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FM ROME

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TO IMMEDIATE FCO DESKBY 301200Z

TELNO 801

OF 301140Z NOVEMBER 1984

INFO IMMEDIATE UKREP BRUSSELS, DUBLIN

INFO SAVING OTHER EC POSTS

UKREP BRUSSELS TELNO 3994: DUBLIN EUROPEAN COUNCIL: ITALIAN POSITION

SUMMARY

1. CRAXI UNLIKELY TO BE WELL PREPARED. DISTRACTED BY CRACKS IN HIS COALITION AT HOME. MAIN PITCH LIKELY TO BE NEED FOR TANGIBLE PROGRESS ON EUROPEAN UNION. ITALIANS WILL FIGHT HARD ON WINE IN CONTEXT OF ENLARGEMENT. CAUTIOUS EMPHASIS ON CONTINUITY IN THE POLITICAL COOPERATION FIELD, WITH MIDDLE EAST AND LATIN AMERICA THE TWO MAIN ITALIAN INTERESTS.

DETAIL

2. CRAXI AND ANDREOTTI WILL BE ATTENDING THE EUROPEAN COUNCIL BOTH WEAKENED BY DOMESTIC POLITICAL PREOCCUPATIONS. ALTHOUGH ANDREOTTI SURVIVED THE RECENT PARLIAMENTARY ATTACKS ON HIM (MYTELNO 789) HIS STANDING HAS BEEN DAMAGED. CRAXI IS IN TROUBLE OVER HIS GOVERNMENT'S PLANS FOR CRACKING DOWN ON TAX EVASION AND THE COALITION IS WOBBLIER. IN ADDITION HE HAS SPENT MUCH OF THE LAST TWO WEEKS AWAY FROM ROME (IN EGYPT, SAUDI ARABIA AND THIS WEEK IN ALGERIA). HE HAS HAD LITTLE TIME TO FOCUS ON THE DOSSIERS FOR DUBLIN. THE FOLLOWING IS BASED ON DISCUSSION WITH HIS OFFICE AND THE MFA.

3. THE FOREIGN AFFAIRS AND CONSTITUTIONAL COMMITTEES OF THE ITALIAN CHAMBER OF DEPUTIES HAVE BOTH CALLED UPON THE GOVERNMENT TO MAKE EARLY TANGIBLE PROGRESS ON THE DRAFT TREATY ON EUROPEAN UNION AND TO MAKE THIS ITS MAIN PRIORITY FOR DUBLIN. WE CAN EXPECT CRAXI TO BE VOCAL IN SUPPORT FOR THE WORK OF THE DOOGE COMMITTEE AND TO GIVE NOTICE OF HIS INTENTION TO MAKE IT THE MAIN PRIORITY OF THE ITALIAN PRESIDENCY, WITH A VIEW TO THE CALLING OF AN INTERNATIONAL CONFERENCE ON EUROPEAN UNION BEFORE THE END OF JUNE. HE WILL BE LESS CLEAR ABOUT THE OUTCOME OF SUCH A CONFERENCE. ALTHOUGH RELIEVED THAT, FOR ONCE, THE BUDGETARY ISSUES DO NOT SEEM LIKELY TO DOMINATE THE AGENDA, BOTH CRAXI AND ANDREOTTI ARE LIKELY TO PRESS FOR FURTHER CONSULTATION WITH PARLIAMENT ON BUDGET DISCIPLINE. THE CONCEPT HAS NOT TAKEN ROOT HERE, BUT THE ITALIANS WILL NOT STAND OUT AGAINST AGREEMENT IN ISOLATION.

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IT IS HARDER TO JUDGE HOW FAR THEY WILL STAND OUT ON WINE. MUCH MAY DEPEND ON THE COMPENSATION, IF ANY, OFFERED TO ITALY, AND IT IS RELEVANT THAT THE GREEKS ARE IN ROME TODAY, NO DOUBT TO DISCUSS IMPS. FITZGERALD IS ALSO HERE TO URGE A COMPROMISE ON WINE. WE SHALL REPORT IF WE HEAR OF ANY LAST-MINUTE DEVELOPMENTS BEFORE DUBLIN.

4. AMONG ITALIAN PRIORITIES DURING THEIR PRESIDENCY PROGRESS ON THE INTERNAL MARKET RANKS HIGH ON PAPER. DUBLIN WILL BE A USEFUL OPPORTUNITY TO REMIND THE ITALIANS THAT THIS MEANS PRACTICAL PROGRESS ON A NUMBER OF INTERNAL MARKET ISSUES EG AIR FARES AND LIBERALISATION OF SERVICES ON WHICH THEY HAVE BEEN SINGULARLY PROTECTIONIST SO FAR.

5. IN THE POLITICAL COOPERATION FIELD OFFICIALS STRESS CONTINUITY AND ARE ANXIOUS TO DISCOURAGE SPECULATION OF AMBITIOUS INITIATIVES. THE ITALIANS WILL EXPECT TO HOST A FOLLOW-UP TO THE SAN JOSE MEETING, BUT ARE NOT PRESSING OVERTLY FOR IT TO BE AT MINISTERIAL RATHER THAN OFFICIAL LEVEL. THEY WILL ALSO WANT TO STRENGTHEN EC LINKS WITH THE OTHER COUNTRIES OF LATIN AMERICA, ESPECIALLY THOSE IN THE SOUTHERN CONE. THEY EXPECT ANDREOTTI TO MAKE A "CONTACT MISSION" TO MIDDLE EAST COUNTRIES, IN LINE WITH THE RECOMMENDATIONS BEFORE THE DUBLIN SUMMIT, BUT SEE IN THIS LITTLE MORE THAN A POLICY OF MARKING TIME. THEY CONTINUE TO OPPOSE ANY REWORDING OF THE VENICE DECLARATION. THEY ARE ENCOURAGED BY THE RECENT REINFORCEMENT OF THE ARAB MODERATES, AND IN THIS CONTEXT ANDREOTTI WILL ATTACH IMPORTANCE TO THE PLO CONGRESS: BUT THEY WILL WANT TO KEEP A LINE OPEN TO SYRIA TOO.

FCO ADVANCE TO NO.10 DOWNING STREET, PS, RENWICK,
FAIRWEATHER ECD(1), WILLIAMSON CABINET OFFICE, ANDREWS MAFF,
UNWIN TREASURY.

FCO PSE PASS SAVING ADDRESSEES.

BRIDGES

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