

GR400

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FM ROME

TO PRIORITY FCO

TELNO 412

OF 1100Z JUN 84

INFO SAVING UKDEL OECD, PARIS, BONN, WASHINGTON, TOKYO, OTTAWA,
UKREP BRUSSELS.

ROME TELNO 398: LONDON ECONOMIC SUMMIT: ITALIAN PRESS COMMENT.

SUMMARY.

1. DESPITE HEAVY COMPETITION FROM BERLINGUER'S ILLNESS, THE OUTCOME OF THE SUMMIT MADE THE FRONT PAGES OF SUNDAY'S PRESS. THE OVERALL JUDGMENT IS THAT, AS ON PREVIOUS OCCASIONS, THE GOODWILL OF THE PARTICIPANTS MASKED FUNDAMENTAL DIFFERENCES, AND THAT THE VAGUERESS OF THE FINAL DOCUMENT REFLECTED THESE. THERE IS GENERAL AGREEMENT THAT THE SUMMIT'S CONCLUSIONS ON POLITICAL THEMES (EAST-WEST, IRAN/IRAQ, TERRORISM) ARE MORE VALUABLE AND POSSIBLY MORE ENDURING THAN THOSE ON ECONOMIC ISSUES. THE TREATMENT OF THE RELATED PROBLEMS OF HIGH INTEREST RATES AND THIRD WORLD DEBT ARE REGARDED AS A VICTORY FOR THE USA, AND A BOOST FOR PRESIDENT REAGAN'S ELECTORAL CAMPAIGN. THE PRESS RECORD CRAXI'S SATISFACTION WITH THE OUTCOME AND THE ACCEPTANCE OF THE ITALIAN PROPOSAL FOR A CONFERENCE ON NEW TECHNOLOGY AND JOBS.

DETAIL.

2. REPORTING OF THE SUMMIT IN ALL MEDIA WAS OVERSHADOWED BY THE SUDDEN, FATAL ILLNESS OF BERLINGUER, THE LEADER OF ITALY'S COMMUNIST PARTY. NEVERTHELESS, THE SUMMIT MADE THE FRONT PAGES OF MOST SUNDAY PAPERS BACKED UP BY LENGTHIER COMMENTARIES ON THE INSIDE PAGES. BY TODAY, HOWEVER, THE COMMENTARIES WERE FEWER AND NOTICEABLY MORE DOWNBEAT UNDER THE INFLUENCE OF THE WIDELY QUOTED AND UNFAVOURABLE PIECE IN SUNDAY'S OBSERVER.

3. DESPITE LOW EXPECTATIONS, MOST COMMENTATORS EXPRESS DISAPPOINTMENT AT THE SUMMIT'S OUTCOME. THIS IS MOST MARKED IN REPUBBLICA AND SOLE 24 ORE (ITALY'S FINANCIAL DAILY), WHICH SPEAK OF THE SUMMIT AS HAVING BEEN DOMINATED BY US ECONOMIC INTERESTS AND BY THE UNWILLINGNESS OF PRESIDENT REAGAN TO ACCEPT ANY CRITICISM OF HIS ECONOMIC POLICY IN THE RUN UP TO THE US ELECTIONS. THEY POINT TO THE ABSENCE IN THE FINAL COMMUNIQUE OF A COMMITMENT BY THE USA TO CUT ITS BUDGET DEFICIT AND, WITH IT, US INTEREST RATES. MANY PAPERS REFER TO THE AMENDMENT OF EARLY SUMMIT DRAFTS UNDER US PRESSURE. IN THE VIEW OF MOST PAPERS, THE USEFUL INCENTIVE OFFERED BY SUMMIT LEADERS, TO EASE THE SCHEDULING OF DEBT BURDENS FOR THOSE THIRD WORLD COUNTRIES WHICH TAKE STEPS TO REFORM THEIR ECONOMIES, IS MORE THAN OUTWEIGHED BY THE ABSENCE OF ACTION TO GUARANTEE LOWER INTEREST RATES.

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4. THE POLITICAL CONCLUSIONS ARE GIVEN A WIDER AND MORE ENTHUSIASTIC WELCOME. ONLY THE CORRIERE HIGHLIGHTS THE DECLARATION ON DEMOCRATIC VALUES, CALLING IT A TIMELY RESTATEMENT OF COMMON STANDARDS. ON EAST/WEST RELATIONS, WHILE THE SUMMIT CONCLUSIONS ARE NOT REGARDED AS NOVEL, THEIR CONCILIATORY TONE (IN PARTICULAR THE REFERENCE TO COMMON EAST-WEST INTERESTS IN CONFIDENCE BUILDING AND SECURITY, AND THE IMPORTANCE OF MAINTAINING LINES OF COMMUNICATION WITH EASTERN COUNTRIES) DRAWS FAVOURABLE COMMENT. THE COMMON APPROACH ON IRAN/IRAQ IS NOTED, AS IS THE PROMOTION OF PRACTICAL COOPERATION TO COMBAT ALL FORMS OF INTERNATIONAL TERRORISM. ON THE LATTER, HOWEVER, REPUBBLICA AND STAMPA DRAW ATTENTION TO ITALIAN AND FRENCH MISGIVINGS ABOUT A FIRMER CONCERTED RESPONSE TO STATE-SPONSORED TERRORISM.

5. CRAXI'S CONTENTMENT WITH THE OUTCOME IS WIDELY REPORTED, ALTHOUGH SOLE 24 ORE OBSERVES THAT HIS PROPOSAL FOR A CONFERENCE TO AIR THIRD WORLD DEBT PROBLEMS WAS OMITTED FROM THE FINAL DOCUMENT. THIS IS BALANCED WITH THE ACCEPTANCE OF HIS PROPOSAL FOR AN INTERNATIONAL CONFERENCE NEXT YEAR IN ROME ON THE SUBJECT OF NEW TECHNOLOGY AND JOBS. ACCORDING TO CRAXI, THIS WILL ADDRESS THE QUESTION WHY EUROPEAN COUNTRIES HAVE FAILED TO CREATE JOBS IN THE SAME WAY AS USA AND JAPAN DURING A PERIOD OF RAPID TECHNOLOGICAL CHANGE.

6. FCO PSE PASS SAVING TO UKDEL OECD, PARIS, BONN, WASHINGTON, TOKYO, OTTAWA, UKREP BRUSSELS.

BRIDGES

[REPEATED AS REQUESTED]

ECONOMIC SUMMIT

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TRED

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PUSD

DEF D

ACDD

PS

PS/LADY YOUNG

PS/MR RIFKIND

PS/MR WHITNEY

PS/MR RAISON

PS/PUS

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