



11

Ref. A01128

MR. ALEXANDER

Yes no

Rennie Reinsten

Apex Annexes A+C ?

Print 11/1

Visit to Britain by the Italian Prime Minister: 29th-30th January 1980

The Italian Prime Minister, Signor Cossiga, is to visit Britain for discussions with Mrs. Thatcher on 29th and 30th January. This visit is part of the normal round of exchanges with the Italians at Prime Ministerial level, and returns Mrs. Thatcher's visit to Rome last October. We do not yet know who will accompany Signor Cossiga. Signor Malfatti, the Foreign Minister, has been ill with a heart attack, although he is expected to resume his duties shortly. Signor Pandolfi, the Treasury Minister, is likely to be included in the party. The Prime Minister will probably not wish to decide finally on Ministerial participation on the United Kingdom side until she knows what Ministers Signor Cossiga will be bringing with him.

2. Our main aim at this meeting will be to have full discussions with Signor Cossiga about a solution to our Community budget problem and to enlist Italian support for the next European Council. The fact that the Italians currently hold the Presidency gives particular point to a meeting at this time. Estimates of United Kingdom and likely Italian objectives are set out at Annexes A and B.

3. As the meeting is in London it is for us to propose an agenda. The main thrust of the meeting will be on Community affairs, but in addition Iran, Afghanistan, and East/West relations are likely to be discussed and energy and international monetary matters may also be raised. We shall need to decide nearer the time whether Rhodesia needs to be included. Signor Cossiga's office have not yet indicated to HM Embassy at Rome what other questions he may wish to raise. The main subjects for discussion are therefore likely to be:

- A. Community Issues
 - (i) Budget/Convergence
 - (ii) CAP
 - (iii) Other Community Issues, including energy and fish

CONFIDENTIAL

- B. Iran and Afghanistan
- C. East/West Relations including SALT and TNF
- D. The International Economic Scene
- E. Energy Questions
- F. Bilateral Questions (including the Schild case)

4. Signor Cossiga, as befits a former Minister of the Interior, takes a close interest in the problems of terrorism, particularly in Italy. We do not need to raise the matter with him, but he may well talk about it, given the recent increase in terrorist activity in Italy. We will commission a defensive brief from the Home Office.

5. I should be grateful if you would let me know if the Prime Minister is content with the draft objectives and list of briefs. You have asked for briefs to reach you on Friday, 18th January. Given that the more important briefs will relate to continually developing situations, that OD will discuss the budget question on 25th January, and that the briefing meeting will not now be until Monday, 28th January, it would reduce the need for radical revision and updating if your deadline were extended to, say, Wednesday, 23rd January.

RA

ROBERT ARMSTRONG

11th January, 1980

CONFIDENTIAL



ANNEX A

British Objectives

1. To prepare the ground for a solution to our budget problem; to explore with the Italian Presidency the possibility of calling an earlier meeting of the European Council; and to enlist Italian support for our position.
2. To build on the good working relationship already established between the Prime Minister and Signor Cossiga, in particular by showing that we are interested in the Italian viewpoint on the major current international issues.

ms

ANNEX B

Italian Objectives

1. To establish, in the light of British and Italian soundings of the Commission and other Community partners, the area in which Britain might accept a compromise solution to the Budget problem, and to obtain British agreement to the Presidency promoting such a compromise.
2. To place the British Budget problem in the context of the convergence of the economies of EEC members and thereby obtain material advantages for Italy also.
3. To coordinate Anglo/Italian views on how to satisfy the European Parliament following the latter's rejection of the 1980 Budget.
4. To coordinate views on the structural reform of the Budget and of the CAP.
5. (Possibly) To hear British views on progress in fish, sheepmeat and energy policies.
6. To review British and Italian views on East/West relations in the light of the Iran and Afghanistan crises and progress on TNF.

ANNEX C

List of Briefs

1. Steering Brief
2. European Community Questions
 - (i) Community Steering Brief
 - (ii) Budget/Convergence
 - (iii) CAP
 - (iv) Other Community Issues
3. Iran
4. Afghanistan
5. East/West Relations including SALT and TNF
6. The international economic scene
7. Energy questions
8. Bilateral questions (including the Schild case)
9. Italian internal political and economic scene

mb