether Israel would withdraw from the Lebanon (where there were some signs of movement, but not much of significance) and secondly, whether there ~~was~~ ^{was} a freeze on ^{Israeli settlement} ~~the~~ position in the West Bank, where ^{the} ~~the~~ prospects ^{to which} ~~looked~~ ^{questionable} ~~questionable~~.

If there was no action soon the political ^{position} decision in the United States would become difficult in a pre-electoral period. Both he and Colombo and perhaps the 10 jointly would be expressing the view that early progress was needed ^{to} both the United States and the Israelis. ^{agreed with this} Signor Colombo said he accepted this description. ^{most of the talk.}

4. Sir Geoffrey Howe said he and Signor Goria had discussed two of the three topics he had wanted to review:

(a) the British and Italian domestic economies showed similarities, ^{and} They had shared their concern about unemployment, especially among the young, ^{talked over} problems over growth and ^{discussed} how to secure progress in the battle against inflation. They had agreed on the need to keep interest rates down and control budgetary deficits. They thought this would make a gradual resumption in growth possible. One could see this coming in the United Kingdom but Signor Goria had placed more emphasis on the ^{Italian} need for Italian growth elsewhere. They thought the fall in the oil price level might help provided it was not too severe and kept under control. ^{They} and welcomed the signs of growth in the US economy, hoping that growth would be sustained. He trusted that Williamsburg would underline our general commitment to responsible policies;

(b) ~~as two Finance Ministers~~ ^{had} their exchanges on the Community concentrated on the Budget. They had agreed on the need to avoid an annual argument and therefore the need for a durable solution. Their ideas were

/different

different, but not contradictory, on how to achieve the latter. Signor Gorla had pointed to the ^{necessity, as he saw it,} need, in his eyes, ^{of an} to increase ⁱⁿ the Community's financial resources if a just result was to be obtained. The Chancellor had pointed out that it would be hard to impose higher burdens on European taxpayers during a recession. They had agreed it would be useful to explore the mechanisms which would allow proper adjustments to take place.

5. Signor Gorla said he would like to underline two points in Sir Geoffrey Howe's account. Firstly, they had both been worried about the lasting nature of the US recovery and thought this question might be looked at before Williamsburg. Secondly, ^{Italians} they thought the Chancellor had understood the ⁱⁿItalian point that the terms of discussion over the Community Budget needed to be widened. It was in this context they had agreed on further discussions. The views of the two sides did not coincide but he hoped neither would be too rigid.

6. Mr Heseltine said his discussions with Signor Lagorio had covered four points:

(a) the Italian Government remained committed to achieving a 3% growth in real terms in its defence budget. So did HMG;

(b) the EH 101 helicopter had taken up a considerable amount of their time. Both Italy and the UK were moving through the decision-making process and Signor Lagorio was a firm supporter of the project. He hoped for an Italian decision in March, to be confirmed in the summer. For his part, Mr Heseltine thought

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the British position would become firm within the next few weeks;

(c) Tornado had been offered to the Greeks through Panavia on agreed credit and offset terms. Greek reactions were awaited; meanwhile it was necessary to watch the competition;

(d) their attitudes towards installing Cruise missiles in Sicily and the UK had been clear and consistent. Signor Lagorio said he had nothing to add. He had been glad of the opportunity for their talks.

7. Mr Jenkin said that he, Signor Pandolfi and Signor Romita had discussed a wide range of subjects of which he would report on three:

(a) ^{the}EH 101 ^{helicopter} had been seen by both sides as important and they hoped it would be possible to sign an agreement before Easter. This might perhaps be mentioned to the press. They had also agreed that an official committee on aerospace matters should be set up to consider matters like the Airbus, the A320 and space;

(b) they had had a useful exchange on nuclear and industrial collaboration which they hoped would lead to wider cooperation. Many areas they had looked at were perhaps more ^{the} provinces of individual enterprises than the Government. He, for his part, ~~would~~ be speaking to those involved on the British side;

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/agreed

agreed policies. Signor Pandolfi had explained that substantial reductions were in hand in the private sector but that the public sector in Italy presented great difficulties. He would be discussing the matter with Commissioner Davignon in Brussels but ^{accepted} ~~agreed~~ on the need to make the ^{Community} policy work.

8. Signor Pandolfi commented that Mr Jenkin's summary had been comprehensive. So far as the EH 101 helicopter was concerned, there would be no problem of funding or of a political decision for the civil version and agreement on that could be signed before Easter. ~~He~~ ~~underlined the point,~~ ^S so far as steel was concerned, ~~that~~ it was easier to combat over-production in the private than the public sector. Lastly, ~~he would like to point out that~~ in agreeing to the development of coal policies in a Community framework, Italy had accepted progress in an area of interest to the UK which would offset the budgetary imbalance. This would help with the mechanisms for adjusting the problem mentioned by Sir Geoffrey Howe. In answer to a comment of approbation from Senator Fanfani, the Prime Minister commented that all we needed now was some 19 or 20 similar mechanisms and the problem might ~~be~~ solved.

9. Signor Romita ^{said he would} ~~wanted to add to Signor Pandolfi's~~ ~~remarks~~ that he accepted Mr Jenkin's observation that bilateral cooperation was very much the business of individual enterprises. Italian enterprises, for their part, were ready and willing to meet their UK counterparts with a view to collaboration in applying research results

/in

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in the ^{field of} space, energy and bio-technological ~~fields~~.
Secondly, he wished to stress the importance of our joint commitment in the Community context to research as symbolised by ISPRA. If Super Sara were to be abandoned alternatives would have to be found for ISPRA and he was looking for a clear commitment to this effect from the next meeting in Brussels. He hoped this might be mentioned in the final statement.

10. The Prime Minister said the discussions had shown that the bilateral conversations had ^{covered} ~~discussed~~ a wide range of problems most effectively. She thought the meeting as a whole had taken place in a happy atmosphere and could properly be described as friendly and successful.

Senator Fanfani agreed.

The meeting ended at 1255 hrs.

M 25.
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Dr. Tech Bonita

Ind Pandolfi

Dutene Lagorio

ANGLO/ITALIAN SUMMIT: MAIN POINTS

EC BUDGET

Treasury Corio

Fanfani must leave London knowing that a solution by June is politically important to you.

He must also be disabused on own resources (see Robert Armstrong's minute attached).

OTHER EC ISSUES

✓
no
The Italians are keen on "relaunching the Community" in 1983, by expanding own resources and perhaps by having a special European Council. They also want the Genscher/Colombo proposals signed soon. If we want their help on the Budget, we shall have to seem "positive" on something. I am afraid that it will have to be the Genscher/Colombo proposals since if we are difficult about these not only the Italians but the Germans will be upset.

DEFENCE

✓
A principal aim of the Summit should be an agreed statement to the press on INF which in particular welcomes Reagan's latest statement. A draft press statement, covering this and other issues, is attached.

SPECIAL POINTS

DEATH OF MARCOBA

Remember to offer condolences on death on 5 February of Signor Marco, former Minister of Industry and before that Minister of Agriculture.

BULGARIAN INTELLIGENCE ACTIVITIES

The Italians may tell us latest information on investigation into link between the Bulgarians and the attempt on the Pope's life.

Replacement 1 IMF? →
withstanding

/DEATH OF

DEATH OF SIGNOR CALVI: (BANCO AMBROSIANO)

If necessary, simply say that our people have been instructed to co-operate fully with Italians in investigation.

SUPER SARA PROJECT

Say: it should be cancelled because European scientists believe it is not cost-effective. But the ISPRA establishment in Northern Italy is potentially valuable and we want to see it continue.

LAW OF THE SEA CONVENTION

Don't sign. Work with us to make deep sea mining arrangements more acceptable.

EH 101 HELICOPTER

We shall need to establish the position at tomorrow's briefing meeting.

AIRBUS A320

We agree that commercial viability must be demonstrated before commitment made.

PRIME MINISTER'S PRESS STATEMENT

JOINT PRESS CONFERENCE

VICKERS CINEMA, MILLBANK

FRIDAY 25 FEBRUARY

1500 HOURS

h-a.
AR 25/12.

LADIES AND GENTLEMAN,

I HAVE GREATLY VALUED THIS OPPORTUNITY OF A TALK
WITH SENATOR FANFANI AT THE OUTSET OF WHAT
WE ALL RECOGNISE WILL BE A CRUCIAL YEAR
FOR BOTH THE COMMUNITY AND THE ALLIANCE.
~~WE BOTH SHARE A STRONG INTEREST IN THE~~
~~FUTURE DEVELOPMENT OF THE FORMER AND IN~~
~~THE UNITY OF THE LATTER.~~

THIS IS THE FIRST TIME THAT I PERSONALLY HAVE HAD THE
PLEASURE OF WELCOMING SENATOR FANFANI TO
LONDON (THOUGH NOT, OF COURSE, THE FIRST
TIME WE HAVE MET) AND OUR DISCUSSIONS
THEREFORE COVERED A BROAD SPECTRUM OF

/SUBJECTS

~~SUBJECTS OF IMPORTANCE ON THE DOMESTIC AND
INTERNATIONAL SCENE.~~

WE HAVE HAD A WIDE-RANGING DISCUSSION ON EAST-WEST

RELATIONS AND IN THIS CONTEXT ON INF BASING.

WE REMAIN FIRM IN OUR SUPPORT OF THE 1979 NATO
DUAL TRACK DECISION.

WE BOTH WARMLY WELCOME PRESIDENT REAGAN'S SPEECH
OF 22 FEBRUARY AS AN IMPORTANT CLARIFICATION OF
THE ALLIANCE STAND ON INF ARMS CONTROL.

THE PRESIDENT MADE IT CLEAR THAT THE ZERO
OPTION IS NOT A TAKE-IT-OR-LEAVE-IT OFFER AND
IT IS PARTICULARLY HELPFUL THAT AMBASSADOR NITZE
HAS INSTRUCTIONS TO EXPLORE ANY SOLUTION
CONSISTENT WITH THE ALLIANCE'S PRINCIPLES OF

/BALANCE,

BALANCE, THAT IS - EQUALITY BETWEEN THE US
AND USSR; EXCLUSION OF BRITISH AND FRENCH
NUCLEAR SYSTEMS; PROPER VERIFICATION,

BUT IF THE GENEVA TALKS FAIL TO PRODUCE AGREEMENT
ON THE ZERO OPTION, WE SHALL BOTH FULFIL
OUR COMMITMENTS TO BEGIN TO DEPLOY CRUISE
MISSILES.

THIS WOULD BE ESSENTIAL TO THE MAINTENANCE
OF THE SECURITY OF WESTERN EUROPE.

/WE ALSO

WE ALSO DISCUSSED COMMUNITY MATTERS AND AGREED THAT,
FOLLOWING ITS RECENT SUCCESS ON THE COMMON
FISHERIES POLICY, THE COMMUNITY MUST NOW MAKE
A REAL AND URGENT EFFORT TO FIND A LASTING
SOLUTION TO ITS FINANCIAL PROBLEMS.

WE ALSO AGREED ON THE NEED TO CURB COMMUNITY
SURPLUSES OF AGRICULTURAL PRODUCTS AT THE
FORTHCOMING PRICE FIXING; AND WE FOUND WE
HAD MUCH IN COMMON IN OUR ATTITUDE TO THE WAYS
IN WHICH THE COMMUNITY SHOULD DEVELOP, FOR
EXAMPLE, BY ENSURING THAT THE REGIONAL FUND
SHOULD GIVE GREATER PRIORITY TO AREAS OF
GREATEST NEED AND BY DEVELOPING THE INTERNAL
MARKET.

/In the context

IN THE CONTEXT OF COMMUNITY TRADE, WE ARE BOTH
CONSCIOUS OF THE NEED TO PRESERVE THE OPEN
TRADING SYSTEM, NOW UNDER GREATER PRESSURE
THAN AT ANY TIME IN THE COMMUNITY'S HISTORY.
HERE THE KEYNOTE MUST BE SELF-DISCIPLINE:
SELF-DISCIPLINE ON THE PART OF THOSE WHO
EXPLOIT UNFAIR OR UNEQUAL CONDITIONS OF TRADE
TO THE POINT WHERE THEIR ACTIONS PLACE
INTOLERABLE STRAINS ON OUR TRADING RELATIONSHIPS
WITH THEM; AND SELF-DISCIPLINE ON THE PART OF
ALL WHO ARE TEMPTED TO HURL THEMSELVES INTO
THE LETHAL WHIRLPOOL OF BEGGAR-MY-NEIGHBOUR
PROTECTIONISM.

/FINALLY,

FINALLY, THESE SUMMIT MEETINGS PROVIDE TANGIBLE EVIDENCE
OF THE EXCELLENT STATE OF OUR BILATERAL RELATIONS,
THE FACT THAT WE HAVE BEEN ABLE TO CONCENTRATE ON
THE COMMUNITY, THE ALLIANCE AND EAST-WEST RELATIONS,
AND ON INTERNATIONAL ECONOMIC PROBLEMS RATHER THAN
PURELY BILATERAL PROBLEMS IS EVIDENCE OF THAT.
OUR TWO COUNTRIES ARE LINKED BY DEEP TIES OF
FRIENDSHIP AND COOPERATION.
WE HOPE THAT WE SHALL BE ABLE TO GO AHEAD THIS
SUMMER WITH THE JOINT DEVELOPMENT OF THE EH101
HELICOPTER.
WE ALSO RECOGNISE THE NEED FOR EARLY COMMUNITY
AGREEMENT ON A SATISFACTORY FUTURE WORK PROGRAMME
FOR THE COMMUNITY SCIENTIFIC RESEARCH CENTRE AT
ISPRA IN ITALY.

/ SENATOR FANFANI AND I

-6A-

SENATOR FANFANI AND I WANT TO ENRICH BRITISH-
ITALIAN UNDERSTANDING AND TO BROADEN THE SCOPE
OF EXISTING BILATERAL CONTACTS.

WE HAVE TO THAT END GIVEN OUR BACKING TO A
PROPOSAL FOR A BRITISH-ITALIAN ROUND TABLE,
TO BE HELD IN 1983.

/ OUR OFFICIALS

OUR OFFICIALS WILL NOW LOOK AT THE PRACTICAL
DETAILS.

WE HOPE THE ROUND TABLE CAN BECOME A FORUM IN
WHICH PEOPLE WITH A COMMON INTEREST IN BRITISH
AND ITALIAN AFFAIRS CAN PERIODICALLY MEET AND
EXCHANGE VIEWS.

I HAVE IN MIND POLITICIANS, BUSINESSMEN,
ACADEMICS, JOURNALISTS - ANYONE WHOSE
EXPERIENCE CAN BRING A FRESH CONTRIBUTION
TO OUR RELATIONS.

PRIME MINISTER

YOUR TALKS WITH MR. FANFANI

His diplomatic adviser (Ambassador Paolini) confirmed last night that at today's tete-a-tete Fanfani would like to discuss with you:

- (a) East/West strategic relations, including INF and defence;
- (b) international economic questions, including Williamsburg;
- (c) European Community subjects (this is largely an opportunity for us to get over our point about the budget - following which it may be best for the two Foreign Ministers to join you to continue the discussion of Community issues and then proceed to other matters).

I attach a text which the Italians gave us last night for that section of the Communique dealing with the proposal for a "Round Table". It is very similar to the text we had in mind but the English is not very good. I attach the full text of your press statement, amended in the light of last night's briefing meeting. I do not suggest that you waste time discussing it with Mr. Fanfani. Officials can get together during the morning and you could look at it over lunch.

A.J.C.

25 February 1983

Our two countries are linked by deep ties of friendship. Senator Fanfani and I want to enrich British-Italian understanding and to broaden the scope of existing bilateral contacts.

To this end we have given our backing to the proposal for a yearly Italian-British round table which will bring a new contribution to our relations.

We hope that the round-table will be a forum in which people with a common interest in the relations between Italy and Great Britain can meet and exchange their views on various specific issues. They will be introduced by experts and discussed by representatives from cultural, political-parliamentarian, economical-social world who have an interest to the various issues with the participation of representatives of the press.

The round table will be held in 1983 in.....
and will be focussed on.....

Our officials will look at the practical details in view of carrying out the proposal.



SECRET file

B.P.

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10 DOWNING STREET

cc Master
From the Private Secretary

25 February 1983

Dear Roger,

VISIT OF THE ITALIAN PRIME MINISTER

I enclose a record of the talks which took place here at 1115 hours today between the Prime Minister, Mr. Fanfani, the Foreign and Commonwealth Secretary and the Italian Foreign Minister.

There will be no record of the discussion at lunch, which was of an informal nature.

I am sending copies of this letter and enclosure to John Kerr (HM Treasury), Robert Lowson (Ministry of Agriculture, Fisheries and Food) and Richard Hatfield (Cabinet Office). The record should not be circulated outside Private Offices, except where this is operationally essential.

*Yours ever
John Bone.*

R. B. Bone, Esq.,
Foreign and Commonwealth Office.

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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF ITALY AT 1115 HOURS ON FRIDAY 25 FEBRUARY AT NO. 10

Present:

Prime Minister	Mr. Fanfani
Foreign and Commonwealth Secretary	Mr. Colombo
Mr. Coles	Mr. Paolini
Interpreter	Mr. Cagiati
	Interpreter

* * * * *

The Prime Minister gave a brief description of the tête-à-tête conversation which she had just had with Mr. Fanfani and then suggested that the discussion should turn to Community issues.

It was very satisfactory that the Community had at last achieved a Common Fisheries Policy. This had long eluded us and its adoption was a genuine step forward.

She wished to make a political point about the United Kingdom budget problem. We did not know when the next UK Election would take place. But it was absolutely vital that there should be an effective solution to the UK budget problem soon. If there was an Election in Britain this year, the absence of a long-term budget solution would have a devastating effect on the campaign. She could not over-emphasise the point.

Nothing effective was likely to happen on this matter during the second half of 1983 when Greece would have the EC Presidency. It followed that the agreement must be achieved under the German Presidency. She would therefore raise the question at the March Council and would not be able to leave the June Council without a settlement of the issue. This was a political imperative. Italy would find Britain very firm and very active on this matter.

Mr. Fanfani asked Mr. Colombo to comment. Mr. Colombo said that he believed that every effort must be made to find a

/ solution

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solution this year. But a valid solution must take account of recent developments, in particular the new attitude of the European Parliament. The recent Green Paper produced by the European Commission provided an opportunity to discuss a whole complex of issues. It contained proposals which could result in balanced solutions both for the United Kingdom and for Germany. A determination to deal with the whole question of the Community's future would make it easier to obtain a solution to the UK budget problem for 1983.

The Prime Minister said that the root of the problem lay in the Common Agricultural Policy and in particular with the way that northern products were managed under that policy. Large surpluses of northern products were built up. Their storage and disposal to other countries were extremely expensive. The practice was bad and foolish. Mr. Colombo said that this was of course true but one had to be realistic. With regard to the CAP, the Community could not take a backwards step. A price increase of 6-7% for CAP products was being talked about this year. The Prime Minister said that such an increase was too great. Mr. Colombo said that it was too great for countries with low inflation rates, but too small for those with high inflation rates.

The Prime Minister said that she felt that the discussion was entering into too much detail. The details would have to be covered in the eventual negotiation. But the point she wanted to make was that the United Kingdom budget problem must be solved by June. She was opposed by a political party which would use every possible weapon against the European Community. If it were handed the weapon of an unfair budget arrangement, this could be very damaging. A satisfactory solution must be adopted by June.

Mr. Colombo said that Italy needed some progress on Mediterranean policy. Otherwise it would find it difficult to agree to enlargement of the Community. The Prime Minister said that she was anxious that Portugal, which had managed to free itself from Communism, should enter the Community. It needed a helping hand. Negotiations with Spain would take a long time because of the French attitude. However, she understood the difficulty of one country entering separately from the other.

Mr. Fanfani said that President Mitterrand had told him last week that he would no longer raise problems with regard to the entry of Spain. Indeed, he wished this to be speeded up and envisaged it taking place in 1985. Mitterrand thought that both Spain and Portugal must enter at once. He was aware of the problems - especially those relating to wine, fruit and vegetables - but had in mind what the Prime Minister had said in Copenhagen, namely that despite the sacrifices involved we must help these two countries. Questions of political strategy, democracy and defence were involved. The sacrifices must be faced. He had been surprised to hear that Mitterrand saw no real obstacles to enlargement, but this was apparently the case.

Mr. Colombo said that it was realistic to look at all these problems together - the British budget problem, the German problem, Mediterranean policy and enlargement. The Prime Minister observed that if we waited for solutions to everything we should get solutions to nothing. Mr. Colombo agreed that a solution for 1983 was necessary, but the Community also had to look at the whole future of its finances. The Prime Minister commented that it had been doing just that for the last 18 months. She recalled the three chapters of the Mandate. We had to have a satisfactory solution. As seen from London, the Community was financed by Germany and the United Kingdom. She simply could not go into an Election and say that this situation would continue in the future.

Mr. Colombo said that there appeared to be agreement between France and Germany that before the end of the German Presidency there should be a European Council of a new character, devoted to a re-launching of the European Community. Heads of State and Government would be invited to adopt definitive positions on three or four fundamental issues.

The Prime Minister commented that all this was excellent provided it was not used as a substitute for progress on the practical problems which confronted us. The moment to re-launch the Community was when the practical problems had been solved. She would be glad to envisage a re-launching in June because that would imply that the United Kingdom budget problem would be solved by then.

/ Mr. Colombo

Mr. Colombo said that he saw the re-launching process as a means of solving practical problems. But the problem of the UK's 1983 budget contribution should be settled separately and first. The Prime Minister said that a settlement for 1983 alone was not enough. We should simply renew the argument in December. It was ridiculous to have to keep returning to this matter. If our budget problem was settled, she would be delighted to agree to a process of re-launching the Community. Mr. Colombo said that in the Italian mind re-launching was essentially an economic matter, based on better and balanced financing of the Community. That would help to solve Britain's budget problem. The Prime Minister said that it was an illusion to imagine that the problem could be solved in that way. The fundamental difficulty was the way in which the Common Agricultural Policy was run.

The discussion ended at 1200 hours and was followed by a plenary session.

A.J.C.

25 February 1983



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10 DOWNING STREET

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SUBJECT
cc Master

From the Private Secretary

25 February 1983

Dear Brian,

Prime Minister's Tête-à-Tête with Senator Fanfani

I enclose a record of the Prime Minister's tête-à-tête with Senator Fanfani this morning.

I am copying it to John Kerr (HM Treasury), Richard Mottram (Ministry of Defence), John Rhodes (Department of Trade) and Richard Hatfield (Cabinet Office).

Yours ever,

Robin Butler

Brian Fall Esq
Foreign and Commonwealth Office.

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BILATERAL DISCUSSION BETWEEN THE PRIME MINISTER AND HIS EXCELLENCY
SENATOR FANFANI AT 10 DOWNING STREET ON FRIDAY 25 FEBRUARY AT
1030 A.M.

Present:

Prime Minister

H.E. Senator Amintore Fanfani

Mr. F.E.R. Butler

H.E. Ambassador Remo Paolini

Two interpreters

* * * * *

East/West Relations and INF Negotiations

The Prime Minister said that she had made no public statement about President Reagan's latest speech on the zero option and deployment of INF missiles, but she regarded it as helpful. She regarded Vice-President Bush's visit as having been successful: there had been good talks in London and he had conveyed the impression that the Americans were both reasonable and keen to achieve a multi-lateral reduction of nuclear weapons. This was important because President Reagan had been wrongly presented in a harsh light, as if he wanted nuclear weapons for their own sake. This was of course wrong: the truth about the Cruise and Pershing missiles was that the Europeans had proposed their deployment in Europe in order to involve the Americans more closely in European defence. There were two aspects of the latest American position which were particularly helpful: the first was their clarification that the zero option was not the only option and that they were prepared to consider an intermediate position providing that equality was maintained; and the second was that Ambassador Nitze had been instructed to explore any reasonable Russian proposals. She suggested that Senator Fanfani and she might usefully stress these points at the Press Conference following their talks. The British Government had also suggested to Vice-President Bush that it would be helpful if agreement was reached on the timing of deployment of the Cruise missiles. It would suit the British Government, and she had the impression that it would suit the Germans, if there were no deployment before November, since the public were expecting that the majority of this year would be available for negotiation with the Russians.

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/She did not

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She did not propose any public statement about the timing, but it was important that the European allies should keep together on this aspect.

Senator Fanfani said that the Prime Minister's remarks reflected exactly the sentiments which the Italian Government had put to Vice-President Bush and more recently to President Reagan. They were in full agreement on the attitude to be taken to future missile bases. The zero option was the best objective, but intermediate objectives were worth pursuing, provided that a balance was maintained without the inclusion of the independent United Kingdom and French deterrents, but with the inclusion of any destabilising Soviet installations. The Italian approach was based on respecting the 1979 NATO agreement; and work was continuing in preparation for commissioning the missiles to be located in Italy. It was important that the West should from the start take a firm position with the Russians in order to encourage those in Russia (if any) who were in favour of meaningful negotiations. An important aspect in his view was the question of whether political or military opinion prevailed in Moscow.

The Prime Minister asked whether Senator Fanfani was saying that he thought that there was some schism between the two. Senator Fanfani recalled that when he met Mr. Krushchev in 1961 and Mr. Krushchev was criticising President Kennedy for escalating the US nuclear armoury, Senator Fanfani had defended President Kennedy by saying that he had to take account of the opinion of United States electors: Krushchev had made a reply which was very revealing and which Senator Fanfani still took as a point of reference: "I have to take account of the opinion of my Generals". The Prime Minister commented that she would have expected even the Russian Generals to have been given pause by their experiences in Afghanistan and Vietnam. They were in danger of creating the encirclement of Russia by disaffected satellite countries.

Senator Fanfani commented that on the invasion of Afghanistan the Generals had prevailed over Mr. Brezhnev: in the case of Poland Mr. Brezhnev's view had prevailed, but an exchange which he had had with Mr. Brezhnev, when he was President of the Senate, had indicated

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- 3 -

that military considerations, in terms of the risk to military communications between Russia and East Germany, was an important element in their attitude to Poland. Senator Fanfani therefore thought that the Russian military leaders were very important and were likely to impede reductions of Russian missiles, lest they lost their cards of military supremacy.

Senator Fanfani said that negotiations with the Russians involved two duels, one public and one private. The private duel was the Geneva negotiations. It was essential that the West maintained their determination on this. The West must not forget that if the Russian military view prevailed it could bring us to the edge of the abyss: the Russians had no more than 18 months before supremacy returned to the West, and there was now evidence that they had been disturbed by the launch of the American Space Shuttle, which they regarded as drastically affecting the East/West balance. The public duel was over who captured public opinion in the West, and this was reflected in Russian efforts to gain the support of the World Peace Movement. The Western Governments could best counter that by showing their eagerness to achieve multi-lateral disarmament. The Russians were trying to isolate Western Governments from their people, and evidence for this was the effort that they were making within the churches. He recalled that he had been asked to speak at a conference to open the Centenary Year of St. Francis at the same time as the American Bishops had issued a statement of extreme pacifism. His own speech had been designed to show that St. Francis would not have been a pacifist and he would send a copy of this to the Prime Minister.

The Prime Minister commented that the Pope had taken a firm position. The debate in the British Synod had resulted in a majority of 3 to 1 against the unilateralists, despite the publicity which had been given to them beforehand. In her view this was because people knew in their hearts that only strength preserved their freedom. Senator Fanfani commented that history proved this right. President Kennedy only persuaded the Russians to withdraw their missiles from Cuba in 1961 because they had Jupiter missiles

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installed in Italy and Turkey which, with the agreement of the Italians and the Turks, were withdrawn in order to persuade the Russians to withdraw their weapons from Cuba.

The Prime Minister said that she regarded it as particularly important in this situation that the United States and the other Western allies should have no differences in their attitude to the Russians. A difficult area here was trade restrictions. Her experience was that trade restrictions were never effective. It was essential that they should be applied to equipment which had implications for Western security, but in respect of other goods she thought that the United States overestimated their effect. Since in any case the Americans continued to supply wheat, their stance was unconvincing. Another problem was extra-territoriality. The British Government's view was that overseas subsidiaries should follow the laws of the country in which they were located: it would be helpful to sort this out with the Americans. She was not proposing any weakening of the Western attitude to Russia, but it needed to be considered dispassionately whether trade restrictions were effective. In the long run she believed that the greatest danger to Russia was the circulation of ideas which could not be forever restricted there.

Senator Fanfani said that Cardinal Wyszynski had told him shortly before his death that he had much information about what was going on in Russia which indicated that not only the young but workers generally were critical of the incapacity and efficiency of the Russian system. Even so, no rapid developments in internal resistance in Russia were to be expected: it would take perhaps as many as ten years. The Prime Minister intervened to invite Senator Fanfani's view on why resistance had broken out in Poland but not in Russia: had the election of a Polish Pope and the fact that Poland was a Catholic country played a part in this? Senator Fanfani said that it had: the Catholic religion was an integral part of Polish life: in no city were more priests and sisters in habits to be seen than in Warsaw. Another aspect had been the Polish character and psychology, which was admirable but dangerously impetuous. That had been seen in the rash demands of Solidarity.

The Williamsburg Summit

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The Williamsburg Summit

The Prime Minister said that, in preparing for the Williamsburg Summit, it had to be considered whether a formal communique should be issued or whether the proceedings should be kept as informal as possible. She understood that the original intention of these summits was that they should be informal and that President Reagan wanted to return to that after the formality and lavishness of Versailles.

Senator Fanfani commented that he had heard President Mitterrand criticise the formality of the last summit in terms which had made him wonder whether Versailles was still in France! He thought that informal discussions between the leaders were essential, but the advantage of a formal communique was that it provided a shield against subsequent press comment which undermined what had been agreed. He had not himself reached a conclusion on where the balance should be struck, but he thought that the summit was well timed in relation to the deployment of Cruise and Pershing missiles later in the year and that the outcome of the summit had to be carefully considered in this respect.

The Prime Minister suggested that President Reagan should be advised to conduct the summit on two levels. There should be a level of quiet and informal talking, but some formal communique should be issued to prevent the press from interpreting its absence as a sign of lack of agreement and disarray. Ambassador Paolini intervened to say that he understood that the Americans were envisaging an announcement by President Reagan on jointly agreed points, rather than a joint communique: this idea would be discussed by the Personal Representatives in San Diego. The Prime Minister said that this might well

/prove

prove a satisfactory solution. One of the problems about the summit was that all the Heads of Government were accompanied by their press officers, and that a lot of informal press briefing went on during the meeting.

Anglo/Italian Round Table

Senator Fanfani invited Mrs. Thatcher's views on the proposal for a British/Italian round table to be held in 1983. The Prime Minister said that she welcomed it: she thought it a good idea to associate it with the centenaries of Newton and Galileo; but suggested that some form of cultural anniversary might be associated with it also.

F.R.B.

25 February 1983

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JWP

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SUBJECT

cc Master



10 DOWNING STREET

From the Private Secretary

25 February 1983

VISIT OF SENATOR FANFANI

At a brief tete-a-tete conversation between the Prime Minister and Mr. Fanfani before dinner on 24 February, the discussion was entirely about Italian domestic politics.

Mr. Fanfani said that he had recently faced three votes of confidence in the Italian Parliament. This had confirmed his government's majority of about 100 votes. His problem was to maintain the unity of the coalition.

The normal legislative term would end in June 1984. But there would be local elections in a substantial part of Italy in June, 1983. There was a temptation for one or other party in the coalition to use the local elections to anticipate the national elections. It was especially tempting for the Socialists to try to increase their strength in the local elections and then manoeuvre to oblige the Italian President to dissolve Parliament. But the Socialists had not yet decided on such a policy and might now be less determined to pursue it. They had recently said publicly that they were satisfied with the present government.

Meanwhile, Italian eyes were very much on the 6 March elections in Germany and the 13 March ballot in France. The latter would show the extent to which the French Socialists had managed to retain support. If the Socialists did well in both countries, and especially if they won in Germany, the Italian Socialists would be more tempted to make a bid for power in Italy.

Within the Italian Socialist Party there was a group which would prefer to break away and join forces with the Communist Party. 6 March was also the day when the Congress of the Italian Communist Party would come to an end. That Party was in a state of crisis for a number of reasons, including the question of relations with Moscow. A new factor was the introduction of secret voting in the Congress. This was a great novelty which was producing surprising results: For example, the leader of the Communist Party in the Senate had not been elected to the Congress. The leader in the Chamber had come twenty-first on the list of those elected. These developments raised the question of whether the Italian Communist Party was evolving towards democracy and whether a split within the Party was likely. So for many reasons 6 March could be an historic day in Italy. His impression was that the Italian Communist

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/Party

MR

Party did not want Vogel to win in Germany because it feared that Vogel would establish good relations with Moscow, which would not suit its own attitude to Moscow.

The Prime Minister asked what the effect had been on the Italian Communist Party when President Mitterrand had taken Communists into his government. Mr. Fanfani said the Italian Communist Party saw this move as evidence of new opportunities. But it did not want to be a mere appendage of the Socialists. Moreover, its relations with Monsieur Marchais were poor because he was Moscow oriented.

The Prime Minister recalled that when she had visited Rome as Leader of the Opposition, she had been given an analysis of the Italian Communist Party which had shown that its foreign policy was the same as the Soviet Union. Mr. Fanfani said things had changed, largely because of Afghanistan and Poland. When Breznev had died, the leader of the Italian Communist Party had visited Moscow but it was still a matter of debate as to whether he had seen Andropov or not. The Prime Minister suggested that if there had been a meeting, it could not be concealed. Mr. Fanfani was not sure, the Italian might not have wanted to reveal that he had had a meeting with Andropov.

R.B. Bone, Esq.,
Foreign and Commonwealth Office.



Ref. A083/0630

MR COLES

Signor Fanfani's Visit and the Community Budget
Negotiations

The Italian Government's policy on the Community budget issue is strikingly unrealistic. They are taking the simple-minded line that the Community's problems can only be solved if the Community is given more own resources. They couple this with demands for more money for Italy - in particular on Mediterranean agriculture. In the process they are making the German Government very cross indeed; and they are even beginning to worry the French, who fear that Italian behaviour may weaken their chances of getting what they want for their Mediterranean producers.

2. Signor Fanfani's visit provides the Prime Minister with an opportunity not to be missed, during a tete-a-tete, to make him face facts.

3. I therefore recommend that the Prime Minister drives home the following points:-

- (i) Governments cannot have one rule for their domestic budgets and a different one for the Community. If own resources are increased, it is highly probable that the effect will be that the Community will spend a great deal more on agricultural surpluses. Relations with the United States will be damaged and the British budget problem, far from being alleviated, will be made even worse. For these reasons the United Kingdom cannot agree to an increase in own resources.
- (ii) In May last year, when the 1982 solution was agreed, the Community agreed to find a solution for the British budget problem in 1983 and later before the end of November 1982. That deadline was missed, but the obligation must be honoured. 1983 is now two months



spent. Since 1980 the United Kingdom has not been asked to wait beyond May for an agreement to relieve the budget problem for the current year. It is therefore essential that a solution for 1983 and later be negotiated before the meeting of the European Council in June.

4. I am sending copies of this minute to the Private Secretaries to the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer.

A handwritten signature in dark ink, consisting of the letters 'RA' in a stylized, cursive font.

ROBERT ARMSTRONG

24th February 1983



22 FEB 1988



MR. TAYLOR

cc: Miss Stephens
Mr. Joce
Duty Clerk ✓
Front Door

At noon tomorrow (Friday) there will be an Anglo/Italian plenary session in the Cabinet Room.

There will be 16 Italians (see attached list) plus two or three Italian interpreters.

On our side, the following will attend:

The Prime Minister
The Foreign and Commonwealth Secretary
The Chancellor of the Exchequer
The Secretary of State for Defence
The Secretary of State for Industry
Sir Julian Bullard
Lord Bridges
Mr. Wood
Mr. Littler
Mr. Whitmore
A.N. Other
Mr. Butler
Mr. Ingham
Mr. Coles
Plus two or three interpreters

I should be grateful if you could make the best seating arrangements possible.

A. J. COLES

24 February 1983

LIST OF ITALIAN PARTICIPANTS AT THE PLENARY TALKS

NO 10 DOWNING STREET, 25 FEBRUARY

S.E. L'ONOREVOLE SENATORE AMINTORE PANFANI	- PRESIDENTE DEL CONSIGLIO DI MINISTRI
ONOREVOLE EMILIO COLOMBO	- MINISTRO DEGLI AFFARI ESTERI
ONOREVOLE PIER LUIGI ROMITA	- MINISTRO PER LA RICERCA SCI- TIFICA E TECNOLOGICA
ONOREVOLE GIOVANNI GORIA	- MINISTRO DEL TESORO
ONOREVOLE LELIO LAGORIO	- MINISTRO DELLA DIFESA
ONOREVOLE FILIPPO MARIA PANDOLFI	- MINISTRO DELL'INDUSTRIA
S.E. L'AMBASCIATORE ANDREA CAGIATI	
S.E. L'AMBASCIATRICE SIGRID CAGIATI	
S.E. L'AMBASCIATORE MAURIZIO BUCCI	- DIRETTORE GENERALE DEGLI AF- FARI ECONOMICI
S.E. L'AMBASCIATORE BRUNO BOTTAI	- DIRETTORE GENERALE DEGLI AF- FARI POLITICI
S.E. L'AMBASCIATORE REMO PAOLINI	- CONSIGLIERE DIPLOMATICO DEL PRESIDENTE DEL CONSIGLIO
DOTTOR MARIO SARCINELLI	- DIRETTORE GENERALE MINISTERO DEL TESORO
AMIRAGLIO FULVIO MARTINI	- CAPO UFFICIO SEGRETARIO GEN- RALE MINISTERO DELLA DIFESA
PROFESSOR UMBERTO RATTI	- DIRETTORE GENERALE RELAZIONI INTERNAZIONALI MINISTERO RI- CERCA SCIENTIFICA E TECNOLO- GICA
DOTTOR VITTORIO BARATTIERI	- DIRETTORE GENERALE MINISTERO DELL'INDUSTRIA
MINISTER PLENIPOTENTIARY LUIGI CAVALCHINI GUIDOBONO GAROFOLI	- DEPUTY HEAD TO SIGNOR COLOMBO CABINET
COUNSELLOR LEONARDO VISCONTI DI MODRONE	- CABINET OFFICE, PALAZZO CHIGIA

THE RT HON THE PRIME MINISTER

His Excellency Senator Amintore Fanfani

His Excellency Signor Emilio Colombo

The Rt Hon Lord Hailsham
of St Marylebone

Mrs Francis Pym

His Excellency
Signor Pier Luigi Romita

His Excellency
Signor Giovanni Gorla

The Rt Hon Francis Pym

The Rt Hon Sir Geoffrey Howe

The Rt Hon Lord Robens
of Woldingham

The Rt Hon Patrick Jenkin

The Rt Hon Michael Heseltine

The Rt Hon Lord Aldington

The Lady Aldington

His Excellency Signor Filippo
Maria Pandolfi

His Excellency
Signor Lelio Lagorio

Lady Howe

The Lord McFadzean
of Kelvinside

Mrs Heseltine

The Lady Thorneycroft

His Excellency the Ambassador
of the Italian Republic

The Lady Hastings

The Lord Forte

The Lord Hastings

The Lady Birkenhead

His Excellency
Ambassador Remo Paolini

Signora Cagiati

Mrs Jenkin

His Excellency Ambassador
Maurizio Bucci

Lady Tuzo

Sir Julian Bullard

His Excellency Ambassador
Bruno Bottai

The Lord Bridges

Sir Robert Armstrong

Dr Mario Sarcinelli

The Lady Robens

The Lady Forte

Mrs Preston

The Lady Bridges

Professor Umberto Ratti

General Sir Harry Tuzo

Sir Timothy Kitson

Admiral Fulvio Martini

The Hon Michael Sieff

Lady Armstrong

Mrs Sieff

Mrs Garland

Lady Kitson

Mr Patrick Garland

Mr Ralph Howell

Dr Giuseppe Ammassari

Mr W L Cockburn

Lady Bullard

Mrs Steinberg

Mr Richard Ryder

Mrs Howell

Mr Christopher Seton-Watson

Mr Peter Preston

Mrs Butler

Dr J Steinberg

Mrs Ryder

Mr John Coles

Mr A J Shepperd

Mrs Shepperd

Mr Robin Butler

ENTRANCE

*The Rt. Hon.
The Prime Minister*

Mr. Cates

LIST OF GUESTS ATTENDING THE DINNER TO BE GIVEN BY THE PRIME MINISTER IN HONOUR OF HIS EXCELLENCY SENATOR AMINTORE FANFANI, PRESIDENT OF THE COUNCIL OF MINISTERS OF THE REPUBLIC OF ITALY ON THURSDAY, 24 FEBRUARY 1983 AT 7.45 PM FOR 8.00 PM BLACK TIE

I The Prime Minister

Italian Suite

I His Excellency Senator Amintore Fanfani President of the Council of Ministers

I His Excellency Signor Emilio Colombo Foreign Minister

His Excellency Signor Pier Luigi Romita Minister for Scientific and Technological Research

His Excellency Signor Giovanni Goria Minister for Treasury

His Excellency Signor Lelio Lagorio Minister for Defence

His Excellency Signor Filippo Maria Pandolfi Minister for Industry

His Excellency the Ambassador of the Republic of Italy and Signora Cagiati

His Excellency Ambassador Maurizio Bucci Director General for Economic Affairs, MFA

His Excellency Ambassador Bruno Bottai Director General for Political Affairs, MFA

His Excellency Ambassador Remo Paolini Diplomatic Adviser to the Italian Prime Minister

Dr. Mario Sarcinelli Director General, Treasury

Admiral Fulvio Martini Head of the Secretary General's Office at the Ministry of Defence

Professor Umberto Ratti Director General for International Relations at the Ministry of Scientific Research and Technology

Dr. Giuseppe Ammassari Director General for Sources of Energy (Industry)

Her Majesty's Government

Rt. Hon. Lord Hailsham of St. Marylebone Lord Chancellor visited Rome 1981 and addressed Senate

Rt. Hon. Sir Geoffrey Howe, MP and Lady Howe Lady Howe also associated with Venice in Peril

Rt. Hon. Francis Pym, MP and Mrs. Pym

Rt. Hon. Michael Heseltine, MP and Mrs. Heseltine

Rt. Hon. Patrick Jenkin, MP and Mrs. Jenkin

Conservative MPs

Sir Timothy Kitson, MP
and Lady Kitson

Chairman, Parliamentary Select
Committee of Defence. Leader of
Committee visit to Italy 25-28 April
1983

Mr. Ralph Howell, MP
and Mrs. Howell

Industry

Rt. Hon. Lord Robens of Woldingham
and Lady Robens of Woldingham

Chairman, Snaprogetti Ltd. Director,
Times Newspapers Holdings

Rt. Hon. Lord Aldington
and Lady Aldington

Chairman, Westland Helicopters
(UK/Italian collaborative helicopter
project)

The Lord McFadzean of Kelvinside

Chairman and Chief Executive,
Rolls Royce

The Lord Forte
and The Lady Forte

Executive Chairman, Trusthouse Forte

General Sir Harry Tuzo
and Lady Tuzo

Chairman, Marconi Space and Defence
Systems

The Hon. Michael Sieff
and Mrs. Sieff

Director, Marks and Spencer.
British Overseas Trade Board

Press

Mr. Peter Preston
and Mrs. Preston

Editor, The Guardian

Others

The Lady Thorneycroft

President, British Italian Society

The Lord Hastings
and The Lady Hastings

The Lady Birkenhead

Italian connections. Anglo-Italian
Hospital. Keats-Shelley House

Mr. Christopher Seton-Watson

Chairman, Association for the Study
of Modern Italy. Fellow of Oriel
College, Oxford

Mr. A.J. Shepperd
and Mrs. Shepperd

Chairman, The Wellcome Foundation
(awarded Italian honour in January
1983)

Mr. W.L. Cockburn

Director and General Manager,
Barclays Bank International

Mr. J. Steinberg
and Mrs. Steinberg

Tutor, Trinity College, Cambridge.
Visiting March 1983 for study on
Italian Communist Party

Others (continued)

Mr. Patrick Garland
and Mrs. Garland

Mrs. Garland - Miss Alexandra Bastedo
(actress). Mr. Garland, Artistic
Director, Chichester Theatre

Mr. Richard Ryder

Officials

Sir Robert Armstrong
and Lady Armstrong

Sir Julian Bullard
and Lady Bullard

Foreign and Commonwealth Office

The Lord Bridges
and The Lady Bridges

HM Ambassador designate, Rome

10 Downing Street

Mr. Robin Butler
and Mrs. Butler

Mr. John Coles

Mrs. Ryder

DRAFT SEATING PLAN
DINNER ON THURSDAY, 24 FEBRUARY

PRIME MINISTER

HE SENATOR AMINTORE FANFANI HE Signor Emilio Colombo

Rt. Hon. Lord Hailsham of St. Marylebone

Mrs. Francis Pym

HE Signor Pier Luigi Romita

HE Signor Giovanni Goria

Rt. Hon. Francis Pym

Rt. Hon. Sir Geoffrey Howe

Rt. Hon. Lord Robens of Woldingham

Rt. Hon. Patrick Jenkin

Rt. Hon. Michael Heseltine

Rt. Hon. Lord Aldington

The Lady Aldington

HE Signor Filippo Maria Pandolfi

HE Signor Lelio Lagorio

Lady Howe

The Lord McFadzean of Kelvinside

Mrs. Heseltine

The Lady Thorneycroft

HE The Ambassador of the
Republic of Italy

The Lady Hastings

The Lord Forte

The Lord Hastings

The Lady Birkenhead

HE Ambassador Remo Paolini

Signora Cagiati

Mrs. Jenkin

HE Amb. ~~Ma~~ Maurizia Bucci

Lady Tuzo

Sir Julian Bullard

HE Amb. Bruno Bottai

The Lord Bridges

Sir Robert Armstrong

Dr. Mario Sarcinelli

The Lady Robens

The Lady Forte

Mrs. Preston

The Lady Bridges

Professor Umberto Ratti

General Sir Harry Tuzo

Sir Timothy Kitson

Admiral Fulvio Martini

The Hon. Michael Sieff

Lady Armstrong

Mrs. Sieff

Mrs. Garland

Lady Kitson

Mr. Patrick Garland

Mr. Ralph Howell

Dr. Giuseppe Ammassari

Mr. W.L. Cockburn

Lady Bullard

Mrs. Steinberg

Mr. Richard Ryder

Mrs. Howell

Mr. Christopher Seton-
Watson

Mr. Peter Preston

Mrs. Butler

Mr. J. Steinberg

Mrs. Ryder

Mr. John Coles

Mr. A.J. Shepperd

Mrs. Shepperd

Mr. Robin Butler

ENTRANCE



R. S. C. C. C.
2010

With the compliments of

Roger Bone

FOREIGN AND COMMONWEALTH OFFICE

LONDON, SW1A 2AH

Private Secretary

ANGLO-ITALIAN SUMMIT: 25 FEBRUARY

1. No. 10 have asked for our recommendations on participation by UK officials at the plenary talks. Apart from the Secretary of State and Lord Bridges Sir J Bullard will attend from the FCO. Mr A M Wood, Head of WED, will act as note taker.

2. Other UK participants as follows:

a) Treasury

Chancellor of the Exchequer
Mr G Littler

b) Ministry of Defence

Secretary of State
Mr C Whitmore

c) Department of Industry

Secretary of State
A N Other (name of official not yet decided pending decisions on final structure of talks with Romita/Pandolfi)

3. I should be grateful if you could pass this information to the Private Secretary at No. 10



R P Osborne
Western European Department
Room W67 233 5150

24 February 1983

GRS 1200

CONFIDENTIAL

DESKBY 240800Z

FROM ROME 231315Z FEB 83

TO IMMEDIATE FCO

TELNO 109 OF 23 FEB 83

AND TO IMMEDIATE DOI AND MODUK

INFO PRIORITY PARIS, UKREP BRUSSELS

INFO SAVING BONN, WASHINGTON

CONFIDENTIAL

me
Ps/No 10

bowling
St.

IMMEDIATE

(request of wed)

MY TELNO 106: **ANGLO-ITALIAN SUMMIT**

ITALIAN MINISTER OF INDUSTRY

1. THE ITALIAN MINISTER FOR INDUSTRY (ALSO RESPONSIBLE FOR ENERGY), PANDOLFI, IS NOW TO JOIN FANFANI AND OTHER MINISTERS FOR THE ANGLO-ITALIAN SUMMIT, AND WILL, I UNDERSTAND, SEE MR JENKIN FOR DISCUSSIONS IN ADDITION TO THOSE THE LATTER WILL HAVE WITH ROMITA (SEE TUR). HE WILL BE ACCOMPANIED BY TWO OF HIS DIRECTORS-GENERAL: PROF. GIUSEPPE AMMASSARI (RESPONSIBLE FOR ENERGY) AND DOTT. VITTORIO BARATTIERI (RESPONSIBLE FOR INDUSTRIAL PRODUCTION). THIS TELEGRAM OFFERS AN UPDATED REPORT ON THE ITALIAN POSITION ON THE EH101 HELICOPTER AND AIRBUS, WHICH WILL BE UPPERMOST IN PANDOLFI'S MIND, AND IS ALSO RELEVANT TO THE PRIME MINISTER'S TALK WITH FANFANI. MR JENKIN WILL ALSO WISH TO RAISE OUR CONCERN ON ITALIAN FAILURE TO CUT STEEL CAPACITY ON WHICH THERE IS NOTHING TO ADD TO THE SITUATION DESCRIBED IN RICHARDSON'S LETTER TO MOGG (DOI) OF 8 FEBRUARY. THE INCLUSION OF AMMASSARI IN THE PARTY SUGGESTS THAT PANDOLFI WILL REINFORCE ROMITA'S PROPOSALS FOR COLLABORATION IN THE NUCLEAR FIELD (PARA 4(1) OF MY TUR), A SUBJEC WHICH IS DEAR TO HIS HEART. IT IS HE, AS MINISTER RESPONSIBLE, WHO HAS PUT THE STEAM BEHIND DECISIONS ON SITING OF NUCLEAR POWER STATIONS.

EH101

PANDOLFI'S OFFICIALS TOLD US TODAY THAT , WHILST FANFANI HAD BEEN BRIEFED TO BE POSITIVE ON THE PROJECT AND TO ASSURE THE PRIME MINISTER OF THE ITALIAN GOVERNMENT'S INTENTIONS TO GO AHEAD WITH IT, IT WOULD ASSIST FANFANI TO TAKE A FIRM LINE IN PARLIAMENT IF MRS THATCHER WERE TO EMPHASISE TO HIM THE IMPORTANCE WE ATTACH TO EARLY PROGRESS. HE MIGHT USEFULLY BE PRESSED TO DO ALL HE CAN TO STEER THROUGH PARLIAMENT THE DEFENCE BILL ON MODERNISATION EXPENDITURE (DDL) TO WHICH ITALIAN FUNDING OF THE MILITARY VERSION OF EH101 IS TIED. ONLY FANFANI, WITH HIS RECENT EXPERIENCE AS PRESIDENT OF THE SENATE, COULD GUARANTEE THE SAFE DELIVERY OF THE DDL.

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1/2.

2. AN IMPORTANT ASPECT OF EH101 WHICH IS CAUSING THE ITALIANS MUCH DIFFICULTY IS THE CHOICE OF ENGINE. ONE CAMP (MAINLY MILITARY) FAVOURS THE ADOPTION OF AN EXISTING US ENGINE (G.E'S T700), WHILST ANOTHER (INDUSTRY) FAVOURS THE DEVELOPMENT OF THE ROLLS ROYCE-LED RTM322. ONLY FANFANI HIMSELF WOULD BE ABLE TO RESOLVE THIS CONFLICT OF INTERESTS IN ITALY AND HE MIGHT THEREFORE SEEK OUR VIEWS ON WHERE WE STAND ON AN ENGINE. THE MINISTRY OF INDUSTRY WOULD BE CONTENT TO SEE BOTH OPTIONS AVAILABLE.

3. MINISTRY OF INDUSTRY SHOWED COMMERCIAL SECRETARY, IN STRICT CONFIDENCE, A DRAFT AGREEMENT BETWEEN THE ITALIAN AND FRENCH MINISTERS FOR DEFENCE WHICH, IF IT IS SIGNED, WILL PROVIDE FOR JOINT COLLABORATION IN A NUMBER OF AREAS, INCLUDING HELICOPTER AIRFRAMES AND ENGINES. THE MINISTRY OF INDUSTRY ARE OPPOSING THIS, SINCE THEY SEE IT AS A THREAT TO THE EH101. THE FRENCH WERE CLEARLY WAITING FOR EH101 TO FALTER AND TO TAKE ADVANTAGE OF ANY OPENING IN THIS FIELD. IT WOULD BE IMPORTANT, IN THE COMMUNIQUE FOLLOWING THE SUMMIT, TO MAKE VERY FIRM REFERENCES TO THE PROJECT AND TO EARLY AND POSITIVE STEPS BEING TAKEN TO PUT IT INTO OPERATION.

AIRBUS

4. MINISTRY OF INDUSTRY OFFICIALS SAID THAT THE ITALIAN PRESS HAD BEEN OVER ENTHUSIASTIC ABOUT THE INDUSTRIAL ASPECTS OF THE FRANCO/ITALIAN SUMMIT. ON A300, THE ITALIANS WERE COMMITTED TO NO MORE THAN 3 A300 -B4S. THEY MIGHT END UP TAKING 5, BUT THIS WAS STILL FAR FROM DEFINITE.

5. AS REGARDS A320, ITALY WAS NOT INTERESTED. AS FAR AS THEY WERE CONCERNED THE A320 WAS DEAD, FOLLOWING THE ADVENT OF THE DC9 SUPER 83. ALITALIA WOULD HAVE NO INTEREST IN THE A320, SINCE MACDONNELL DOUGLAS WERE NOW OFFERING TO PROVIDE IMPROVED ENGINES AT NO EXTRA COST FOR THE 30 DC9-80S ALREADY ORDERED. IN EFFECT, THE EXISTING PRATT AND WHITNEY JT8D-217A ENGINES WOULD BECOME JT8D-219S FOLLOWING MODIFICATION, AS AND WHEN THE AIRLINE WANTED THEM, THUS CONVERTING THE DC9-80 INTO THE DC9 SUPER 83. ON CAPITAL COSTS ALONE, THE A320 WOULD BE RULED OUT AT 24 MILLION DOLLARS PER UNIT (1982 PRICES), COMPARED WITH 12 MILLION FOR THE DC980 83. MOREOVER, THE AMERICANS WERE OFFERING 6 MILLION DOLLARS FOR EACH OF ALITALIA'S EXISTING DC9-30S, COMPARED WITH 4 MILLION DOLLARS PER UNIT OFFERED BY AIRBUS INDUSTRIE IN RELATION TO PURCHASES OF A320.

6. THE ITALIAN GOVERNMENT, HOWEVER, WERE INTERESTED IN COLLABORATION WITHIN THE AIRBUS CONSORTIUM, BUT ON A DIFFERENT AIRCRAFT. THEY AND ALITALIA HAD IDENTIFIED A MARKET NEED FOR

THE TA11. THEY HAD BEEN IN TOUCH WITH THE GERMANS, WHO WERE FAVOURABLE, AND LUFTHANSA WERE APPARENTLY PREPARED TO BUY TA11 IF IT BECAME AVAILABLE. THE FRENCH POSITION WAS UNCLEAR BUT THE ITALIANS WERE ANXIOUS TO KNOW WHAT OUR VIEW WOULD BE. THEY SUGGESTED A UK/ITALIAN/ GERMAN STUDY GROUP ON TA11, WHICH THE FRENCH COULD JOIN LATER ONCE THEY HAD GOT OVER THEIR FASCINATION WITH THE A320. THEY WERE LOOKING FOR A LAUNCH IN 1990 WITH THE POSSIBILITY OF ROLLS ROYCE ENGINES (THE 524 OR THE 535) OR THE PRATT AND WHITNEY 4,000 SERIES. PANDOLFI MIGHT RAISE THIS WITH MR JENKIN.

7. AS REGARDS THE POINTS FOR CLARIFICATION ON AIRBUS (YOUR TELEGRAM NUMBER 53), THE MINISTRY OF INDUSTRY WERE SOMEWHAT DISMISSIVE OF THE 'POLITICAL EVALUATION' OF A320 AND DESCRIBED THIS AS TYPICAL OF THE FARNESINA'S LOVE OF EUROPEAN PROJECTS FOR WHICH THEY DID NOT HAVE TO PAY. JOINT CONSULTATIONS HAD ONLY SO FAR TAKEN PLACE BETWEEN ITALY AND FRANCE, IE BETWEEN AIRBUS INDUSTRIE ON THE ONE HAND AND ALITALIA AND AERITALIA RESPECTIVELY AS POTENTIAL OPERATORS AND POTENTIAL INDUSTRIAL PARTICIPANTS. HOWEVER, THEY WOULD EVENTUALLY INVOLVE ALL THREE A.I. PARTNERS IF FANFANI CONTINUED TO GO THROUGH THE NOTIONS OF EXAMINING A320 IN DEPTH.

9. MORRICE TOOK THE OPPORTUNITY OF REITERATING OUR OWN POSITION ON A320. THE ITALIANS WERE RELIEVED AND LOOKED FORWARD TO OUR REACTIONS TO THEIR QUESTIONS ON TA11 (MY TELEGRAM NUMBER INDUS 5).

ANGLO/ITALIAN CONSULTATION IN THE AIRCRAFT SECTOR

10 THERE IS CLEARLY STILL INTEREST IN ROME IN SUCH A STRUCTURE TO MATCH FRENCH AND AMERICAN ARRANGEMENTS WITH THE ITALIANS. THE MINISTRY OF INDUSTRY SUGGESTED AN ANGLO/ITALIAN WORKING GROUP TO MEET AT OFFICIAL LEVEL AS AND WHEN NECESSARY. PANDOLFI WOULD AGREE TO THIS IF WE CHOSE TO RAISE IT WITH HIM. A REFERENCE TO IT IN THE SUMMIT COMMUNIQUE MIGHT HAVE PRESENTATIONAL ADVANTAGES VIS A'VIS THE FRENCH.

TELETEXT

11. MR JENKIN MAY WISH TO REITERATE TO PANDOLFI OUR HOPE THAT THE ITALIANS WILL ADOPT THE UK SYSTEM. THE LEAD ITALIAN MINISTER IS GASPARI (POSTS AND TELECOMMUNICATIONS), WHO INDICATED TO SIR R ARCULUS RECENTLY THAT THE DECISION WAS GOING OUR WAY. PANDOLFI ALSO HAS AN INTEREST: EVERY OPPORTUNITY OF FIRING UP THE ITALIANS SHOULD BE TAKEN IN THE FACE OF CONTINUING FRENCH PRESSURE IN THIS AREA.

3
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/PANDOLFI

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PANDOLFI THE MAN

12. PANDOLFI IS WELL SUMMED UP IN THE LPR (PAGE 80). HE HAS BUILT HIS CAREER MORE ON HIS FINANCIAL AND ECONOMIC EXPERTISE THAN ON HIS POLITICAL CONNEXIONS. HE HAS BEEN ACTIVE SINCE HIS RETURN TO THE INDUSTRY MINISTRY LAST DECEMBER, PRESSING FOR PROGRESS IN TACKLING ITALY'S ENERGY PROBLEMS AND IN COLLABORATIVE PROJECTS. HE APPEARS TO CARRY SOME WEIGHT IN THE PRESENT CABINET. HE LIKES BRITAIN AND WILL APPRECIATE A CLOSELY ARGUED PRESENTATION OF OUR CASE ON EG EH101, BACKED UP WITH FACTS.

FCO PLEASE ADVANCE TO PS/JENKIN, PS/MR HESELTINE

FCO PLEASE ALSO PASS TO SAVING ADDRESSEES

SIMPSON-ORLEBAR

ADVANCED AS REQUESTED

REPEATED AS REQUESTED

LIMITED

ESTSD

MAED

WED

TRED

NAD

ECD (I)

ECD (E)

PS/MR RIFKIND

SIR J BULLARD

MR EVANS

MR ADAMS

MR HANNAY

MR GOODISON

MR THOMAS

MR URE

COPIES TO

MR MOGG DOI

PS/MR JENKIN

PS/MR HESELTINE

4

CONFIDENTIAL

ADMINISTRATIVE PLAN FOR THE VISIT OF
HIS EXCELLENCY SENATOR AMINTORE FANFANI,
PRESIDENT OF THE COUNCIL OF MINISTERS
OF THE REPUBLIC OF ITALY
24-26 FEBRUARY 1983

(To be read in conjunction with programme attached)

1. ARRIVAL

As soon as the aircraft has come to a standstill a Representative of the British Airports Authority will escort the Greeting party to the bottom of the aircraft steps. When the aircraft doors open the Italian Ambassador will board the aircraft and escort Senator Fanfani to the tarmac where the Secretary of State for Foreign and Commonwealth Affairs will welcome him and present the following:-

Brigadier J A C Cowan, Secretary, Government Hospitality Fund
Group Captain A O'Neill, Escort Officer, Government Hospitality Fund.

The Italian Ambassador will present the Ministers to the Greeting Party before they proceed to the VIP Suite.

The other members of the official party will then disembark and proceed to the VIP Suite and thence to their cars.

2. PRESS ARRANGEMENTS

Arrangements for the Italian Press will be handled by Miss M McGlone (telephone 233 8618) of News Department of the Foreign and Commonwealth Office. A Press Centre with telephone and telex facilities will operate at the Europa Hotel in Grosvenor Square.

3. INTERPRETERS

Senator Fanfani will be accompanied by Signor Reinert who will interpret throughout the programme including the Press Conference. Signor Colombo will be accompanied by Signora Isabella Randone, interpreter. Mr Robert Culshaw will interpret for the Prime Minister at the tête-à-tête talks on 24 and 25 February and at the dinner on 24 February. Mrs Lucy Lawrence will interpret at the talks between Signor Colombo and Mr Pym, the enlarged talks at No 10 Downing Street, at the luncheon at 10 Downing Street and at the press conference.

/will

Mrs P Newby will interpret at the talks between Signor Lagorio and Mr Heseltine. Mr K Welborne-Kerr will interpret at the talks between Signor Gorla and Sir Geoffrey Howe, Mrs Laura Ribbons will interpret at the talks between Signor Romita and Mr Jenkins.

All interpreters will attend/be on call for the plenary session.

4. TRANSPORT

Government Hospitality Fund will provide cars for the Italian Official Suite as indicated at Appendix 1.

5. HOSPITALITY

Dinner at 10 Downing Street, 24 February

The following are also invited:-

Signor Colombo
Signor Lagorio
Signor Gorla
Signor Romita
Signor Pandolfi
Ambassador Cagiati
8 officials

Luncheon at 10 Downing Street, 25 February

The following will be present

Italy

Senator Fanfani
Signor Colombo
Signor Lagorio
Signor Gorla
Signor Romita
Signor Pandolfi
Signor Cagiati
Signor Paolini.

United Kingdom

Prime Minister
Private Secretary
4 Ministers
Lord Bridges

Luncheon at Duke's Hotel

The following will be present:

HE Ambassador Maurizio Bucci
HE Ambassador Bruno Bottai

Minister Plenipotentiary Enzo Perlot
Doctor Mario Sarcinelli
Admiral Fulvio Martini
Minister Plenipotentiary Luigi Cavalchini Guidobono Garofoli
Doctor Antonio Fazio
Prefetto Vincenzo Mallardo
Professor Umberto Ratti

/Doctor Ginuseppe Amassari

~~Doctor Ginuseppe Amassari
Doctor Vittorio Barattieri
Doctor C Mancini
Doctor Ignazio Contu
Counsellor Leonardo Visconti Di Modrone
Lieutenant-Colonel Carlo E Impavido~~

To be decided

~~5 members of the Italian Embassy~~

6. PARTICIPATION AT MEETINGS (SUBJECT TO CONFIRMATION)

(a) No 10 Downing Street

1030 - 1130 Tête-à-tête Discussions

Present:

UK

Prime Minister
Private Secretary
Mr R N Culshaw (Interpreter)

Italy

Senator Fanfani
Private Secretary
Signor Reinert (Interpreter)

(b) FCO

1030 - 1115

Present:

UK

Mr Pym
Private Secretary
PUS?
Sir J Bullard
Lord Bridges
Mr R M Evans
Mrs L Lawrence (Interpreter)

Italy

Sig Emilio Colombo
Ambassaodr Bruno Bottai (Dir-Gen
Political Affairs, MFA)
Ambassador Maurizio Bucci (Dir-Gen
Economic Affairs, MFA)
Sig Enzo Perlot
Sig Luigi Cavalchini
Signora I Randone
(Interpreter)

(c) DOI

1030-1100

Courtesy meeting with Mr Shelton, Minister of State DES, to introduce Sir James Hamilton, prospective UK director of European Space Agency, followed by bilateral talks from 1100-1200, in which following will take part;

Mr Patrick Jenkin
Mr Oscar Roith (Chief
Engineer, DOI)
Mr Geoffrey Stephens
(US, DOI)
Mr Derek Rhodes (DOI-
Community Research and
Development
Mrs Laura Ribbons (Interpreter)

Sig Pierluigi Romita
Prof: Ratti (Head of
International Relations Dept)
Dott, Mancini (Director
International Affairs of ENEA,
State Atomic Energy Authority)

(d) MOD

1100 - 1200

Mr Michael Heseltine
Private Secretary
Interpreter

Sig Lagorio
Admiral Martini, Head of
Secretary General Office
(Defence)
Lt Col Impavido, - Aide de
Camp

This meeting will begin with half an hour of tête-à-tête discussions, following which Ministers will be joined by Sir John Rogers, Controller Aircraft, for discussion on collaborative projects including EH 101 helicopter and Tornado.

(e) Treasury

UK

Chancellor of the Exchequer
Private Secretary
Mr G Litler (PUS)
and possibly Mr J B Unwin (DUS)
Mr K Welborne-Kerr (Interpreter)

Italy

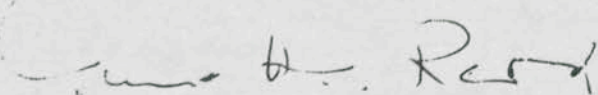
Sig Giovanni Gorla
Dott, M Sarcinelli
Dott. Antonio Fazio
(Deputy Director Bank of
Italy)

Plenary Session, 1200 hours 10 Downing Street

Italy

HE Senator Amintore Fanfani
Signor Emilio Colombo
Signor Pier Luigi Romita
Signor Giovanni Gorla
Signor Lelio Lagorio
Signor Filippo Maria Pandolfi
HE Ambassador Andrea Cagiati

Each Minister will be accompanied by an official,



J H W Reid (Miss)
Inward Visits and Royal Matters
Protocol and Conference Dept

FOREIGN AND COMMONWEALTH OFFICE

23 February 1983

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Inspector Meneqr (2)



Foreign and Commonwealth Office

London SW1A 2AH

23 February, 1983

John Taylor

MB 24/2

h-c

Anglo-Italian Summit: 25 February 1983

Following our meeting here this morning, we agreed that I would let you have a note of the minor changes to the programme for the Anglo-Italian Summit meeting which have had to be made since the Steering Brief was printed.

Senator Fanfani and his delegation will now arrive at Heathrow Airport at 6.00 pm on 24 February. They will be met on arrival by Mr Pym. Arrangements for the short bilateral meeting with the Prime Minister and the Government Dinner on the evening of 24 February remain the same. On 25 February the Prime Minister and Senator Fanfani will as planned begin their talks at No 10 at 10.30 am, to be joined at 11.15 am by Foreign Ministers. Mr Pym and Signor Colombo will have had a short preliminary bilateral session here, also to start at 10.30 am. Other meetings between individual ministers and their opposite numbers will now begin at 11.00 am (I understand that this has been discussed and agreed with all concerned). Signor Romita, Minister for Scientific Research, will in addition call on Mr Shelton at 10.30 am prior to his meeting with Mr Jenkin. I should add that it has also been agreed that Signor Pandolfi, the Italian Industry Minister, will accompany Signor Romita at his talks with Mr Jenkin. All these individual bilateral discussions will be followed at 12.00 by a plenary session of talks at No 10 Downing Street.

The plenary talks will last until 1.00 pm, following which the programme reverts to that set out in the Steering Brief. There is no change envisaged to the time for the Joint Press Conference at 3.00 pm, but the Conference will now be held at No 12 Downing Street as opposed to the Vickers Cinema at Millbank.

Senator Fanfani is expected to leave London at about 7 pm.

I am copying this letter to the Private Offices concerned.

John Taylor
R B Bone

A J Coles Esq
10 Downing Street

(R B Bone)
Private Secretary

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Foreign and Commonwealth Office

London SW1A 2AH

23 February 1983

John

Anglo-Italian Summit: Press Conference

/ As agreed, I enclose a draft opening statement for use by the Prime Minister at the Joint Press Conference on 25 February. The draft will of course require amendment in the light of the preceding discussions. It has not been seen by the Secretary of State. I shall be showing it to him in the box this evening.

/ The background to the reference to a British Italian Round Table is given in Rome telegram number 95 of 18 February, a copy of which I enclose. The sentences concerned have been cleared with the Italians.

John
R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

RESTRICTED

ANGLO-ITALIAN SUMMIT: 25 FEBRUARY

DRAFT PRESS STATEMENT FOR USE BY THE PRIME MINISTER
AT THE JOINT PRESS CONFERENCE, VICKERS CINEMA, MILLBANK,
3.00PM

Ladies and Gentleman,

I have greatly valued this opportunity of a talk with Senator Fanfani at the outset of what we all recognise will be a crucial year for both the Community and the Alliance. We both share a strong interest in the future development of the former and in the unity of the latter.

This is the first time that I personally have had the pleasure of welcoming Senator Fanfani to London (though not, of course, the first time we have met) and our discussions therefore covered a broad spectrum of subjects of importance on the domestic and international scene.

We have had a wide-ranging discussion on East-West relations and in this context on INF basing. We remain firm in our support of the 1979 NATO dual track decision. We both warmly welcome President Reagan's speech of 22 February as an important clarification of the Alliance stand on INF arms control. The President made it clear that the zero option is not a take-it-or-leave-it offer and it is particularly helpful that Ambassador Nitze has instructions to explore any solution consistent with the Alliance's principles of balance, that is - equality between the US and USSR; exclusion of British and French nuclear systems; proper verification.

/But

But if the Geneva talks fail to produce agreement on the zero option by the end of the year, we shall both fulfil our commitments to begin to deploy Cruise missiles. This would be essential to the maintenance of the security of Western Europe.

We also discussed Community matters and agreed that, following its recent success on the Common Fisheries Policy, the Community must now make a real and urgent effort to find a lasting solution to its financial problems. We also agreed on the need to curb Community surpluses of agricultural products at the forthcoming price fixing; and we found we had much in common in our attitude to the ways in which the Community should develop, for example, by ensuring that the regional fund should give greater priority to areas of greatest need and by developing the internal market.

In the context of Community trade, we are both conscious of the need to preserve the open trading system, now under greater pressure than at any time in the Community's history. Here the keynote must be self-discipline: self-discipline on the part of those who exploit unfair or unequal conditions of trade to the point where their actions place intolerable strains on our trading relationships with them; and self-discipline on the part of all who are tempted to hurl themselves into the lethal whirlpool of beggar-my-neighbour protectionism.

Finally, these Summit meetings provide tangible evidence of the excellent state of our bilateral relations. The fact that we have been able to concentrate on the Community, the Alliance and East-West relations, and on international economic problems rather than purely bilateral

/problems

problems is evidence of that. Our two countries are linked by deep ties of friendship. Senator Fanfani and I want to enrich British-Italian understanding and to broaden the scope of existing bilateral contacts. We have to that end given our backing to a proposal for a British-Italian Round Table, to be held in 1983. Our officials will now look at the practical details. We hope the Round Table can become a forum in which people with a common interest in British and Italian affairs can periodically meet and exchange views. I have in mind politicians, businessmen, academics, journalists - anyone whose experience can bring a fresh contribution to our relations.



Foreign and Commonwealth Office

London SW1A 2AH

22 February 1983

John Smith

Mr 24/2

Anglo-Italian Summit

// The Italian Embassy have today provided us with a full list of their official delegation for the Anglo-Italian Summit. I am therefore enclosing two separate lists of names. The first, List A, provides names of those the Italians have suggested might be invited to the Prime Minister's dinner at No 10 on the evening of 24 February. List B gives names for the working lunch for the following day.

You will note that another Minister, Signor Pandolfi, has been included in the delegation. We learnt of the addition only this afternoon. In order to make room for Signor Pandolfi, Signor Paolini, the Italian Minister's diplomatic adviser, has been dropped from the list of participants at the working lunch.

John Smith
R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

PRANZO UFFICIALE OFFERTO DAL PRIMO MINISTRO INGLESE
IN OCCASIONE DEL VERTICE ITALO-BRITANNICO

GIOVEDI', 24 FEBBRAIO 1983

S.E. L'ONOREVOLE SENATORE AMINTORE FANFANI	- PRESIDENTE DEL CONSIGLIO DEI MINISTRI
ONOREVOLE EMILIO COLOMBO	- MINISTRO DEGLI AFFARI ESTERI
ONOREVOLE PIER LUIGI ROMITA	- MINISTRO PER LA RICERCA SCIENTIFICA E TECNOLOGICA
ONOREVOLE GIOVANNI GORIA	- MINISTRO DEL TESORO
ONOREVOLE LELIO LAGORIO	- MINISTRO DELLA DIFESA
ONOREVOLE FILIPPO MARIA PANDOLFI	- MINISTRO DELL'INDUSTRIA
S.E. L'AMBASCIATORE ANDREA CAGIATI	
S.E. L'AMBASCIATRICE SIGRID CAGIATI	
S.E. L'AMBASCIATORE MAURIZIO BUCCI	- DIRETTORE GENERALE DEGLI AFFARI ECONOMICI
S.E. L'AMBASCIATORE BRUNO BOTTAI	- DIRETTORE GENERALE DEGLI AFFARI POLITICI
S.E. L'AMBASCIATORE REMO PAOLINI	- CONSIGLIERE DIPLOMATICO DEL PRESIDENTE DEL CONSIGLIO
DOTTOR MARIO SARCINELLI	- DIRETTORE GENERALE MINISTERO DEL TESORO
AMMIRAGLIO PULVIO MARTINI	- CAPO UFFICIO SEGRETARIO GENERALE MINISTERO DELLA DIFESA
PROFESSOR UMBERTO RATTI	- DIRETTORE GENERALE RELAZIONI INTERNAZIONALI MINISTERO RICERCA SCIENTIFICA E TECNOLOGICA
DOTTOR VITTORIO BARATTIERI	- DIRETTORE GENERALE MINISTERO DELL'INDUSTRIA

+ *noted*

COLAZIONE DI LAVORO RISTRETTA OFFERTA DAL PRIMO MINISTRO
INGLESE IN OCCASIONE DEL VERTICE ITALO-BRITANNICO

VENERDI', 25 FEBBRAIO 1983

S.E. L'ONOREVOLE SENATORE AMINTORE FANFANI	-	PRESIDENT OF THE COUNCIL OF MINISTERS
ONOREVOLE EMILIO COLOMBO	-	MINISTER FOR FOREIGN AFFAIR
ONOREVOLE PIER LUIGI ROMITA	-	MINISTER FOR SCIENTIFIC AND TECHNOLOGICAL RESEARCH
ONOREVOLE GIOVANNI GORIA	-	MINISTER FOR TREASURY
ONOREVOLE LELIO LAGORIO	-	MINISTER FOR DEFENCE
ONOREVOLE FILIPPO MARIA PANDOLFI	-	MINISTER FOR INDUSTRY
S.E. L'AMBASCIATORE ANDREA CAGIATI		

+ PAOLINI.

PRIME MINISTER

ANGLO/ITALIAN SUMMIT

The Italians have really been very difficult about the arrangements. The latest development is that Mr. Fanfani, who told us a month ago that he did not really want the usual plenary, has now asked whether there can be one. He thinks it will be easier to draw together in the usual way the threads of the separate bilateral Ministerial meetings.

The talks on Friday, 25 February are scheduled to end at 1230. We had then been envisaging a working lunch at 1300 followed by a Press Conference at 1500.

Would you agree to either:

- (a) a plenary from 1230 to 1330,
- or
- (b) a plenary from, say, 1400 to 1500 followed by the usual Press Conference?

A.J.C.

I am against a joint
 Press conference. They never go well
 Can we not say a few words on the 14th
 of No. 10 - or in No 12.

21 February 1983

not

Document will
be in office.

A.J.C. 22/2

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GR 720

CONFIDENTIAL

DESKEY 181730Z

FM ROME 121630Z FEB 83

TO IMMEDIATE FCO

TELEGRAM NO. 097 OF 18 FEB 83

SAVING FOR INFO EC POSTS, WASHINGTON, UKDEL NATO

ANGLO/ITALIAN SUMMIT: INTERNAL POLITICAL SCENE

1. TO SUPPLEMENT OUR DRAFT BRIEFING FOR THE SUMMIT, THIS TELEGRAM TRIES TO ASSESS FANFANI AFTER THREE MONTHS IN OFFICE.
2. HIS PERFORMANCE HAS SURPRISED MANY. IN HIS EARLIER CAREER HE WAS THE "MOTORINO", OR LITTLE MOTOR, ALWAYS IN THE LIMELIGHT WITH ENDLESS SPEECHES AND INITIATIVES. THE NEW FANFANI IS ALMOST INVISIBLE. HE LETS HIS MINISTERS MAKE THE RUNNING: COLOMBO FOR EXAMPLE ON FOREIGN POLICY, AND CONSPICUOUSLY SCOTTI DURING THE WAGE NEGOTIATIONS. HIS COMMENTS TO THE PRESS ARE TERSE. HE ARBITRATES BETWEEN MINISTERS WHERE NECESSARY, FOR EXAMPLE OVER THE ENI AFFAIR WHERE HE PULLED A NEW SOCIALIST PRESIDENT OF THE CORPORATION OUT OF THE HAT. THERE ARE GLIMPSES OF THE OLD FANFANI, FOR EXAMPLE HIS RUTHLESS WEEDING OF SPADOLINI'S STAFF AT PALAZZO CHIGI AND THEIR REPLACEMENT BY OLD DC CROWIES. EVEN SO, SOME SEE THIS AS A WEAKENING OF HIS ABILITY TO KEEP AN EYE ON HIS MINISTERS ACTIVITIES, AN OPPORTUNITY WHICH THE OLD FANFANI MIGHT NOT HAVE PASSED UP.
3. THERE IS A REAL QUESTION MARK OVER WHAT FANFANI WILL DO IN GOVERNMENT ONCE HIS OVERRIDING PRIORITY, THE PASSAGE OF THE ECONOMIC PACKAGE THROUGH PARLIAMENT, HAS BEEN ACHIEVED. MY TELEGRAM NO. 091 DESCRIBES WHERE THIS STANDS. IN TIME, THE PACKAGE WILL PROBABLY PASS, SPURRED BY THE GOVERNMENT'S DEVICE OF IMPOSING A CONTINUOUS PARLIAMENTARY SESSION, BUT A HOST OF OPPOSITION AMENDMENTS HAVE BEEN TABLED, THE GOVERNMENT IS ALREADY HAVING TO COMPROMISE, AND SOME OF FANFANI'S OWN DC SUPPORTERS ARE COMPLAINING OF LACK OF DIRECTION. WHAT WILL FANFANI THEN TURN HIS ATTENTION TO? HE HAS NO PERSONAL PROGRAMME SUCH AS SPADOLINI'S CHERISHED INSTITUTIONAL REFORM. CONCEIVABLY THE SIMPLEST EXPLANATION IS THE RIGHT ONE, THAT FANFANI WANTS TO STAY IN OFFICE FOR AS LONG AS HE CAN, WITH HIS EYES AS ALWAYS ON THE PRESIDENCY AFTER PERTINI, AND WILL DEAL WITH PROBLEMS AS THEY ARISE, PLAYING THEM LONG WHERE POSSIBLE. /4.

CONFIDENTIAL

CONFIDENTIAL

4. THERE IS NO SHORTAGE OF SUCH PROBLEMS, THOUGH IT HAS TO BE SAID THAT HIS MAIN COALITION PARTNERS, THE SOCIALISTS, ARE MUCH QUIETER THAN THEY WERE LAST YEAR AND THEMSELVES GIVE THE IMPRESSION OF LACK OF DIRECTION: THE SAME IS TRUE OF THE COMMUNISTS, PREOCCUPIED WITH NEXT MONTH'S PARTY CONGRESS. THE HANDLING OF THE ECONOMY IS BOUND TO REMAIN DIFFICULT UNEMPLOYMENT AND LAYOFFS MOUNT, AND IF THE HOPED-FOR UPTURN IN THE U S ECONOMY DOES NOT MATERIALISE. THE ECONOMIC INDICATORS ARE ALL DEPRESSING. IN THE FOREIGN AFFAIRS FIELD, THE TWO PIPELINES, ALGERIAN AND SOVIET, COULD STILL CAUSE FANFANI HEADACHES. DOUBTS ARE GROWING, THOUGH THEY HAVE NOT YET REACHED A DANGEROUS POINT, ABOUT THE LENGTHENING ITALIAN INVOLVEMENT IN THE LEBANON. ABOVE ALL, THERE IS DEFENCE: AS I HAVE REPORTED, THE COALITION REMAINS SOLID BEHIND BASING CRUISE AT COMISO, BUT HERE AS ELSEWHERE THE RESULTS OF THE GERMAN ELECTIONS ARE ANXIOUSLY AWAITED.

5. THERE ARE AS YET NO SIGNS THAT FANFANI WILL HAVE ANY MAJOR FOREIGN POLICY INITIATIVE ON HIS MIND WHEN HE VISITS LONDON. HIS MAIN INTERNATIONAL CONCERN IS THE WORLD ECONOMIC SITUATION, AND HE WILL WISH TO DISCUSS WHAT MIGHT BE ACHIEVED AT WILLIAMSBURG. HE IS PROBABLY ALSO CONCERNED ABOUT EAST/WEST RELATIONS, OR RATHER TRANSATLANTIC RELATIONS ONCE THE TIME COMES FOR DECISION ON THE OUTCOME OF THE CURRENT OECD, COCOM AND NATO STUDIES. HE MAY NOT HAVE GIVEN HIMSELF MUCH TIME TO MASTER THE COMPLEX EC DOSSIERS. WITH THE ITALIANS DIGGING IN ON THE 1983 BUDGET AND BEYOND, THE BEST WAY TO ENGAGE FANFANI'S ATTENTION, IF NOT SYMPATHY, IS TO SPEAK TO HIM AS POLITICIAN TO POLITICIAN.

6. FANFANI IS A TINY MAN, CONSCIOUS OF HIS DIGNITY, AND NEEDS CAREFUL HANDLING. HE MAY NOT HAVE TAKEN TOO KINDLY TO THE PRESSURE PUT ON HIM BY MITTERRAND OVER AIRBUS AND OTHER COLLABORATIVE PROJECTS AT THEIR SUMMIT MEETING IN PARIS. MINISTERS MAY WISH TO TAKE THE LINE THAT WE ARE ANXIOUS FOR GENUINE BILATERAL INDUSTRIAL COLLABORATION ON A BASIS OF EQUAL ADVANTAGE FOR BOTH SIDES, EH 101 IN PARTICULAR, (WE SHOULD NOT NEGLECT ITALY'S SUCCESS IN PENETRATING THIRD COUNTRY MARKETS). HOWEVER HARD IT IS TO READ FANFANI'S MIND JUST NOW, HE IS A EUROPEAN STATESMAN WITH ENORMOUS EXPERIENCE, AND BUTTERING UP SHOULD PAY DIVIDENDS.

7. FCO PSE PASS SAVING ADDRESSEES

SIMPSON-ORLEBAR

[REPEATED AS REQUESTED]

STANDARD

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NAD
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MAED
MR THOMAS
MR EGERTON
NENAD
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Foreign and Commonwealth Office

London SW1A 2AH

18 February 1983

Dear Sir,

For 24/2
W

Anglo-Italian Summit: 24 - 25 February

You asked for a draft speech for the Prime Minister to consider giving at the dinner for the Italians on 24 February. I enclose a draft.

Yours ever

J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

ANGLO-ITALIAN SUMMIT: DRAFT SPEECH FOR PRIME MINISTER TO
GIVE AT DINNER ON 24 FEBRUARY

Mr President of the Council, my Lords, Ladies and Gentlemen. The French philosopher of the kitchen, Brillat-Savarin, once said that 'Dinners have become a means of government and the fates of nations are decided at a banquet'. Of course he was exaggerating. What he said may well have been more true a couple of hundred years ago than today. I do not pretend that we shall settle the fates of nations during our talks. But the fact of taking a meal together does express a truth: we are all partners, no doubt with differences to be resolved, but above all, with a common enterprise to be pursued.

That common enterprise covers three principal areas - our security; our economic welfare; and our common civilisation.

Senator Fanfani leads a Government committed to the common cause in all three. His experience as Prime Minister four times will prove valuable in our discussions. It is also a record others might care to emulate. I welcome him, and the rest of the Italian delegation, to this country. It is, I think, a tribute to the depth and importance of our work together that so many senior and distinguished Italian figures should have agreed to come to London.

/We have

We have much to talk over. We are both resolute, in preserving our security, in our recognition of two necessities. Firstly, we must pursue the task of persuading the Soviet Union to agree to negotiate with the United States in an equitable agreement on intermediate range nuclear forces. Such an agreement must be based on balanced numbers of comparable weapon systems, preferably at the level of zero, on both sides. Secondly, we agree that NATO will have no choice but to redress the balance if the way to stable disarmament is barred by the Russians. The lesson is clearly not confined to the question of intermediate range nuclear weapons. We pursue balance - and balanced reductions between East and West - in all systems, whether nuclear or conventional. That is common ground. Meanwhile, we agree that we must maintain adequate conventional, as well as nuclear, defence. The British record in this sphere needs, I hope, no emphasis from me. Italy's contribution, too, is important. We have, in a word, mutual commitment to care for the overall health of the Alliance. We sometimes seem, perhaps, to take NATO's existence and success too much for granted. So it is worth repeating our message in public often. We also need to keep in mind the overriding need for Europe and the United States to stick together.

The need to work closely with the Americans is not, of course, only a matter of our common defence. As members of the European Community, both Italy and the United Kingdom have an interest and an important role to play in coping

/with the

with the many problems of the world economic scene. We have to do that in partnership with the United States - and with Japan, other industrialised countries, and the countries of the developing world too. The issues are complex but important. I look forward to discussing them with you, Senator, as part of the process of clearing our minds. The Brandt Commission's memorandum 'Common Crisis' of 10 February is a timely and valuable document. It will help us in preparing ourselves for the series of international meetings in 1983, including the Williamsburg Economic Summit, which will consider these important problems. Italy and the United Kingdom can and will work together here.

The European Community was founded on a judicious mixture of self-interest and idealism. We need both, for we have to nourish both our interests and our hopes. We shall therefore be looking, in the course of our discussions, at ways of righting anomalies as well as of making progress. I realise the process of righting anomalies, notably financial anomalies, can cause pains. But I think we have to look on these as growing pains. It is natural that life should demand change. A failure to adjust to the realities could lead to atrophy. None of us want that. That is why we have taken a positive approach towards the further development of the Community. The Community remains absolutely central for both of us. We can, I think, easily agree on its importance as the economic and political centre of democratic Europe. It must continue to play that role. That is one reason for our commitment to the

idea of enlarging the Community to welcome Spain and Portugal. Of course that raises problems, too, for all those involved. That is why there are negotiations. But we should not forget that the aim of those negotiations is the successful growth of the Community in the common interest.

One of our philosophers once remarked that we think in generalities but live in detail. We shall get down to the details in our talks. Meanwhile, we might perhaps usefully remind ourselves of one last generality, one which flows from the details of the network of ordinary exchanges between our two countries. These add up to an overall relationship which is extensive and strong. Our peoples know each other well as a result. I think they hold each other in affection. They should. And we should nurture that. I should like to think that as many Italians would spend their holidays getting to know this country as happens the other way around, but I fear that would be wishful thinking. You have advantages which we cannot match. Looking around me tonight, I know that so far as the British are concerned, I am preaching to the converted. Many of those gathered here have business or cultural ties which lead them to visit Italy regularly. I envy them. You know too well the pressures which keep Prime Ministers at home. That is another reason we are so glad that you and your colleagues have come to London to see us. We can at least boast of having encouraged a little tourism in a Northern direction.

/I would

I would now like to toast you, Senator Fanfani, and the Italian delegation, together with the health of our common enterprise and our common friendship.

RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

16 February, 1983

New York

M 24/2

Anglo/Italian Summit

Thank you for your letters of 10 and 15 February. We have informed the Italians of these arrangements and now await final confirmation that they are satisfactory to Senator Fanfani. Meanwhile, we are working on the assumption that an hour's tete-a-tete followed by a meeting also involving Mr Pym and Signor Colombo is agreed.

We are still pressing for answers to the other questions you put to me this morning. Senator Fanfani and a number of his Ministers have now returned to Italy following the Franco-Italian Summit in Paris. Before the end of the week I trust we shall be able to let you know the exact time the Italian delegation will arrive and who will be included in it. Those officials not included in the working lunch at No 10 on 25 February will be given lunch elsewhere. We have arranged for Mr Robert Culshaw, First Secretary at the Embassy in Rome, to return for the Summit to do interpretation. He interpreted for the Prime Minister at the last London Summit in November 1981. We would expect him to interpret at the dinner on 24 February, and again at the tete-a-tete talks the following day. Mr Anthony Lawrence, as professional interpreter, will interpret for the enlarged talks and during the working lunch. Mr Lawrence will also be available for the Press Conference. I understand that in addition to our own interpreters both Senator Fanfani and Signor Colombo will be accompanied by their personal interpreters. There may therefore be some flexibility in case interpretation is required elsewhere, eg between Treasury Ministers.

I shall let you have a draft after dinner speech by the end of the week.

Yours

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

Italy: Visit by I.P.M.'s. 2/82

File

Italy

JEG

cc: Mr. Kydd

15 February 1983

ANGLO-ITALIAN SUMMIT

Thank you for your letter of 11 February.
The Prime Minister is prepared to meet
Signor Fanfani's wish for a joint press
conference.

E. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office.

PRIME MINISTER

Anglo/Italian Summit

The present arrangements are:

Thursday, 24 February

1925	Mr. Fanfani arrives for brief talks
1945 for 2000	Formal dinner

Friday, 25 February

1030 - 1130	Tete-a-tete
1130 - 1230	Joined by Foreign Ministers
1245 for 1300	Working lunch: Ministers report on bilateral meetings

We have conveyed to the Italians your attitude about the need for a joint press conference. They have told us that Mr. Fanfani very much hopes that you will agree to this. He may well face a General Election in the spring and wants as much advantageous exposure to the media as possible. He will have lots of Italian journalists with him.

Do you want us to say that you would really very much prefer Mr. Fanfani to give his own press conference? Or are you prepared to meet his wish for a joint one?

(
A.S.C. Jus mt

14 February, 1983

Italy

file *Err*

MISS LINDSAY WILKINSON
CABINET OFFICE

ANGLO/ITALIAN SUMMIT

Thank you for your minute of 11 February.

SK 1
for mtg

I agree that those whom you list should attend the briefing meeting on 24 February.

A. L. COLES

11 February 1983

RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

11 February, 1983

Dear Sir,

Anglo-Italian Summit: 25 February: Press Conference

Thank you for your letter of 31 January which gave the Prime Minister's comments on the programme for the Anglo-Italian Summit.

You mentioned that the Prime Minister had questioned the need for a joint press conference ((c) of your letter) at the conclusion of the talks with Senator Fanfani. The Italians have told us that Fanfani very much hopes that this will take place. 1983 is likely to be an election year in Italy (a general election is still widely forecast for the Spring) and Senator Fanfani, with an eye on the domestic political scene, doubtless wants as much advantageous exposure to the media as possible. He is apparently bringing with him a large posse of Italian based newspaper and TV men in addition to the London based representatives.

It would be helpful to know whether the Prime Minister would like to reconsider the possibility of a joint press conference in the light of Fanfani's views.

Yours sincerely
R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street



CONFIDENTIAL

MR. COLES

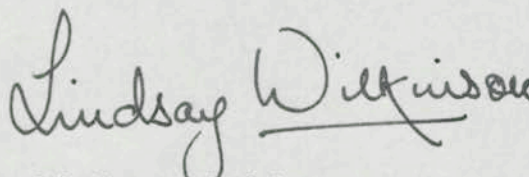
Prime Minister's Briefing Meeting -
Anglo/Italian Summit: 25th February 1983

I should be grateful for your agreement to the following Ministers being invited to attend the Prime Minister's Briefing meeting at 4.30 pm on Thursday, 24th February 1983:

Chancellor of the Exchequer
Foreign and Commonwealth Secretary
Secretary of State for Defence
Secretary of State for Industry

The following officials should also attend:

Sir Antony Acland)
Sir Julian Bullard) FCO
Lord Bridges - HM Ambassador, Rome (Designate)
Mr. Geoffrey Littler - Treasury
Mr. Clive Whitmore - Ministry of Defence
Sir Peter Carey - Department of Industry
Mr. Michael Franklin - Department of Trade
Sir Brian Hayes - MAFF
Sir Robert Armstrong)
Mr. David Hancock) Cabinet Office
Mr. David Goodall)


Lindsay Wilkinson

11th February 1983

CONFIDENTIAL

CONFIDENTIAL



fu

10 DOWNING STREET

From the Private Secretary

10 February 1983

B/F

Anglo/Italian Summit: 25 February

We have discussed on the telephone my letter of 31 January in which I set out arrangements which the Prime Minister envisaged for this Summit. You told me that the Italian Ambassador was concerned that we were not setting aside more time for Mr. Fanfani. Since it was Fanfani's own request that we should avoid a plenary session, and since the Prime Minister is giving him two meals and has offered a short meeting on 24 February, following by a 90 minute tête-à-tête on 25 February, I am not disposed to think that there is much substance to the Italian representations. But if it would help I think we could envisage that on 25 February there would be a tête-à-tête, with Private Secretaries and interpreters present, from 1030 to 1130, that the two Foreign Ministers should join the two Principals until 1230, and that a working lunch would follow. It would be helpful if this suggestion could be put to the Italians in such a way that we ensure that we are meeting Signor Fanfani's wishes (earlier experience of dealing with the Italian Embassy here about such visits suggests to me that they may not be the best channel - but I of course leave that to you).

Could you let me know in due course if these revised arrangements are acceptable to Mr. Fanfani?

JC

Roger Bone, Esq.,
Foreign and Commonwealth Office,

CONFIDENTIAL

AJC

ITALY

Cabinet Office,
70 Whitehall,
London SW1M⁴/₂

h.a.

4 February 1983

PS(83) 2

Dear Private Secretary,

Anglo-Italian Summit: 25 February 1983

This letter sets out the briefing arrangements for the Anglo-Italian Summit which is to take place in London on 25 February 1983.

The objectives for the viist 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. Departments should, therefore, aim to ensure that, apart from the Steering Brief individual subject briefs do not exceed two sides of paper.

70 copies of each brief should be sent to the Cabinet Office as soon as they are ready. They should reach the Cabinet Office by 12.00 noon on Monday, 21 February. They should be addressed to Mr R D Roscoe in Committee Section, who should be consulted (tel no 233 7343) about any technical points arising.

I am sending copies of this letter to the Private Secretaries to Sir Antony Acland, Sir Douglas Wass, Sir Peter Carey, Sir Brian Hayes, Sir Kenneth Couzens, Mr Michael Franklin, Mr Clive Whitmore, Mr Geoffrey Littler, Mr Angus Fraser, Mr Peter Lazarus and Mr John Sparrow, and to John Coles at No 10.

Yours sincerely,

(Signed) LINDSAY WILKINSON (Miss)

ANGLO-ITALIAN SUMMIT
25 FEBRUARY 1983

UNITED KINGDOM OBJECTIVES

Primary

1. To establish good working and personal relations between the Prime Minister and the new Italian Prime Minister. In demonstrating the importance we attach to United Kingdom relations with Italy, we should seek:

- (a) Community. To secure Italian support on handling of 1982 budget refunds. To persuade them of the need for early progress on 1983 and beyond and on long-term reform of the financial system leading to a lasting solution. At the same time to reassure the Italians about the United Kingdom's commitment to the Community and our interest in the further development of the Community.
- (b) East/West Relations and Security Issues. To assess the prospects for East/West relations in the light of Vice-President Bush's visit to Europe. To co-ordinate views on the European response to the Warsaw Pact proposals on arms control. In particular to discuss INF deployment (state of the negotiations, timetable for deployment, public opinion, etc) and to encourage the Italians to maintain their current firm support for the dual track decision.
- (c) International and Economic Issues. To exchange views on world economic problems, including debt, protectionism and prospects for recovery in the approach to the Williamsburg Economic Summit (28-30 May).
- (d) Transatlantic Relations. To discuss handling of the elements of friction, actual and potential, including East/West economic follow-up, EC/United States relations (especially agriculture) as well as ways of bolstering United States confidence that Europe is pulling its weight (eg defence expenditure).

Subsidiary

- 2. The Middle East. To exchange views on Arab/Israel and the Lebanon.
- 3. Argentina. To persuade the Italians to use their influence in Argentina to discourage further use of force. To urge continued Italian restraint over arms sales to Argentina, while reassuring them about United Kingdom attitudes towards Latin America as a whole.
- 4. Collaborative Projects. To make clear the United Kingdom commitment to industrial collaboration with Italy, and to discussion of the EH 101 helicopter, but not to discuss in detail (Industry Ministers are due to meet separately).
- 5. Bilateral Relations. To suggest ways of reinforcing Anglo-Italian links.

PROBABLE ITALIAN OBJECTIVES

Primary

1. European Community. To suggest a relaunching of the Community in 1983, perhaps dedicating a European Council to this purpose, to urge early progress on the European Act, to pursue specific Italian economic interests (eg Mediterranean products, steel) and to press the case for increasing the Community's own resources.
2. NATO. To urge the need for close consultations within NATO and between INF basing countries, especially in view of recent Soviet proposals on arms control.
3. East/West. To exchange views on economic aspects of East/West relations, including the pipeline and any follow-up to the visit of Vice President Bush.
4. Economy. To compare notes on international and domestic economic issues.
5. Middle East. To discuss the Arab/Israel problem and Lebanon, where Italy has a large commitment.

Subsidiary

6. To confirm Italy's interest in remaining a top table partner, and to secure domestic credit for her international role.
7. To discuss the "Bulgarian connection", especially if further evidence has come to light, eg over the assassination attempt on the Pope.
8. To display Italian expertise in specific areas of foreign affairs (Horn of Africa, Libya, PLO).

LIST OF BRIEFS FOR ANGLO-ITALIAN SUMMIT
25 FEBRUARY 1983

	<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	FCO(ECD(I))	Treasury MAFF
	(b) Budget	FCO(ECD(I))	Treasury MAFF
	(c) 1983 CAP Price-fixing/ Mediterranean Agriculture	FCO(ECD(I))	MAFF
	(d) CFP	FCO(ECD(I))	MAFF
	(e) Enlargement	FCO(ECD(E))	
	(f) Internal Market	Trade	FCO(ECD(I)) Customs & Excise Transport
	(g) Protectionism	Trade	FCO(ECD(E))
	(h) Genscher/Colombo Proposals	FCO(ECD(I))	
	(i) Other Community Issues: Regional Policy	FCO(ECD(I))	Industry
3.	East-West Relations		
	(a) Introduction (including East-West political relations)	FCO(EESD)	
	(b) Poland	FCO(ESSD)	
	(c) Eastern Europe (including economic questions)	FCO(ESSD)	FCO(TRED)
	(d) CSCE	FCO(CSCE Unit)	
	(e) Afghanistan	FCO(SAD)	
	(f) Bulgarian Intelligence Activities (background)	FCO(EESD)	

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	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
4.	Arms Control and Defence		
	(a) INF, START	FCO(Defence Dept.)	MOD
	(b) Italian Defence Policy	MOD	FCO(Defence Dept. and WED)
5.	Transatlantic Relations		
	(a) East/West Economic Follow-up	FCO(TRED/EESD)	
	(b) EC/United States	FCO(ECD(E))	
6.	Middle East		
	(a) Arab/Israel	FCO(NENAD)	
	(b) Lebanon	FCO(NENAD)	MOD
	(c) Iran/Iraq	FCO(MED)	
7.	Mediterranean Issues		
	(a) Malta	FCO(SED/ECD(E))	
	(b) Cyprus	FCO(SED/ECD(E))	
	(c) Libya	FCO(NENAD)	
8.	Other Regional Issues		
	(a) Latin America	FCO(SAmD)	
	(b) Central America	FCO(MCAD)	
	(c) Horn of Africa	FCO(EAD)	
	(d) South East Asia	FCO(SEAD)	
	(e) Namibia/Angola	FCO(SAFD)	
9.	International Economic Issues: Prospects for the World Treasury Economy (including debt problems)	Treasury	FCO(ERD) Trade
10.	United Kingdom Economy	Treasury	
11.	Italian Economy	Treasury	

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	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
12.	Bilateral Relations		
	(a) Collaborative Projects		
	(i) EH 101 Helicopter	Industry MOD	FCO(MAED/Defence Dept.)
	(ii) Airbus	Industry	FCO(MAED)
	(b) Industrial Collaboration	FCO(ESSD)	Industry
	(c) Banco Ambrosiano (background)	FCO(WED)	
13.	Super Sara Research Project	FCO(ESSD)	Energy
14.	UNLOSC	FCO(MAED)	
15.	Italy: Internal Politics	FCO(WED)	

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. AMV(83) 10) with the date of circulation 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.

- (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. AMV(83) 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 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

AMV(83) Serial Number as specified in Annex B COPY NO. in red

Date

ANGLO-ITALIAN SUMMIT
25 FEBRUARY 1983

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

HL

SIR ROBERT ARMSTRONG

Anglo/Italian Summit: 25 February

Thank you for your minute of 2 February.
I agree that briefs should reach this office
by Monday 21 February.

As regards Ministerial participation the
Prime Minister has already agreed that in
addition to the Foreign and Commonwealth Secretary,
the Chancellor of the Exchequer and the Secretary
of State for Defence, the Secretary of State
for Industry should also attend (my letter of
31 January to Roger Bone).

JOHN COLES

Sty

3 February 1983

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

2 February, 1983

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Anglo-Italian Summit: 24-25 February

/ I attach a list of suggested names for the guest list for the Prime Minister's dinner in honour of Senator Fanfani, the Italian Prime Minister, on 24 February. We do not yet know the composition of the Italian delegation but think that, in addition to the Ministers already listed, at least four spaces should be set aside at the dinner for senior Italian officials.

We shall let you know as soon as we have the names of the Italian party.

You are,

(R B Bone)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street



DINNER in honour of SENATOR AMINTORE FANFANI

President of the Council of Ministers of the
Republic of Italy

at No. 10 Downing Street
on Thursday, 24 February
at

Full name, title and decorations	Address	Reason for invitation
The Rt Hon Margaret Thatcher MP		
His Excellency Senator Amintore Fanfani	c/o Italian Embassy 14 Three Kings Yard Davies Street LONDON SW1 (tel: 629 8200)	Guest of Honour and Prime Minister of Italy
His Excellency Signor Emilio Colombo	(as above)	Italian Foreign Minister
Signor Lelio Lagorio	(as above)	Italian Defence Minister
Signor Giovanni Goria	(as above)	Italian Treasury Minister
Signor Pierluigi Romita	(as above)	Italian Minister for Scientific Research



Full name, title and decorations	Address	Reason for invitation
<u>HM Government</u>		
The Rt Hon Francis Pym MC MP and Mrs Pym		Foreign and Commonwealth Secretary
The Rt Hon Sir Geoffrey Howe QC MP and Lady Howe		Chancellor of the Exchequer (Lady Howe also associated with Venice in Peril)
The Rt Hon Michael Heseltine MP and Mrs Heseltine		Secretary of State for Defence
The Rt Hon Patrick Jenkin MP and Mrs Jenkin		Secretary of State for Industry
The Rt Hon The Lord Hailsham of Marylebone CH and Lady Hailsham		Lord Chancellor, visited Rome November 1981 and addressed the Italian Senate.
RESERVES:		
Mr Kenneth Baker MP and Mrs Baker		Minister of State for Industry and Information Technology (visitor to Italy)
Sir David Price MP and Lady Price	36 Sloane Court West LONDON SW3 4TB (Tele: 219 3000)	Deputy Chairman, British-Italian Parliamentary Group



Full name, title and decoration	Address	Reason for invitation
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Opposition

The Rt Hon Peter Shore MP and Mrs Shore	House of Commons LONDON SW1A 0AA (Tel: 219 3000)	Labour Party spokesman on foreign affairs Visited Rome December 1982/ January 1983. Son studies at Perugia University
Lord Tordoff and Lady Tordoff	House of Lords LONDON SW1A 0PW (Tel: 218 3000)	Visited Italy in November 1981
Lord Kennet and Lady Kennet	100 Bayswater Road LONDON W2	Italian connections: Committee member, British Institute of Florence

RESERVES:

The Rt Hon Mrs Shirley Williams MP	House of Commons LONDON SW1A 0AA (Tel 218 3000)	Social Democratic Party. Visited Italy December 1981 for Financial Times Business Forum
Mr D N Campbell Savours MP and Mrs Campbell Savours	House of Commons LONDON SW1A 0AA	Member of Parliament Committee member, British Institute of Florence

House of Commons

Sir Timothy Kitson MP and Lady Kitson	House of Commons LONDON SW1A 0AA (Tel: 219 3000)	Chairman, Parliamentary Select Committee on Defence, Leader of Committee visit to Italy 25-28 April 1983
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Full name, title and decorations	Address	Reason for invitation
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Italian Embassy

HE Signor Andrea Cagiati GCVO and Signora Cagiati	4 Grosvenor Square LONDON W1 (Tel: 629-8200)	Ambassador of Italy
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RESERVE:

Signor L M Fontana Giusti and Signora Fontana Giusti	Italian Embassy 14 Three Kings Yard Davies Street LONDON W1 (Tel: 629 8200)	Minister, Italian Embassy
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Industry

Sir Austin Bide BSc FRSC and Lady Bide	35-38 Portman Square LONDON W1 (Tel: 486 6000)	Chairman and Chief Executive, British Leyland Ltd (32,000 vehicles sold in Italy in 1982), prospects for Land Rover sales 1983)
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Gen. Sir Harry Touzo GCB, OBE MC and Lady Touzo	Marconi Space and Defence Systems The Grove Stanmore, Middx (Tel: 954 2311)	Chairman, Marconi Space and Defence Systems
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Lord Forte FRSA and Lady Forte	Trust House Forte Ltd 86 Park Lane LONDON W1 (Tel: 493 4090)	Chairman, Trust House Forte
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Full name, title and decorations	Address	Reason for invitation
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Rt Hon The Lord Aldington KCMG, CBEM DSO and Lady Aldington	Flat R 45 Eaton Square LONDON SW1W 9BD	Chairman, Westland Helicopters (UK/ Italian collaborative helicopter project)
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Hon M D Sieff and Mrs Sieff	Michael House Baker Street LONDON W1A 1DN (Tel: 935 4422)	Director, Marks and Spencer Ltd British Overseas Trade Board
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The Rt Hon Lord Robens of Woldingham DCL LLD and Lady Robens	House of Lords LONDON SW1A 0PW (Tel: 219 3000)	Chairman, Snamprogetti Ltd. Director, Times Newspapers Holdings
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Lord MacFadzean of Kelvinside PT and Lady MacFadzean	Rolls Royce Ltd 65 Buckingham Gate LONDON SW1 (Tel: 222-9020)	Chairman and Chief Executive, Rolls Royce
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Others

Professor A Vaciago and Signora Vaciago	Italian Cultural Institute 39 Belgrave Square LONDON W1 (Tel: 234 1461)	Director, Italian Cultural Institute, and Cultural Attache, Italian Embassy
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Mr Christopher Seton- Watson and Mrs Seton-Watson	Oriel College Oxford (Tel: 0865 41651)	Chairman, Association for the Study of Modern Italy, fellow of Oriel College, Oxford
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/ Mr and Mrs A J Shepherd



Full name, title and decorations	Address	Reason for invitation
Mr and Mrs A J Sheppard	The Wellcome Foundation Ltd 183 Euston Road LONDON NW12BP (Tel: 387 4477)	Chairman, The Wellcome Foundation, (awarded Italian honour in January 1983)
Mr W C Cockburn and Mrs Cockburn	Barclays Bank International 54 Lombard Street LONDON EC3 (Tel: 283 8989)	Director and General Manager, Barclays Bank International
J Steinberg M A PhD and Mrs Steinberg	Trinity Hall Cambridge CB2 iJJ (Tel 0223 51401)	Tutor, Trinity College, Cambridge. Visiting Italy March 1983 for study on Italian Communist Party
Lord Hastings and Lady Hastings	Fulmodeston Hall Fakenham Norfolk (Tel: Thursford 231)	President, British Italian Society
Viscount Norwich FRSL and Lady Norwich	24 Bloomfield Road LONDON W9 (Tel: 286 5050)	Venice in Peril
Signor Riccardo Muti and Signora Muti	61 Carey Street LONDON WC2 (Tel: 794 5954)	Principal Conductor New Philharmonic Orchestra
Miss Alexandra Bastedo	Peter Charlesworth Ltd 2nd Floor 68 Old Brompton Road LONDON SW7 (Tel: 581 2478)	Actress, speaks fluent Italian

/Lady Birkenhead



Full name, title and decorations	Address	Reason for invitation
Lady Birkenhead	House of Lords London SW1A OPW (Tel: 219 3000)	Italian connections. Anglo-Italian Hospital Keats-Shelley House
Mr R Cavaliero and Mrs Cavaliero	British Council 10 Spring Gardens LONDON SW1 (Tel: 930 8466)	Assistant Director- General, British Council (speaks Italian)
Mr Martin Woollacott and Mrs Woollacott	The Guardian 119 Faringdon Road LONDON EC1 (Tel: 278 2332)	Foreign Editor The Guardian
<u>Officials</u>		
Sir Robert Armstrong KCB CVO and Lady Armstrong	[REDACTED]	Secretary to the Cabinet and Head of the Civil Service
Sir J Bullard KCMG and Lady Bullard	Foreign and Commonwealth Office	Deputy to the Permanent Under Secretary of State
The Lord Bridges CMG and Lady Bridges	c/o Heads of Mission Section, Foreign and Commonwealth Office	Ambassador-designate at Rome
<u>Reserves</u>		
Sir Peter Carey KCB and Lady Carey		Permanent Under Secretary Department of Industry (may visit Italy in March 1983)

/ Mr Whitmore



Full name, title and
decorations

Address

Reason for invitation

Mr C A Whitmore CVO and
Mrs Whitmore

Ministry of Defence

Permanent Under
Secretary, MOD.
Plans to visit
Italy in the Spring.



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Ref. A083/0358

MR COLES

Anglo-Italian Summit: 25 February 1983

The Italian Prime Minister, Signor Amintore Fanfani, has accepted the Prime Minister's invitation to visit London on 25 February for the next in the series of Anglo-Italian Summits. The last Summit meeting took place in Rome on 7 July 1982.

2. The Prime Minister has agreed that, apart from herself and the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Secretary of State for Defence should take part. Consideration is also being given to the Secretary of State for Industry's attending. The Italians have asked to include their Minister for Scientific Research. The subjects likely to be covered are within Mr Jenkin's area of responsibility. However, we shall not wish to discuss in detail the joint helicopter project, EH 101, since discussion in Whitehall will be at a delicate stage, and Mr Jenkin will probably need to go to Rome in early March for a further meeting. Although the Italians are not enthusiastic about including Defence Ministers, it would be useful for Mr Heseltine to meet Signor Lagorio (who was recently confirmed as Defence Minister for the fifth consecutive term). We have the problem of INF deployment in common with the Italians. They are also partners in the defence equipment field, where a military version of the EH 101 helicopter is planned.

3. Even if the prospects for the Fanfani Government are not bright, this is in many ways a good moment for a Summit. There is a lot to discuss: Community issues, East/West relations and security, international economic problems and transatlantic relations. The Prime Minister has agreed that the ideas in the Foreign and Commonwealth Secretary's minute of 12 January should guide our approach to major meetings with partners such as the Italians. Italian support could be valuable in all these areas. First contacts with the Italians suggest that these are broadly their own current preoccupations in foreign affairs, although Signor Fanfani's overriding concern remains the domestic economy. Proposed United Kingdom and probable Italian objectives for the Summit are at Annex A.

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4. The present list of topics for discussion is set out at Annex B. The list has been agreed in principle with the Italian Embassy. Some revision may be necessary in the light of developments during the next few weeks. I attach at Annex C a list of suggested briefs, the preparation of which will be co-ordinated in the usual way by the Cabinet Office. Provided that you agree, we will aim to arrange for these briefs to reach you by close of play on Monday 21 February.

REA

ROBERT ARMSTRONG

2 February 1983

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ANGLO-ITALIAN SUMMIT
25 FEBRUARY 1983

UNITED KINGDOM OBJECTIVES

Primary

1. To establish good working and personal relations between the Prime Minister and the new Italian Prime Minister. In demonstrating the importance we attach to United Kingdom relations with Italy, we should seek:

- (a) Community. To secure Italian support on handling of 1982 budget refunds. To persuade them of the need for early progress on 1983 and beyond and on long-term reform of the financial system leading to a lasting solution. At the same time to reassure the Italians about the United Kingdom's commitment to the Community and our interest in the further development of the Community.
- (b) East/West Relations and Security Issues. To assess the prospects for East/West relations in the light of Vice-President Bush's visit to Europe. To co-ordinate views on the European response to the Warsaw Pact proposals on arms control. In particular to discuss INF deployment (state of the negotiations, timetable for deployment, public opinion, etc) and to encourage the Italians to maintain their current firm support for the dual track decision.
- (c) International and Economic Issues. To exchange views on world economic problems, including debt, protectionism and prospects for recovery in the approach to the Williamsburg Economic Summit (28-30 May).
- (d) Transatlantic Relations. To discuss handling of the elements of friction, actual and potential, including East/West economic follow-up, EC/United States relations (especially agriculture) as well as ways of bolstering United States confidence that Europe is pulling its weight (eg defence expenditure).

Subsidiary

- 2. The Middle East. To exchange views on Arab/Israel and the Lebanon.
- 3. Argentina. To persuade the Italians to use their influence in Argentina to discourage further use of force. To urge continued Italian restraint over arms sales to Argentina, while reassuring them about United Kingdom attitudes towards Latin America as a whole.
- 4. Collaborative Projects. To make clear the United Kingdom commitment to industrial collaboration with Italy, and to discussion of the EH 101 helicopter, but not to discuss in detail (Industry Ministers are due to meet separately).
- 5. Bilateral Relations. To suggest ways of reinforcing Anglo-Italian links.

PROBABLE ITALIAN OBJECTIVES

Primary

1. European Community. To suggest a relaunching of the Community in 1983, perhaps dedicating a European Council to this purpose, to urge early progress on the European Act, to pursue specific Italian economic interests (eg Mediterranean products, steel) and to press the case for increasing the Community's own resources.
2. NATO. To urge the need for close consultations within NATO and between INF basing countries, especially in view of recent Soviet proposals on arms control.
3. East/West. To exchange views on economic aspects of East/West relations, including the pipeline and any follow-up to the visit of Vice President Bush.
4. Economy. To compare notes on international and domestic economic issues.
5. Middle East. To discuss the Arab/Israel problem and Lebanon, where Italy has a large commitment.

Subsidiary

6. To confirm Italy's interest in remaining a top table partner, and to secure domestic credit for her international role.
7. To discuss the "Bulgarian connection", especially if further evidence has come to light, eg over the assassination attempt on the Pope.
8. To display Italian expertise in specific areas of foreign affairs (Horn of Africa, Libya, PLO).

ANGLO-ITALIAN SUMMIT
25 FEBRUARY 1982

Draft Topics for Discussion

1. European Community Topics
 - (a) Community Budget Problems and CAP Reform
 - (b) Genscher/Colombo Proposals
 - (c) Enlargement
 - (d) Regional Policy
2. Domestic and International Economic Scene (including prospects for the World Economic Summit)
3. East/West Relations (including Warsaw Pact declaration, Yugoslavia, Poland, CSCE, Afghanistan)
4. Defence and Arms Control
5. Transatlantic Relations
6. Mediterranean Questions (including Malta, Cyprus and Libya)
7. Regional Issues (including Middle East, Latin America and Horn of Africa)
8. Bilateral Questions (including industrial collaboration)

LIST OF BRIEFS FOR ANGLO-ITALIAN SUMMIT
25 FEBRUARY 1983

	<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	FCO(ECD(I))	Treasury MAFF
	(b) Budget	FCO(ECD(I))	Treasury MAFF
	(c) 1983 CAP Price-fixing/ Mediterranean Agriculture	FCO(ECD(I))	MAFF
	(d) CFP	FCO(ECD(I))	MAFF
	(e) Enlargement	FCO(ECD(E))	
	(f) Internal Market	Trade	FCO(ECD(I)) Customs & Excise Transport
	(g) Protectionism	Trade	FCO(ECD(E))
	(h) Genscher/Colombo Proposals	FCO(ECD(I))	
	(i) Other Community Issues: Regional Policy	FCO(ECD(I))	Industry
3.	East-West Relations		
	(a) Introduction (including East-West political relations)	FCO(EESD)	
	(b) Poland	FCO(ESSD)	
	(c) Eastern Europe (including economic questions)	FCO(ESSD)	FCO(TRED)
	(d) CSCE	FCO(CSCE Unit)	
	(e) Afghanistan	FCO(SAD)	
	(f) Bulgarian Intelligence Activities (background)	FCO(EESD)	

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	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
4.	Arms Control and Defence		
	(a) INF, START	FCO(Defence Dept.)	MOD
	(b) Italian Defence Policy	MOD	FCO(Defence Dept. and WED)
5.	Transatlantic Relations		
	(a) East/West Economic Follow-up	FCO(TRED/EESD)	
	(b) EC/United States	FCO(ECD(E))	
6.	Middle East		
	(a) Arab/Israel	FCO(NENAD)	
	(b) Lebanon	FCO(NENAD)	MOD
	(c) Iran/Iraq	FCO(MED)	
7.	Mediterranean Issues		
	(a) Malta	FCO(SED/ECD(E))	
	(b) Cyprus	FCO(SED/ECD(E))	
	(c) Libya	FCO(NENAD)	
8.	Other Regional Issues		
	(a) Latin America	FCO(SAmD)	
	(b) Central America	FCO(MCAD)	
	(c) Horn of Africa	FCO(EAD)	
	(d) South East Asia	FCO(SEAD)	
	(e) Namibia/Angola	FCO(SAFD)	
9.	International Economic Issues: Prospects for the World Treasury Economy (including debt problems)	Treasury	FCO(ERD) Trade
10.	United Kingdom Economy	Treasury	
11.	Italian Economy	Treasury	

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	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
12.	Bilateral Relations		
	(a) Collaborative Projects		
	(i) EH 101 Helicopter	Industry MOD	FCO(MAED/Defence Dept.)
	(ii) Airbus	Industry	FCO(MAED)
	(b) Industrial Collaboration	FCO(ESSD)	Industry
	(c) Banco Ambrosiano (background)	FCO(WED)	
13.	Super Sara Research Project	FCO(ESSD)	Energy
14.	UNLOSC	FCO(MAED)	
15.	Italy: Internal Politics	FCO(WED)	

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JWP



be. Mrs. Goodchild

10 DOWNING STREET

From the Private Secretary

31 January 1983

ANGLO/ITALIAN SUMMIT: 25 FEBRUARY

Thank you for your letter of 25 January.

The Prime Minister would like to have a short private talk with Signor Fanfani immediately before the dinner on 24 February. She suggests, therefore, that he arrives twenty minutes before the dinner.

With regard to the programme on 25 February:

- (a) since Signor Fanfani has expressed little interest in holding a plenary session, we believe that the best arrangement might be that the tete-a-tete conversation, with Private Secretaries and interpreters present, should take place from 1100 to 1230;
- (b) there would follow a working lunch, attended by all participating Ministers, at which each would give a brief account of their bilateral meetings;
- (c) the Prime Minister wonders whether a joint press conference is necessary. It might be sufficient for both sides to brief the press in the normal way (if Signor Fanfani wishes to give his own press conference, there would of course be no objection to this).

The Prime Minister would be glad if the Secretary of State for Industry would attend the Summit since the Italian Minister for scientific research would be coming. I agree that it would be useful to ask the Italians to reconsider the possibility of the Defence Minister coming with the Italian team.

As regards the format for the dinner on 24 February (your penultimate paragraph), it will be a formal dinner for some 65 people and dress will be Black Tie. The working lunch will

/necessarily

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- 2 -

necessarily be very restrictive. If, as the Prime Minister envisages, all the Ministers take part there will be few, if any, places available for officials. Perhaps we can discuss this point further when final details of the Italian team are available.

I am copying this letter to John Kerr (HM Treasury), Jonathan Spencer (Department of Industry), Richard Mottram (Ministry of Defence), John Rhodes (Department of Trade), Robert Lowson (Ministry of Agriculture, Fisheries and Food) and Richard Hatfield (Cabinet Office).

A. J. COLES

R.B. Bone, Esq.,
Foreign and Commonwealth Office.

RESTRICTED

PRIME MINISTER

ANGLO/ITALIAN SUMMIT: 25 FEBRUARY 1983

It would be helpful to have your views on various points.

Signor Fanfani will arrive in time for dinner on Thursday 24 February. I suggest that we make this formal (Black Tie) and large at the horseshoe table. Agree? *Yes mt*

He has asked whether you envisage a meeting at some point before the dinner. Would you like him to come ~~20~~ minutes early for a short private talk? *Yes mt 20*

? With regard to the next day, he has asked for an extended tete-a-tete discussion with little or no plenary. Unless you particularly want a plenary we could plan for:

- (a) A tete-a-tete from 1100 to 1230 (interpretation will be necessary so this will not be very long);
- (b) A working lunch, attended by all participating Ministers (four a side) at which each would give a brief account of their bilaterals;
- (c) A joint press conference at around 1430, probably at the ~~Vicar's~~ ^{Vickers} Cinema at Millbank.

Agree with these arrangements?

Is this really needed?

mt

A.F.C.

28 January 1983

1987: visit of Kankari: Feb 82

Italy

HU

26 January 1983

This is just to record that the Prime Minister has seen your Secretary of State's minute of 24 January about bilateral consultations.

Tim Flesher

Miss Jane Ridley,
Ministry of Defence.

HU

RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

25 January, 1983

John

seen by es.

cc. to Mrs Goodchild

John

Anglo-Italian Summit: 25 February

Your letter of 18 January set out the Prime Minister's views on arrangements for the Anglo-Italian Summit. These have been passed to the Italian Embassy.

In the meantime, Signor Paolini, diplomatic adviser to the Italian Prime Minister, has given HM Ambassador at Rome some answers to some of the questions you raised.

We now have confirmation that Signor Fanfani plans to arrive on 24 February, and would be pleased to accept an invitation from the Prime Minister to dinner that evening. Signor Fanfani has also asked whether a preliminary meeting with the Prime Minister prior to the dinner is envisaged. I doubt whether this is essential, but if the Prime Minister were able to offer, say, 15-30 minutes beforehand, I am sure Signor Fanfani would welcome it.

It would be possible but not very convenient.

Signor Fanfani has expressed a preference for an extended tete-a-tete discussion on 25 February, with little or no plenary. I would be grateful to know whether the Prime Minister agrees with this. If the tete-a-tete and other meetings between individual Ministers take place between, for example, 0930 and 1130 (allowing for interpretation), it might be useful to have a short plenary from 1130 to 1230 followed by a working lunch and short press conference. Signor Fanfani would expect to return to Rome in the early evening of 25 February.

They are possible but possibly for too long.

Signor Fanfani's preliminary views on the agenda coincide closely with the subjects put forward in my letter of 7 January, namely Community matters, East/West and transatlantic relations and the international economic scene.

You will wish to know that the timetable for the government's consideration of the EH 101 helicopter project will probably not enable a decision to be taken on government funding before the Summit, but that Mr Jenkin may need to go to Rome in early March. We had previously agreed with the Department of Industry that in those circumstances there would be no need for Mr Jenkin to take part in the Summit. We have since learned, however, that Signor Fanfani has asked to include his Minister for Scientific Research, Signor Romita, in the Italian Team. Because the subjects which

RESTRICTED

/Signor

RESTRICTED



Signor Romita would wish to discuss fall within Mr Jenkins field of responsibility, there is now a case for his participation. Signor Fanfani does not seem keen to bring his Defence Minister, Signor Lagorio to London, but we nevertheless believe it would be useful for the reasons given in my letter of 7 January for Defence Ministers to meet. We recommend that the Italians be asked to reconsider.

I should be grateful for your guidance on format for the government dinner to enable us to begin the preparation of guest lists. Will it be black tie? I assume that the working lunch will need to be restricted to Ministers and a handful of officials. If so, we shall make alternative arrangements for those members of the Italian delegation who cannot be included.

I am copying this letter to the recipients of yours.

Yours ever
R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

RESTRICTED

*Wd have
thought
Black tie
CJ.*

ITALY: Visit of Italian PM and S. Fanfani:
February 1982.

20 JAN 1983



Germany: Chanc Kohl #17
 Italy: Mr Fantani 2/82
 Netherlands: Mr Lubbers 11/79
 Econ. Pol: Williamson
 Econ. S. Aff.
 * USA: Visit of V-Prso. Bush
 * Original minute
 MO 14/3



Prime Minister

To note.

A.S.C. 25/1

PRIME MINISTER

BILATERAL CONSULTATIONS

The Foreign and Commonwealth Secretary copied to me his helpful minute of 12th January about objectives for our forthcoming bilateral consultations with Allies. I agree with his proposed approach, but I would like to add a gloss on two specific points.

2. First, as regards the Genscher/Colombo proposals, I assume that we remain of the view that any discussions of security questions in this context should not go into issues which are properly matters for NATO. We shall need to watch this however much Continental rhetoric we are asked to swallow.

3. Secondly, I agree that the handling of East-West economic relations and the control of technology transfer will be particularly difficult in the aftermath of the pipeline dispute. We will need to impress on our European allies that the Americans mean business in this area and we need to be seen to be pulling our weight in the various studies envisaged. The programme of studies by its very scale offers a considerable potential for further exacerbating relations between the Americans and the Europeans.

4. I am sending copies to OD colleagues and Sir Robert Armstrong.

24th January 1983

Ministry of Defence



10 DOWNING STREET

FILE SW
Italy
cc: Miss Stephens
Mrs Goddard
Mr Ingham

From the Private Secretary

18 January, 1983

Anglo/Italian Summit: 25 February

Thank you for your letter of 7 January. I am sorry that, owing to the visit of the Prime Minister to the Falklands it has not been possible to let you have a reply earlier than this.

The Prime Minister hopes that the Foreign and Commonwealth, the Chancellor of the Exchequer, the Defence Secretary and the Industry Secretary (unless Mr. Jenkin visits Rome before the Summit) will be available to participate in the programme on 25 February.

She notes that the Minister of Agriculture, Fisheries and Food is hoping to pay a separate visit to Rome in May and that the trade content of Signor Fanfani's visit is unlikely to be sufficient to justify taking the time of the Secretary of State for Trade.

As regards a press announcement, I should be grateful if you could be in touch with our own Press Office to whom it probably falls to announce the visit.

In your penultimate paragraph, you point out that Signor Fanfani may want to arrive on the evening of 24 February. It would be convenient for the Prime Minister to give him dinner on that evening. If he can accept that arrangement, we would make the dinner the major item of hospitality and envisage that lunch on 25 February would be a much smaller, and probably a working occasion. Could you kindly confirm as soon as possible (because there are other competing engagements) that these arrangements would suit the Italians.

I am copying this letter to John Kerr (Treasury), Richard Mottram (Defence), John Rhodes (Trade), Jonathan Spencer (Industry), Robert Lawson (Agriculture) and Richard Hatfield (Cabinet Office).

A. J. COLES

R. B. Bone, Esq.,
Foreign and Commonwealth Office



File

RW

10 DOWNING STREET

From the Private Secretary

17 January, 1983

BILATERAL CONSULTATIONS

The Prime Minister has seen the minute of 12 January by the Foreign and Commonwealth Secretary about the series of meetings which we shall be having with our partners and allies over the next few months. Mrs. Thatcher is content that the points outlined in Mr Pym's minute should be borne in mind in preparation of the various briefs.

R. Bone, Esq.,
Foreign and Commonwealth Office

PRIME MINISTER

ANGLO/ITALIAN SUMMIT: 25 FEBRUARY

It will be helpful to have your views about Ministerial participation. The following would seem to be the candidates on our side:

Foreign and Commonwealth Secretary

Chancellor

Defence Secretary (there is specific defence business to discuss)

Industry Secretary (unless, as is possible, he visits Rome in January).

(The Minister of Agriculture is planning a separate visit to Rome in May. At present we do not think it necessary to include the Trade Secretary).

Agree to this participation?

A.J.C.

Yes

17 January 1983

Carlie

World 24 Feb. mit better to the

dinner?

ASC

A.S.C. $\frac{17}{1}$

Yes please.

es. 17/1



PM/83/3

PRIME MINISTERPrime Minister

Are you content that we should
 have these points in mind as briefing is prepared
 for the series of meetings with our European and
 U.S. partners which lie ahead?
 Yes, not

A. J. C. $\frac{14}{1}$ Bilateral Consultations

1. We have a series of important meetings with partners and allies over the next few months. You will be seeing Kohl at Chequers on 4 February and the Anglo-German Summit will be held here on 22 April. I have a brief meeting with Colombo in London on 13 January and the Anglo-Italian Summit is now fixed for 25 February. I am seeing Cheysson on 31 January, also in London, and Geoffrey Howe will be talking to him about the Community Budget the following day. I shall probably also be seeing the French Foreign Minister again in April to follow up your meetings with Mitterrand on 4 and 5 November. You are seeing Lubbers on 2 March. We also have Bush coming here on 9-10 February, and the Economic Summit at Williamsburg is fixed for the end of May.

2. I think it worth clearing our minds as to our priorities and objectives in these meetings. I believe these should lie in four areas:

- (a) International economic problems are bound to become more and more insistent themes as Williamsburg approaches. Not only will current problems such as debt and protectionism be raised, but also the medium-term question of how the world economy can move out of recession along a non-inflationary path. Interest in this last point will be sharpened by the elections this year in Germany, France and possibly Italy, and in 1984 in the US. Fear of protectionism has exacerbated Community/US relations. We shall need to work on the Germans and the French. We have common interests when it comes to Japan..



(b) We also need to steer between the rocks on Community questions. Our immediate and principal objective must be to make progress over the budget, including tactics for dealing with the European Parliament over 1982 refunds as well as the broader issue of refunds for 1983 and later. We must also ensure that any review of the Community's budgetary system flowing from the forthcoming green paper by the Commission should highlight the correction of budgetary imbalances as a major objective. Other Community subjects include: fisheries, where we need to keep the Nine together; enlargement, where we need progress; and increasingly over coming months, CAP price fixing, where we shall be urging our partners to agree that a real measure of restraint is imperative this year.

In pursuing these objectives it will be important to convince our partners of our commitment, as shown by recent speeches by Ministers, to the development of the Community. The Germans and Italians will be looking for sympathy from us over the Genscher/Colombo proposals, which the German presidency would no doubt like to see adopted before their elections on 6 March. I think we should be prepared to swallow a good deal of Continental rhetoric if it helps to reinforce our European credentials and thus improves the chances of our securing our European objectives.

/(c)



- (c) Our defence credentials, after the Falklands and our expenditure record, give us a standing we can exploit. 1983 will be a difficult year for the Alliance. INF has become the latest and vital test of its unity. There can be no doubt of our determination to deploy, nor that of Chancellor Kohl or of the Italian Government. I wish I could say the same of the Dutch or the Belgians. Rising popular and party political opposition (especially in West Germany) could this year threaten the broad consensus which has prevailed in Western Europe on defence issues since the Second World War. We shall need to co-ordinate NATO's reactions to Soviet moves and do our utmost to make sure that the Americans keep in step with the Europeans. They have to be persuaded to talk about security issues in terms which meet public concerns. There is in 1983, even apart from arms control issues, likely to be an increase in East/West exchanges, with Gromyko already booked to talk to Genscher and Cheysson during the next month.
- (d) All three of these issues have important implications for the Transatlantic relationship. The pipeline dispute has been settled but the differences of opinion which led to it have not been resolved. There is still fundamental disagreement about how to handle East-West economic relations.



relations, reflecting differing assessments as well as divergent interests. It may be difficult this year, too, to manage US/Community relations. Britain will therefore have a continuing role in persuading our European partners to keep American political realities in mind, and the other way about. This is likely to prove particularly necessary during the various studies set in hand following the pipeline row, if they are not to lead to another round of disillusionment and bitterness. We have a unique standing in Washington and will need to exploit it on behalf of wider European and transatlantic interests.

3. I am instructing my officials to bear the foregoing considerations in mind when preparing briefing for these meetings, subject to any comments from you or from OD colleagues to whom this minute is also being copied.
4. I am also sending a copy to Sir A Armstrong.

CFI

(FRANCIS PYM)

Foreign and Commonwealth Office
12 January 1983

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

7 January 1983

Annul return

John T. ...

Anglo-Italian Summit: 25 February

Signor Fanfani has accepted with pleasure the Prime Minister's invitation to visit London on 25 February for the next Anglo-Italian Summit (your letter of 16 December).

We shall need to consider the agenda, and in particular the topics which the Prime Minister should raise, a little nearer the time. On Ministerial participation, Mr Pym and the Chancellor will doubtless have separate sessions with their opposite numbers. In addition we have, as you know, a continuing defence dialogue with the Italians and are still hoping to develop with them a military version of the EH 101 helicopter. Mr Nott has had a number of contacts with his Italian opposite number over the past 18 months. Mr Pym thinks it would be helpful if Mr Heseltine could continue these discussions at the Summit, especially now that Signor Lagorio has been confirmed as Defence Minister for another term. We are also discussing industrial collaboration with the Italians in the civil field. The Secretary of State for Industry may visit Rome in January for further talks on the civil version of the EH 101 and other projects. If he does not, the Prime Minister may wish to consider inviting Mr Jenkin to participate in the Summit.

We do not at present think it will be necessary to include the Secretary of State for Trade or the Minister of Agriculture, Fisheries and Food. The former is hoping to pay a separate visit to Rome in May.

/Our

CONFIDENTIAL



Our Ambassador in Rome is calling on Signor Fanfani's newly appointed Diplomatic Adviser soon after 10 January. He might usefully discuss Ministerial participation with Signor Paolini on that occasion. It will be too soon to go into the details of the Agenda, but Sir R Arculus might perhaps say we expect the discussions in London to concentrate on the three main areas of the Community, international economic problems and the East/West relations including security issues and transatlantic questions.

The Italians have asked about the timing of a press announcement. If you agree, we shall tell them we plan on making a short statement to the effect that Signor Fanfani will be coming for talks on 25 February at the noon press conference on 31 January. Lastly, the Prime Minister will wish to know that Signor Fanfani may want to arrive on the evening of 24 February rather than the morning of the Summit itself. (He is of course, though vigorous, 74 years old.) If 24 February would suit the Prime Minister better for the dinner than 25 February (your letter of 16 December) we could perhaps encourage the Italians to think in these terms, which would leave them free to depart after lunch and, presumably, a Press Conference, on 25 February. If not, we should let the Italians know sooner rather than later that Mrs Thatcher will not be free in the evening of 24 February, so as to lead them to think in terms of a comparatively late arrival that evening.

Mr Pym will be seeing Signor Colombo, here on a brief private visit, on 13 January and would thus have an opportunity to discuss these plans with him.

Two
R B Bone

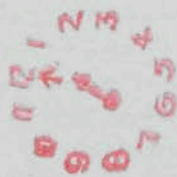
(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

Italy, Feb '82, Visit of Mr. Farfani



7 JAN 1983



Italy



10 DOWNING STREET

From the Private Secretary

16 December 1982

Invitations to Chancellor Kohl, Mr. Fanfani and Mr. Lubbers

I have seen John Kerr's letter of 14 December.

I note that the Chancellor of the Exchequer would find a meeting with the Italians in early March rather inconvenient. I am afraid that we examined earlier the possibility of this Summit taking place in April but there is no day during that month which is convenient to the Prime Minister.

One way of resolving the Chancellor of the Exchequer's difficulty might be to offer the Italians 25 February (one of the dates we were proposing to offer to the Dutch) for the Summit and then give the Dutch a choice of 2 or 4 March. I shall need to know fairly quickly if this suggestion, which I understand from John Kerr would be convenient to the Chancellor, is acceptable to the Italians. If so, and on the assumption that the Prime Minister will need to offer Mr. Fanfani dinner that evening, we shall have to take steps to postpone another dinner to which the Prime Minister is committed on that day.

I am sending a copy of this letter to John Kerr (HM Treasury), John Rhodes (Department of Trade), Robert Lawson (MAFF), Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

A.J. COLES

R.B. Bone, Esq.,
Foreign and Commonwealth Office.

B

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

14 December 1982

Roger Bone Esq.
Foreign and Commonwealth Office

New Roger,

INVITATIONS TO CHANCELLOR KOHL, MR FANFANI AND MR LUBBERS

We spoke about John Coles' letter of 10 December to Brian Fall. I write now to confirm that a full dress bilateral "summit" with the Italians, involving the Chancellor in rounds of talks with his Italian opposite number, would be rather inconvenient for him in early March. If we are correct in our guess at the nature of the occasion, he would be most grateful if you and No.10 could consider alternative dates, perhaps in April.

The Chancellor assumes that the proposed visit by Mr Lubbers in late February or early March would be rather different, and that Mr Lubbers would not be accompanied by his Finance Minister, Dr Ruding, who was here for talks with the Chancellor last week.

Copies of this letter go to John Coles at No.10 and Richard Hatfield at the Cabinet Office.

Yours ever,

J O Kerr

J O KERR
Principal Private Secretary



cc HMT
DOT
NAPP
MOD
(0)

Staller
HU

10 DOWNING STREET

From the Private Secretary

10 December 1982

Dear Sir,

Invitations to Chancellor Kohl, Mr. Fanfani and Mr. Lubbers

During our visit to Copenhagen for the European Council last week there was some discussion of the desirability of inviting to London early next year the Federal German Chancellor, the Italian Prime Minister and the Netherlands Prime Minister. I have since consulted the Prime Minister about this and write to convey her views.

Chancellor Kohl

The Prime Minister would welcome a visit by the Federal German Chancellor in January or early February. You will recall that Chancellor Kohl suggested to the Prime Minister on 29 October that he should pay a working visit "with a minimum of supporting staff" to discuss commercial policy and the problem of protectionism. We were not able to fit such a visit into the Prime Minister's diary before Christmas but could now offer talks and lunch at Chequers on 4 February (which would be our first preference) or talks and lunch at 10 Downing Street on either 24 or 26 January. The Prime Minister would hope to discuss with Herr Kohl not just commercial policy but world economic and financial questions as well as key Community issues and international political and defence matters.

I should be grateful if you could put these possibilities to the Germans and let us know their response. If you consider that a personal letter from the Prime Minister to the Chancellor conveying this invitation would be useful, could you kindly let me have a draft.

Mr. Fanfani

It is our turn to host the next Anglo/Italian bilateral summit. As you know, we were unable to offer a summit in the latter part of this year and this upset the Italians to some extent. The Prime Minister would like to take the opportunity of the change of administration in Italy to issue an early invitation to Mr. Fanfani to visit London. The best day for the summit would be Wednesday 2 March. Again, if you believe a written invitation desirable, perhaps you would kindly supply a draft.

B/F

/ Mr. Lubbers

HU

Mr. Lubbers

Roger Bone's letter of 1 December refers. The Prime Minister did not convey an invitation to Mr. Lubbers during the European Council in Copenhagen, but would be glad to offer talks followed by lunch on either 25 February or 4 March. Again, could you either put these dates to the Dutch or supply a draft letter from the Prime Minister to Mr. Lubbers.

I am sending a copy of this letter to John Kerr (H.M. Treasury), John Rhodes (Department of Trade), Robert Lawson (Ministry of Agriculture, Fisheries and Food), Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

Yours ever

John Colles.

Brian Fall, Esq.,
Foreign and Commonwealth Office.

*Top Copy on Germany, Visits
by Chancellor Kohl, Pt 7*

*I think he would
like to come (i)*

PRIME MINISTER

Overseas Visitors: January-March, 1983

*To Chancellors.
This would be
convenient*

I should be grateful to know your views on the possibility of three overseas visitors coming here in the period January-March. They are:

*day's visit -
depending on
come on the
weekend
M*

- a) Chancellor Kohl;
- b) Mr. Fanfani;
- c) Mr. Lubbers.

I attach your forward diary. At present you have no foreign visitors in January, only one (Mr. Sadruddin) in February - and in March there are no foreign policy engagements until the European Council on 21/22 March, followed by a State Visit from 22-24 March.

Chancellor Kohl

He may be very important to us next year. He ought to be close to us on trade and defence issues and could play a key role in getting a satisfactory solution to our budget problem. If we do not achieve this during the German Presidency (January-June), goodness knows what will happen under the Greek Presidency.

The Chancellor is keen to come here again. You will recall that he suggested a visit before Christmas to discuss internal trade problems but we decided that we had seen enough of him for the time being. You will wish to bear in mind that we have fixed the date of the next Anglo/German Summit for 22 April but there is much to be said for getting Chancellor Kohl over here well before his Elections on 6 March.

In his minute, attached, Sir Robert Armstrong argues for a January visit. I do not think it need take all day. You could offer talks and lunch on 24 or 26 January. May we arrange this?

*to the
visit*

/Mr. Fanfani ...

Mr. Fanfani

The Italians were upset that we did not offer them a second bilateral this year, though I am sure it was right to avoid one. It is our turn to host the Summit. The Italians used to be good allies on the budget and other EC issues. They have been less so of late, partly because some people in Rome have been working for a close alliance with the French. With the new Italian administration, we have an opportunity to change this. It would be helpful to issue an early invitation to Mr. Fanfani to visit London for the Summit, perhaps on Wednesday, 2 March. This would mean giving up most of the day. May we arrange this?

Yes not

Mr. Lubbers

Not quite so important, but he has already been to Paris and will shortly go to Bonn. It will be useful to discuss with him EC issues, especially the budget, and INF deployment. We could confine this to talks followed by lunch. You could do this on 4 February, 25 February or 4 March. May we offer him a choice of these dates?

Yes not

If we can get these three visits in place, we should be able to work out a game plan for our approach to the budget problem in the first half of next year. I should be grateful for a word with you about this sometime.

A.J.C.

9 December, 1982

h4E

RM

MR COLES

BILATERALS WITH GERMANY AND ITALY

As promised I attach a copy of the 1983 diary.

I can offer you the following dates:-

Friday, 4 February

(Prime Minister free all day except
for dinner in the evening)
(Date offered to the Netherlands)

Friday, 25 February

(Prime Minister free all day but not
for dinner).
(Date offered to the Netherlands)

Wednesday, 2 March

Friday, 4 March

(Date offered to the Netherlands)

Wednesday, 9 March

The Prime Minister is free for dinner on all the preceding
evenings except Tuesday, 8 March.

CAROLINE STEPHENS

6 December, 1982

Italy



10 DOWNING STREET

From the Private Secretary

4 October, 1982.

Anglo/Italian Summit

As promised in my letter of 28 September, I today spoke to Mr. Giusti in the Italian Embassy. I said that we had looked carefully at the possibility of arranging another Anglo-Italian Summit this year, but had, with regret, reached the conclusion that this would not be possible. I thought, therefore, that we should look at the possibility of finding a date in the first half of next year and did not anticipate that this would present us with any difficulty. Mr. Giusti undertook to pass this message on to Rome. His first reaction was to enquire whether the Summit could be arranged for very early in 1983, so that it could, in a sense, be considered to be the second Summit of 1982. I merely noted this suggestion.

A. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

CONFIDENTIAL



ff John Celes
OR.

10 DOWNING STREET

From the Private Secretary

28 September 1982

ce

Sinister

Anglo/Italian Summit

Thank you for your letter of 20 September. I shall get in touch with the Italian Ambassador to express regret that the Prime Minister has not been able to find a convenient date before the end of the year for the next Summit.

The Prime Minister agrees that we should try to hold these Summits once, not twice, a year in future but that this decision should not be conveyed formally to the Italians.

JL.

John Holmes, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

20 September 1982

Rue Münster

Prime Minister

H

29/9

You agreed earlier that we should try to avoid another Anglo-Italian summit this year.

2. Agree that we should try to have them once, not twice, a year in future?

MS

A.S.C. 27/9

Dear John,

Thank you for your letter of 26 July about the timing of the next Anglo-Italian Summit. We spoke to the Embassy in London on 29 July to warn them that the Prime Minister's diary is heavily booked. You may now like to get in touch with them, as you suggested, to express regret that we have been unable to identify any convenient dates before the end of the year. You should know that the Italian Ambassador recently took the PUS to one side and told him that his Government were getting nervous about the lack of reply to their suggestion that the next Anglo-Italian Summit should be held next month. Mr Cagiati was, of course, being somewhat disingenuous.

You also proposed on 26 July that, when you spoke to the Embassy, you would suggest that we think in terms of holding the next Summit (in London) in the first half of 1983. We have recently been reviewing international meetings attended by the Prime Minister and the Foreign and Commonwealth Secretary in an effort to identify areas where reductions could be made in the frequency of their regular overseas commitments. One recommendation to emerge from this review is that in future Anglo-Italian Summit meetings should take place only once a year instead of twice. In practice such a change would make little difference. A number of factors have combined in recent years to thwart plans for Summits every six months. Since regular Summits were first agreed upon there have been only three, roughly at intervals of 10 months.

I should be grateful for your views on this recommendation, which has the support of Mr Pym. We would not intend to convey the decision formally to the Italians. Their sensitivities on this score are well known. A formal request to make the Summit meetings annual in future would inevitably be interpreted as a downgrading of the importance which we attach to Anglo-Italian relations. But we think it should be possible to handle matters in such a way as not to arouse Italian suspicions.

/The

CONFIDENTIAL



The instability of successive coalition governments makes it likely that Summits will continue to be cancelled or delayed owing to Italian domestic political considerations. There may well be elections in Italy next spring. We should ourselves be prepared to introduce administrative delays, if necessary, but we should in practice need to do so only rarely. I do not think it will be too difficult to ensure through natural slippage that the next Summit is not held until May or June next year.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

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CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

26 July, 1982

NEXT ANGLO/ITALIAN SUMMIT

Mr Giusti of the Italian Embassy rang me on Friday to say that he had received an enquiry from Mr Spadolini's office about the dates for the second Anglo/Italian Summit this year.

I have consulted the Prime Minister. Mrs Thatcher wishes to avoid another meeting this year. I should be grateful if you could contact Mr Giusti and state, with reference to his enquiry, that the Prime Minister's diary for the rest of the year is already very crowded, that there are a number of possible commitments on which she has yet to take decisions and that we shall be in touch with him again after the holidays.

The purpose of the foregoing is to let him down gently. In September we will explain that it was very difficult to find a convenient date in the latter half of the year and suggest that we think in terms of the first half of 1983.

A. J. COLES

F Richards, Esq,
Foreign and Commonwealth Office

CONFIDENTIAL

PRIME MINISTER

I received a message today from Mr. Spadolini's Office that he is already asking about dates for our second bilateral this year. He would be happy to come to London at your convenience.

If you agree, I think we should try to avoid another meeting this year. To begin with, I will tell Mr. Berlinguer that the rest of the year is already very crowded, that there are a number of possible commitments on which you have yet to take decisions, and that I will be in touch with him again after the holidays. I would then explain, in September, that it was very difficult to find a convenient date in the latter half of the year, and suggest that we think in terms of the first half of 1983.

Agree?

Yes not

A-J C. ²³/₇

23 July, 1982.

Note for the file

The Engagement for Spadolini
21-4-52 has been cancelled.

PRIME MINISTER

Foreign Affairs Engagements:

21 April

SW
Top copy filed in:-

Cameroon: Visit of President

Ahidjo : Dec 1980.

I think I should bring to your attention now that you are at present committed to engagements with the President of Cameroon from 1145 until after lunch next Wednesday. If the Falkland Islands situation is critical, we shall doubtless be able to make last minute arrangements for another Minister to take your place. But do you agree that, for the present, the arrangements (Guard of Honour, talks, lunch) should stand?

The Italian Prime Minister will be in London on that day to attend the Garibaldi Centenary celebrations. Mr. Spadolini has a particular personal interest in Garibaldi. It was suggested earlier that you might give lunch for him but this was impossible because of your commitment to the President of Cameroon. Mr. Spadolini is not able to stay for dinner. The attached FCO letter suggests that you might host a Government reception for him from 1800-1930. This has been arranged to take place in Lancaster House because it is the particular wish of the participants that the Garibaldi Room in that building should be used. Would you be willing to host the reception - you could take the opportunity for a talk with Mr. Spadolini?

Again, if the Falklands situation was at a critical point, we could arrange for another Minister to host the reception in your place?

A. J. GATES

14 April, 1982



Foreign and Commonwealth Office

London SW1A 2AH

8 April 1982

Dear John.

Visit by the Italian Prime Minister

In my letter to you of 26^{below} March I conveyed the Secretary of State's hope that the Prime Minister would be able to accept an invitation to attend lunch at the Italian Embassy on 21 April in honour of the Italian Prime Minister, Senator Giovanni Spadolini. In view however of the Prime Minister's previous engagement on that day we have been considering how best to arrange for her to meet Senator Spadolini.

I explained in my earlier letter that we had hoped to give a Government reception for Senator Spadolini on the afternoon of 21 April. This has now been arranged. The reception, for about 70 people, will be held at Lancaster House and is expected to last for about one and a half hours beginning at 1800. We had initially envisaged approaching the Lord Chancellor to act as host, but if this were to be the only occasion in which she could meet Senator Spadolini, it would obviously be much better if the Prime Minister could do so. If for any reason Senator Spadolini should be unable to leave Italy, sending in his place a personal representative, we would suggest that the Lord Chancellor might host the reception in the Prime Minister's stead.

Please let me know whether the Prime Minister would be prepared to take this on. If the Prime Minister wishes, we would aim to arrange a short tete-à-tete with Senator Spadolini during the course of the reception.

I am sending a copy of this letter to Michael Collon in the Lord Chancellor's Office.

Yours ever,

(F N Richards)
Private Secretary

Francis Richards.

A J Coles Esq
10 Downing St



10 DOWNING STREET

John

A rather strange letter from
the KEO suggesting he pm
should lunch with Spadolini
on 21 April, when they know
she is committed to lunching
with the President of the
Camerons. We have asked
them to reconsider this, and
Catherine has said he pm
might be free at 1730 or
for a dinner or for a reception.

WM
29/3

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Foreign and Commonwealth Office

London SW1A 2AH

WR

① Told f.c.o. lunch was difficult because of President's Commission.

29 March 1982

② Said that P.M. could be free to keep her or dinner but would prefer (7.30 slot)

Overlaid

Dear John,

Mr 14/4

Ed. 2/13

Visit by the Italian Prime Minister

Thank you for your letter of 3 March about the proposed visit to London by the Italian Prime Minister, Senator Giovanni Spadolini.

I understand that the Italian Ambassador has since told you that Senator Spadolini is definitely coming to London on 21 April. In view of past misunderstandings we asked our Embassy to check. They report that Senator Spadolini hopes to visit London on 21 April for the Garibaldi celebrations, but will nominate a representative (probably a politician) if he cannot do so. We have checked again with the Italian Embassy who maintain that Senator Spadolini will definitely come. We consider that we have no option but to plan on this basis.

Assuming therefore that Senator Spadolini comes, he is expected to arrive in central London at about midday. He will pay a brief visit to the Guildhall to commemorate the granting to Garibaldi of the Freedom of the City of London, following which he will return to the Italian Ambassador's residence for lunch, to which the Prime Minister will also be invited. At 3.00 pm he will open a Round Table seminar on Garibaldi at the Italian Institute.

Senator Spadolini's visit will be widely publicised in Italy, since he himself as a historian of note will be closely associated with celebrations in Italy marking the centenary of Garibaldi's death, and will provide a good opportunity both to promote and to publicise Anglo-Italian relations. The Secretary of State hopes that the Prime Minister will feel able to accept Ambassador Cagiati's invitation to lunch if she is free to do so. There would be an opportunity for a brief private discussion with Spadolini there if the Prime Minister wished.

/If in

A J Coles Esq
10 Downing Street

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If in the event Senator Spadolini is unable to come, it would of course be understood that the Prime Minister would withdraw from the lunch. We shall discuss alternative arrangements with the Italian Embassy.

We had envisaged (Simon Fuller's letter of 26 February) arranging a government reception at Lancaster House in honour of Senator Spadolini. There are problems over bookings which we are still trying to resolve, and I shall let you know as soon as I can what we propose on this point.

If you could let me know the Prime Minister's wishes, we shall inform the Italian Embassy.

Yours ever,

(F N Richards)
Private Secretary

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29 MAR 1982



4

JLE

LM

Italy

PRIME MINISTER

ANGLO/ITALIAN SUMMIT

As you know, there are supposed to be two Anglo/Italian Summits each year. But we are in difficulty about a date in the first half of this year. The Italians recently proposed either the period 27 - 30 April or 18 - 21 May. But neither of these are convenient (see attached FCO letter).

The FCO would like to offer 1 June when both you and Lord Carrington are free. But I frankly do not think you should add to your foreign commitments in the first half of June. These include the Versailles Economic Summit, visit of President Reagan, the NATO Summit, and, if you decide to go, the Special Disarmament Session in New York. A visit to Rome for 1 June, if you had to leave on 31 May, would break into the Spring Holiday.

I suggest, therefore, that we offer the Italians a visit in July. The best day from the point of view of the diary would be ⁷28 July.

Agree that we may offer this?

A. J. COLES

15 March, 1982



10 DOWNING STREET

Caroline

I am not keen to offer 1

June to home.

2. Can you give me a day in

July (or a couple of alternatives)?

MR $\frac{22}{3}$

John.

wed 28 = July

et.

15/3



With the compliments of

THE PRIVATE SECRETARY

As requested.

FOREIGN AND COMMONWEALTH OFFICE

SW1A 2AH

GR 395

CONFIDENTIAL

W2 22711

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- 4 MAR 1982

FM ROME 031645Z MAR 82

TOP SECRET

TO PRIORITY FCO

TELEGRAM NO. 089 OF 03 MAR 82

YOUR TELEGRAM NO. 038: GARIBALDI CELEBRATIONS AND ANGLO-ITALIAN SUMMIT DATES

11

1. I SAW BERLINGUER (SPADOLINI'S DIPLOMATIC ADVISER) TODAY TO SORT OUT PLANS FOR (A) SPADOLINI'S POSSIBLE VISIT TO LONDON FOR THE GARIBALDI CEREMONIES IN APRIL, AND (B) THE ANGLO-ITALIAN BILATERAL SUMMIT ALREADY PROPOSED FOR MAY (MY TELEGRAM NO. 068). I SAID CAGIATI HAD CAUSED CONFUSION IN LONDON OVER CHANGES IN DATES AND I WANTED TO BE QUITE CLEAR WHERE WE STOOD.
2. BERLINGUER SAID CATEGORICALLY THAT THERE WAS NO QUESTION OF PUTTING OFF THE SUMMIT, CONTRARY TO WHAT CAGIATI HAD INDICATED, AND SPADOLINI LOOKED FORWARD TO RECEIVING THE PRIME MINISTER IN ROME IN THE SPRING. JUNE WAS ALREADY CROWDED WITH THREE MULTILATERAL SUMMITS. SPADOLINI WOULD BE SEEING SCHMIDT IN EARLY MAY. BERLINGUER THEREFORE PROPOSED INFORMALLY (I) 27-30 APRIL (GOOD FOR SPADOLINI AFTER 26 APRIL AS THE ITALIAN PARLIAMENT IN RECESS DURING DC CONGRESS) OR (II) 18-21 MAY. IF THE PRIME MINISTER COULD ACCEPT DATES IN ONE OF THOSE TWO PERIODS A FORMAL INVITATION WOULD BE ISSUED.
3. GARIBALDI. SPADOLINI WOULD LIKE TO SPEND THE INSIDE OF ONE DAY IN LONDON TO TAKE IN THE LORD MAYOR'S EVENT (SIC) AND A SEMINAR AT THE ITALIAN INSTITUTE. HE IS SUFFERING FROM BRONCHITIS AT PRESENT BUT BERLINGUER HOPES TO GET HIM TO SELECT A DATE SHORTLY. BUT THIS WOULD BE A SHORT PRIVATE VISIT, LIABLE TO CANCELLATION IF EG THE FINANCE BILL REQUIRED SPADOLINI'S ATTENTION IN PARLIAMENT. IN THAT CASE HE WOULD SEND A SUBSTITUTE. HE WOULD PROBABLY NOT STAY FOR DINNER (CAGIATI CLEARLY HOPES HE WILL). HE WOULD SEEK TO MAKE A COURTESY (LAST WD UNDERLINED) CALL ON THE PRIME MINISTER, IE FIFTEEN MINUTES FOR A CUP OF TEA/COFFEE, IF POSSIBLE. IT WAS CLEAR FROM WHAT BERLINGUER SAID THAT SPADOLINI WOULD BE PLEASED TO ACCEPT SOME SMALL PRESENTATION IF OFFERED, BUT THAT IT WOULD BE UNWISE TO LAY ON VERY ELABORATE ARRANGEMENTS FOR A VISIT WHICH MIGHT NOT HAPPEN.
4. GRATEFUL FOR REPLY ON SUMMIT DATES. I SUGGEST SUMMIT ARRANGEMENTS FOR ROME BE HANDLED ENTIRELY THROUGH THIS EMBASSY IN ORDER TO AVOID CONFUSION IF CAGIATI GETS INVOLVED.
5. ON THE OTHER HAND, CAGIATI MUST BE IN CHARGE OF SPADOLINI IF HE GOES TO LONDON FOR GARIBALDI, THOUGH BERLINGUER PROMISED ME AN ANSWER ON THE DATE WHEN CHOSEN.

ARCULUS
MINIMAL
WED
P & CD
PS
PS/LPS

PS/PUS
MR BULLARD
MR GOODISON

[NOT ADVANCED]

CONFIDENTIAL



JK

Italy

10 DOWNING STREET

From the Private Secretary

3 March 1982

VISIT OF THE ITALIAN PRIME MINISTER

I regret that absence owing to a minor illness has prevented me from replying earlier to your letter of 26 February.

The Italian Ambassador did not call on the Prime Minister on 23 February. As I told Lord Carrington's office at the time, he paid a courtesy call on me on that day.

Furthermore, as I told John Holmes last Friday, the Ambassador has since informed me that Signor Spadolini is no longer contemplating a visit to London on 19/20 April because the Italian Government are apparently receiving another Prime Minister in Rome at that time. I understood from the Ambassador that his Government was now looking at the possibility of 21/22 April. I encouraged him to clarify the position with the Foreign and Commonwealth Office.

In the light of the above, you may wish to let me have fresh advice to put to the Prime Minister.

JK

A. J. COLES

S.W.J. Fuller, Esq.,
Lord Privy Seal's Office.

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Foreign and Commonwealth Office

London SW1A 2AH

26 February 1982

Mr John,

VISIT BY THE ITALIAN PRIME MINISTER

I understand that when the Italian Ambassador called on the Prime Minister on 23 February he raised the possibility of a visit to London by Signor Spadolini on 19-20 April to coincide with a reception or official function marking the anniversary of the date on which Giuseppe Garibaldi received the freedom of the City of London (20 April 1864). 1982 is the centenary year of Garibaldi's death and various commemorative events are to take place in Italy.

The Lord Privy Seal supports this proposal, which was first mooted when Sig. Spadolini was in London last November to attend the Anglo-Italian Summit. The Foreign and Commonwealth Secretary will be in Lisbon on the dates proposed, but he could be represented at any reception by an FCO Minister.

There are as yet no firm plans as to the form that an official commemoration of the Garibaldi year in London might take, but a reception at Lancaster House would seem most appropriate, particularly since Garibaldi stayed there during his visit in 1864. The evening of 19 April has been earmarked, since there is another function in Lancaster House on 20 April. Signor Spadolini, in his dual capacities as Prime Minister of Italy and Professor of Florence University, would be a most fitting guest of honour.

Signor Spadolini would naturally wish to meet the Prime Minister during his stay. I understand that the Prime Minister's diary is very full at that time, but the Lord Privy Seal wonders whether it might be possible for her to offer Signor Spadolini lunch or a late dinner after the reception on 19 April. It would be particularly valuable if she were able to do so in that we understand that the Anglo-Italian Summit due in May may have to be postponed till the autumn.

A J Coles Esq
Private Secretary
10 Downing Street
London SW1

*Yours ever
S W J Fuller*

S W J Fuller
PS/Lord Privy Seal

CONFIDENTIAL

26 FEB 1982



● PART 1 ends:-

MUDSABFCO 11/11/87

PART 2 begins:-

FCO EASC 20/2/82

