

GRS 800



*H. G. Terminal*

CONFIDENTIAL

FM ROME 191000Z MAR

TO IMMEDIATE FCO

TELNO. 147 OF 19 MAR 83

AND TO IMMEDIATE UKREP BRUSSELS

INFO ROUTINE PARIS, BONN

INFO SAVING OTHER EC POSTS, LISBON, MADRID

UKREP TELNO. 1146: EUROPEAN COUNCIL: ITALIAN VIEWS

*PS.*

*No. 10* *COLES* *x7*

*M5*

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*FCO - HANNAY  
DE FONBLANQUE  
CAS - HANCOCK, LAMBERT  
MAFF - ANDREWS  
TSY - COLLETT LINDIN.*

1. I CARRIED OUT INSTRUCTIONS IN YOUR TELNO. 063 TO ATHENS WITH DIRECTOR GENERAL, ECONOMIC AFFAIRS, AT MFA ON 18 MARCH. I GAVE BUCCI A SPEAKING NOTE BASED ON PARA 3 OF TUR AND EMPHASISED THE UNREALITY OF EXPECTING HEADS OF GOVERNMENT TO TAKE THE HALF-DIGESTED DOSSIER ON THE MEDITERRANEAN ACQUIS. BUCCI INTERRUPTED ME HALF WAY THROUGH TO SAY THAT HE FULLY SHARED THESE VIEWS, AND WAS SURE THAT COLOMBO WAS OF THE SAME OPINION. IT WAS QUITE UNREALISTIC TO EXPECT THE EUROPEAN COUNCIL TO BECOME INVOLVED IN THE DETAIL AT THIS STAGE. HE DID NOT RULE OUT REFERENCE OF THE DOSSIER TO THE FOREIGN AFFAIRS COUNCIL LATER WHEN MORE WORK HAD BEEN DONE ON IT.
2. COLOMBO ON WHOM I CALLED YESTERDAY EVENING, TOOK THE SAME LINE, AS BUCCI HAD SURMISED. BUT HE LAID GREATER STRESS ON THE NEED FOR SOLUTIONS TO THE ISSUES UNDER DISCUSSION IN THE ACQUIS NEGOTIATIONS IN LINE WITH ITALIAN OBJECTIVES. HOW COULD HE, AN ITALIAN FOREIGN MINISTER, AGREE TO MEDITERRANEAN REGIMES BEING TREATED DIFFERENTLY FROM NORTHERN PRODUCT REGIMES? HE COULD NOT ACCEPT SPECIFIC FINANCIAL RESTRICTIONS WHICH DID NOT APPLY TO NORTHERN FARM PRODUCE. I SAID THAT OUR POSITION WAS EQUALLY CONSISTENT: WE HAD LONG PRESSED FOR REFORM OF NORTHERN PRODUCT REGIMES AND WERE NOT SEEKING DIFFERENT OBJECTIVES FOR THE MEDITERRANEAN PRODUCE. IT WAS IMPORTANT THAT OUR TWO COUNTRIES SHOULD NOT END UP QUARRELLING UNNECESSARILY OVER MEDITERRANEAN AGRICULTURE: THERE WERE WIDER ISSUES TO BE CONSIDERED. COLOMBO AGREED, AND SAID THAT HE HAD IT IN MIND TO SEND TO HIS FOREIGN MINISTER COLLEAGUES A LETTER PROPOSING THAT THEY HOLD A SPECIAL MEETING DEVOTED TO THE SEARCH FOR A GLOBAL SOLUTION TO THE NEXUS OF ISSUES ON WHICH THE COMMUNITY WAS STUCK. THIS SHOULD ALSO INCLUDE A SURVEY OF COMMUNITY POLICIES, PRESENT AND FUTURE. HE FULLY UNDERSTANDS OUR OBJECTIVES AT THE COUNCIL AND IN THE SUBSEQUENT WEEKS.
3. ON OTHER ISSUES, COLOMBO DID NOT APPEAR WELL BRIEFED ON LATEST DEVELOPMENTS ON THE EMS. WE BOTH AGREED THAT AN UPSET OVER THE SYSTEM WOULD DO THE COMMUNITY NO GOOD AT THE PRESENT JUNCTURE. ON WILLIAMSBURG, COLOMBO HAD FOUND REGAN IN WASHINGTON RATHER MORE OPEN THAN HE HAD EXPECTED ON THE POSSIBILITIES OF SOME CLOSER COLLABORATION ON FINANCIAL QUESTIONS BETWEEN THE U S AND THE EUROPEANS AND HE MIGHT MENTION THIS TO HIS COLLEAGUES. ON EAST/WEST I SAID THAT THE U S APPEARED STILL TO HAVE VERY AMBITIOUS OBJECTIVES: I KNEW THAT YOU WERE CONCERNED ABOUT THIS, AND HAD MENTIONED TO SHULTZ THE RISK OF LOSING SOME EUROPEAN SUPPORT. COLOMBO AGREED.
4. FANFANI'S STAFF AT THE CHIGH TELL US THAT HE WILL BE GOING TO BRUSSELS EXPECTING THE SUMMIT TO CONCENTRATE ON ECONOMIC ISSUES.

4. FANFANI'S STAFF AT THE CHIGI TELL US THAT HE WILL BE GOING TO BRUSSELS EXPECTING THE SUMMIT TO CONCENTRATE ON ECONOMIC ISSUES, ALTHOUGH THE MIDDLE EAST, ESPECIALLY LEBANON (OVER WHICH THE ITALIANS ARE VERY CONCERNED) AND EAST/WEST RELATIONS WERE BOUND TO BE DISCUSSED. THE ITALIANS THOUGHT KOHL'S LETTER HAD NOT BROUGHT OUT HOW CONTROVERSIAL SOME OF THE CURRENT ISSUES WERE. THEY EXPECTED DISCUSSION TO DIVIDE INTO ITEMS ON WHICH THERE WOULD BE A BRIEF ORIENTATION DEBATE LOOKING TO SUBSTANTIVE PROGRESS AT STUTTGART (ENERGY, INDUSTRIAL POLICY, TECHNOLOGY), AND ITEMS REQUIRING URGENT ATTENTION. THESE WERE:

THE BRITISH BUDGETARY IMBALANCE

THE REFORM OF THE MEDITERRANEAN ACQUIS

THE ROW BETWEEN FRANCE AND THE FRG OVER THE EMS.

THERE WOULD ALSO BE DISCUSSION OF EC/US ECONOMIC RELATIONS: THE ITALIANS AS BEFORE WOULD URGE A CALM AND MEASURED ATTITUDE ON THE PART OF THE EC.

COMMENT

5. ON THE BUDGET ISSUE THERE IS UNLIKELY TO BE ANY CHANGE IN ITALIAN VIEWS, PERHAPS COLOURED NOW BY OUR LINE ON THE ACQUIS NEGOTIATIONS. YOU MAY WISH TO DRAW SOME OF THE STING BY SEEKING OUT COLOMBO AND MAKING IT CLEAR HOW DISTURBED WE ARE THAT OUR LINE ON THE ACQUIS, ESPECIALLY OLIVE OIL, SHOULD EVOKE SUCH ITALIAN HOSTILITY (TO OUR MUTUAL DISADVANTAGE) WHEN IT IS ENTIRELY CONSISTENT WITH OUR POSITION ON OTHER ASPECTS OF THE CAP.

6. FANFANI IS SAID TO BE CHIEFLY PREOCCUPIED BY THE POSSIBLE FALL-OUT FROM THE FRANCO GERMAN ROW OVER THE EMS AND THE DANGER THAT FRENCH MAY WITHDRAW SULKILY TO THEIR TENT. HIS STAFF EXPECT HIM TO EXERT HIMSELF TO ENSURE THAT THE FRENCH CONTINUE TO PLAY WHAT THEY DESCRIBE AS THE EUROPEAN CARD. HE WILL BE CONFRONTING HIS COLLEAGUES MORE CONFIDENT OF HIS DOMESTIC POSITION THAN AT THE LAST COUNCIL, AND, AFTER FULL BILATERAL MEETINGS SINCE WITH MANY OF THEM, INCLUDING THE PRIME MINISTER, MORE FAMILIAR WITH THEM AND THEIR OBJECTIVES. HE IS IN NO DOUBT ABOUT OURS.

7. RESIDENT CLERK PLEASE PASS TO PS/NO.10 AND PRIVATE SECRETARY.  
FCO PLEASE PASS SAVING ADDRESSEES

BRIDGES

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