

CONFIDENTIAL

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FM ROME

TO IMMEDIATE FCO

TELNO 1023

OF 290930Z NOVEMBER 85

INFO IMMEDIATE UKREP BRUSSELS, LUXEMBOURG

(FRAME INSTITUTIONAL)

MY TELNOS 1009 AND 1013: ITALY/EUROPEAN COUNCIL.

1. WE HAVE SPOKEN TO CRAXI'S OFFICE AND TO FONTANA GIUSTI (MFA) TO ASCERTAIN WHETHER THE ITALIAN POSITION HAS DEVELOPED SINCE WILLIAMSON SAW RUGGIERO ON 26 NOVEMBER.

2. CRAXI'S OFFICE SAY THAT HE IS LEAVING THE NEGOTIATIONS TO ANDREOTTI, AND WILL LARGELY BE GUIDED BY ANDREOTTI'S REPORT TO HIM AFTER THE WEEKEND CONCLAVE. CONCEIVABLY CRAXI IS DISTANCING HIMSELF FROM THE NEGOTIATIONS, IN ANTICIPATION OF THEIR POSSIBLE FAILURE.

3. FONTANA GIUSTI SAID THAT ANDREOTTI HAD BEEN ANNOYED AT THE WAY IN WHICH THE NEW PAPER ON THE POWERS OF THE EUROPEAN PARLIAMENT HAD SURFACED AT THE IGC LUNCH ON 26 NOVEMBER (UKREP BRUSSELS TELNO 4091). HE IMPLIED THAT IT DID NOT GO FAR ENOUGH FOR THE ITALIANS, AND REPEATED THAT IF THE PARLIAMENT TURNED DOWN THE CONCLUSIONS OF THE EUROPEAN COUNCIL, ANDREOTTI WOULD NOT PRESENT THEM FOR APPROVAL TO THE ITALIAN PARLIAMENT. FONTANA GIUSTI SAID THAT ANDREOTTI STILL WANTED "THE PROSPECT OF CO-DECISION" EITHER AFTER 1992 OR PERHAPS AFTER THE NEXT EUROPEAN PARLIAMENT ELECTIONS. HE ADDED HOW IMPRESSED HE HAD BEEN BY YOUR "FINE PARLIAMENTARY SPEECH" TO THE EP DELEGATION (UKREP BRUSSELS TELNO 4084), EVEN IF THE ITALIANS PARTED COMPANY ON THE SUBSTANCE.

4. THE ITALIANS CONTINUE TO BE OPPOSED TO THE EXEMPTIONS ON HEALTH GROUNDS THAT WE SEEK IN ARTICLE 100, LESS ON THE MERITS OF OUR CASE THAN BECAUSE THEY FORESEE A PROLIFERATION OF OTHER EXEMPTIONS (GERMAN HIGHER STANDARDS) ETC. THAT THEY BELIEVE WILL RENDER THAT ARTICLE TOOTHLESS.

5. WE DETECTED SOME SIGNS THAT THE ITALIANS BELIEVE OR HOPE, THAT THE GERMANS WILL MODIFY THEIR OPPOSITION TO THE INCORPORATION INTO THE TREATY OF REFERENCES TO MONETARY COOPERATION, PERHAPS BY A CLAUSE SAFEGUARDING THE AUTONOMY OF THE CENTRAL BANKS.

BRIDGES

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ECO(I)

(REPEATED AS REQUESTED)

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