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FM ROME 241700Z NOV 81

[FRAME GENERAL]

TO IMMEDIATE FCO

TELEGRAM NO. 492 OF 24 NOV 81

INFO IMMEDIATE UKREP BRUSSELS

INFO SAVING TO OTHER EC POSTS.

MY TELEGRAM NO. 485: EUROPEAN COUNCIL: ITALIAN POSITION.

1. I GAVE LUNCH FOR THE ITALIAN FOREIGN MINISTER TODAY AT WHICH HE GAVE COMMUNITY REPRESENTATIVES IN ROME AN OUTLINE OF THE MOOD IN WHICH THE ITALIAN DELEGATION WOULD BE GOING TO LONDON ON THURSDAY.

MANDATE.

2. AGREEING THAT THE MANDATE WAS CLEARLY THE CENTRE-PIECE OF THE COUNCIL, COLOMBO SAID THAT THERE WERE THREE POSSIBLE OUTCOMES:

A) FAILURE (WHICH MUST BE AVOIDED):

B) AN AGREEMENT (AN OPTIMISTIC PROSPECT, AND ONLY POSSIBLE IF AGREEMENT COVERED ALL THREE CHAPTERS): OR

C) AN IDENTIFICATION OF A SERIES OF OPTIONS AND CONSEQUENT SPECIFIC GUIDELINES FOR THE DEVELOPMENT OF THE COMMUNITY.

ILLUSTRATIVE EXAMPLES OF THE LATTER EMBRACED, NOT UNNATURALLY, DECLARED ITALIAN INTERESTS SUCH AS YES OR NO TO EXPANSION OF COMMUNITY BORROWING: YES OR NO TO DEVELOPMENT OF NEW POLICIES AND IF YES, WHICH: ELIMINATION OF SURPLUSES BUT NOT AT THE EXPENSE OF PENALISING THOSE COUNTRIES NOT RESPONSIBLE FOR PRODUCING THEM: REINFORCEMENT OF SUPPORT FOR MEDITERRANEAN AGRICULTURE TO AVOID ADDING TO THE COMMUNITY'S ALREADY UNACCEPTABLY HIGH LEVELS OF UNEMPLOYMENT. ON THE BUDGET, EVERYONE ACCEPTED THAT SOME COMPENSATION MUST BE PAID TO THE UK. AS TO THE FRG'S PROBLEM, THERE WAS A PSYCHOLOGICAL AND POLITICAL REQUIREMENT TO OFFER HER SOMETHING.

EUROPEAN ACT

3. COLOMBO REHEARSED THE GENESIS OF AND MOTIVES FOR HIS AND GENSCHER'S PROPOSALS FOR A EUROPEAN ACT, BUT SAID NOTHING NEW. HE DID NOT EXPECT THE EUROPEAN COUNCIL TO DO MORE THAN TO TAKE NOTE AND REMIT THE DRAFTS TO FOREIGN MINISTERS FOR STUDY. THEY HAD BEEN PITCHED DELIBERATELY MODESTLY (BEARING IN MIND THE HISTORY OF MORE GRANDIOSE PROPOSALS SUCH AS THE TINDEMAN'S AND THREE WISE MEN'S REPORTS), AS A BASIS FOR DISCUSSION, NOT AS A RECIPE. THEY ATTEMPTED TO REFLECT REAL NEEDS NOT CURRENTLY CATERED FOR IN THE INSTITUTIONAL FRAMEWORK OF THE COMMUNITY.

VISIT BY PRESIDENT OF THE COMMISSION.

4. THORN VISITED ROME AS PART OF HIS TOUR OF CAPITALS ON 23 NOVEMBER. COLOMBO SAID THAT HIS VISIT WAS A DISAPPOINTMENT TO THE ITALIANS. HE ARRIVED IN A PESSIMISTIC MOOD AND BROUGHT NO

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FRESH INSIGHTS. OFFICIALS ADDED THAT THORN WAS SOMEWHAT COMFORT-
ED BY THE ITALIANS' PROFESSED INTENTION TO SEEK AS MUCH COMMON GRO-
UND AS POSSIBLE AND TO URGE AGREEMENT TO LEAVING FOR FURTHER REFLEC-
TION PROBLEMS WHERE WIDE DIFFERENCES REMAINED, PROVIDED ANY PARTIAL
AGREEMENT REACHED WAS DULY BALANCED. THEY HAD THE IMPRESSION THAT
THORN WAS LOOKING FOR SOME WAY OF EXERCISING A LAST-MINUTE PERSONAL
ROLE.

5. FCO PSE PASS SAVING ADDRESSEES.

ARCULUS

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EC) (1)

[PASSED AS REQUESTED]

2

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