

GRS 400

UNCLASSIFIED
FM ROME
TO IMMEDIATE FCO
TELNO 10
OF 071710Z JANUARY 86
AND TO IMMEDIATE MODUK, DTI,
INFO PRIORITY PARIS, BONN, WASHINGTON

WESTLAND.

1. ON CRAXI'S INSTRUCTIONS, HIS DIPLOMATIC ADVISER, BADINI, HAS ASKED ME TO DRAW THE ATTENTION OF HMG TO THE STATEMENT RELEASED BY CRAXI'S OFFICE THIS MORNING. IT IS COUCHED IN THE FORM OF A PRESS RELEASE: OUR TRANSLATION IS AS FOLLOWS:

PALAZZO CHIGI (THE PRIME MINISTER'S OFFICE) IS FOLLOWING WITH THE CLOSEST ATTENTION THE EVENTS LINKED TO THE CHOICE THAT THE BRITISH COMPANY, WESTLAND, IS PREPARING TO MAKE, WHICH HAS IMPLICATIONS OF GREAT RELEVANCE TO THE PROGRESS OF EUROPEAN COLLABORATION.

IT IS NOTED AT PALAZZO CHIGI THAT THE ITALIAN GOVERNMENT HAS ALWAYS TAKEN COHERENT, CLEAR POSITIONS IN FAVOUR OF THE STRENGTHENING OF EUROPEAN COLLABORATION IN RESEARCH AND TECHNICAL INNOVATION, WITH OPERATIONAL PRIORITY FOR THOSE AGREEMENTS THAT CAN BEST FAVOUR THE AUTONOMOUS DEVELOPMENT OF INDUSTRIAL INNOVATION. THE STRENGTHENING OF THE EUROPEAN POLE - AND EUREKA FEATURES IN THIS CONTEXT - IS JUSTIFIED BY THE NEED TO IMPROVE THE WORLD COMPETITIVENESS OF COMMUNITY INDUSTRIES. GIVEN THE INCREASING INTEGRATION OF MARKETS, IT SEEMS IMPORTANT TO PUT TOGETHER EUROPE DESIGN CAPACITY AND TECHNICAL-FINANCIAL RESOURCES TO STRENGTHEN COMMUNITY INDUSTRY ESPECIALLY IN THE WAKE OF THE CREATION OF THE COMMON MARKET. THE HELICOPTER SECTOR IS CERTAINLY ONE OF THE MORE SIGNIFICANT AND PROMISING.

IN THIS SPECIFIC CASE THE QUESTION ALSO ARISES OF MAINTAINING AND DEVELOPING THE COLLABORATIVE PROGRAMMES ALREADY IN PLACE BETWEEN AGUSTA AND WESTLAND, WHICH ARE YIELDING GOOD RESULTS. ONE OF THESE PROGRAMMES, BASED ON THE DESIGN OF A NEW MODEL OF THE A129 FAMILY, COULD IN FACT TO BE MERGED WITH A SIMILAR FRANCO/GERMAN INITIATIVE TO PRODUCE A HELICOPTER CAPABLE OF SAFEGUARDING

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THE PROSPECTS FOR A SUCCESSFUL EUROPEAN INDUSTRY. THIS HAS THE ADVANTAGE THAT THE FIVE-PARTY CONSORTIUM, WHICH AS IS KNOWN REPRESENTS THE EUROPEAN OPTION OPEN TO WESTLAND, REPRESENTS ALL THOSE COMPANIES, INCLUDING AGUSTA, INVOLVED IN DESIGNING NEW MULTI-ROLE EUROPEAN HELICOPTERS.

THE ITALIAN GOVERNMENT HOPES THAT IT IS STILL POSSIBLE TO CHOOSE THE OPTION WHICH FAVOURS EUROPEAN INTERESTS IN THE IMPORTANT HELICOPTER SECTOR.

2. THE PRESIDENT OF AGUSTA, TETI, HAS ALSO THANKED ME FOR MY LETTER TO HIM OF 23 DECEMBER, STRESSING THE IMPORTANCE HE ATTACHES TO ANGLO/ITALIAN COLLABORATION ON THE EH101 AND A129 AND REPEATING THAT IN AGUSTA'S VIEW THE EUROPEAN SOLUTION OFFERS THE BEST INDUSTRIAL AND POLITICAL PROSPECTS.

BRIDGES

LIMITED

MAED

WED

TRED

NEWS D.

INFO D.

SAD

PLANNING STAFF

PS

PS/LADY YOUNG

PS/MR EGGAR.

PS/PUS

MR BRATHWAITE

MR O'NEILL.

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