TOP COPY

UNCLASSIFIED FM ROME 251100Z SEP 79 TO IMMEDIATE FCO TELEGRAM NUMBER 407 OF 25 SEPTEMBER INFO ROUTINE BONN, PARIS, UKREP BRUSSELS.

wes 026/9.

MY TELEGRAM NUMBER NO 426 (NOT TO ALL).

THE PRIME MINISTER'S VISIT TO ROME. PRESS COMMENT.

- ALTHOUGH MOST ITALIAN NEWSPAPERS OF 23 SEPTEMBER REPORTED 1. THAT MRS THATCHER IS TO VISIT ROME NEXT WEEK. ONLY "IL POPOLO" (OFFICIAL ORGAN OF THE CHRISTIAN DEMOCRAT PARTY) CARRIED ANY COMMENT ABOUT THE VISIT.
- THE IL POPOLO ARTICLE SAYS THAT MRS THATCHER'S VISIT TO ROME SIGNALS A RENEWAL OF ITALIAN DIPLOMATIC ACTIVITY FOLLOWING THE SUMMER BREAK AND CONSTITUTES PRIME MINISTER COSSIGA'S FIRST INTERNATIONAL MEETING.

LATER COSSIGN WILL VISIT BONN AND PARIS TO EXCHANGE VIEWS ON COMMUNITY AND INTERNATIONAL PROBLEMS WHICH ARE TO BE DISCUSSED AT THE MEETING OF EEC HEADS OF GOVERNMENT IN DUBLIN AND THE 'SUMMIT' MEETING TO BE HELD IN VENICE NEXT JUNE. NOT BE FORGOTTEN THAT ITALY WILL ASSUME THE PRESIDENCY OF THE COMMUNITY FOR SIX MONTHS FROM 1 JANUARY 1980.

IT IS LIKELY THAT THE DISCUSSIONS BETWEEN COSSIGA AND MRS THATCHER, AND THOSE LATER WITH CHANCELLOR SCHMIDT AND PRESIDENT GISCARD, WILL BE ON SUCH SUBJECTS AS POLITICAL COOPERATION BETWEEN THE 'NINE', THE NEED TO CONSOLIDATE ECONOMIC CONVERGENCE BETWEEN THE ECONOMIES (ALREADY EXAMINED IN RECENT DAYS WITH THE PRESIDENT OF THE COMMISSION), THE ENERGY PROBLEM AND THE COMMUNITY BUDGET.

ON THESE QUESTIONS, IN PARTICULAR ON THE COMMUNITY BUDGET AND ON THE NEED FOR FURTHER INCREASING ECONOMIC CONVERGENCE, THE ITALIAN POSITION IS WELL KNOWN. OUR GOVERNMENT HAS STRESSED REPEATEDLY THAT RESOURCES ARE AT PRESENT CONCENTRATED ONLY IN THE CENTRAL/NORTHERN REGIONS OF THE COMMUNITY, THAT ITALY. HAS TO BEAR HEAVY BURDENS FROM THE COMMUNITY LAWS WHICH REGULATE THE IMPORTATION OF CONTINENTAL PRODUCTS, AND THAT THE COMMUNITY BUDGET CONTAINS EXCESSIVE IMBALANCES SUCH AS THE MODEST ALLOCATION FOR REGIONAL AND SOCIAL POLICIES. INDEED ON THE BUDGET COSSIGA HAS ALREADY EXPRESSED ITALY'S SURPRISE AND DISSATISFACTION.

AS USUAL AT SUCH INFORMAL MEETINGS, COSSIGA AND MRS THATCHER WILL ALSO DISCUSS NON-COMMUNITY PROBLEMS AND WILL EXCHANGE VIEWS ON INTERNATIONAL AFFAIRS SUCH AS THE MIDDLE EAST, EAST WEST DETENTE AND THE CONFERENCE ON EUROPEAN SECURITY WHICH IS TO BE HELD IN MADRID NEXT YEAR.

ARCULUS

DEPARTMENTAL DISTN.

WED