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*A/1 Summit*  
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12 JUN 1985		
DESK	PA	REGISTRY
INDEX	✓	Action Taken
		<i>12/6</i> <i>ASMS</i>

INFO PRIORITY UKREP BRUSSELS, WASHINGTON, TOKYO, OTTAWA, PARIS,  
BONN.

MYTELNO 461: BONN ECONOMIC SUMMIT: ITALIAN ASSESSMENT

SUMMARY

1. CRAXI'S STAFF GLOOMY, BUT MFA PREFER TO STRESS POSITIVE ASPECTS, ESPECIALLY MACRO-ECONOMIC COMMITMENTS: CRAXI PROUD OF HIS MEDIATING ROLE: ITALIAN DOUBTS REMAIN OVER ADVANTAGES OF NEW GATT ROUND.

DETAIL

2. WE HAVE SPOKEN TO CATTANI (MFA) AND TO CRAXI'S OWN STAFF ABOUT THE OUTCOME OF THE ECONOMIC SUMMIT. CATTANI WAS AT PAINS TO PLAY DOWN THE SIGNIFICANCE OF THE ROW OVER THE START OF THE NEW GATT ROUND AND SDI. HE POINTED TO THE CONSIDERABLE SIGNIFICANCE OF THE US ACCEPTANCE OF THE NEED FOR ACTION ON FISCAL DEFICIT (IN CONTRAST TO LONDON IN 1984). THE ITALIANS WERE PLEASED WITH THE OUTCOME ON FAMINE IN AFRICA, AND SATISFIED WITH THAT ON THE LDCS IN GENERAL. CATTANI ATTRIBUTED THE ROW OVER THE GATT STARTING DATE AS MUCH TO THE US HEAVY FOOTED APPROACH AS FRENCH POSTURING AND CLAIMED THAT THE DIFFERENCES WERE MORE APPARENT THAN REAL, SINCE IT IS CLEAR TO EVERYONE THAT A NEW ROUND WILL GO AHEAD. BUT THE ITALIANS REMAIN SCEPTICAL ABOUT THE WHOLE EXERCISE.

3. CRAXI'S STAFF, IN CONTRAST, THOUGHT THE ROW OF DEEPER SIGNIFICANCE. THE FRENCH ATTITUDE HAD CAUSED PROBLEMS FOR ITALY AS WELL AS THE US - HENCE CRAXI'S UNSUCCESSFUL ATTEMPT TO MEDIATE BETWEEN THE TWO SIDES ON THE DATE OF THE NEXT GATT ROUND AND ON THE LINK BETWEEN COMMERCIAL AND MONETARY NEGOTIATIONS. CRAXI'S STAFF CONSIDER THE PROBLEMS CREATED BY THE SUMMIT WILL ONLY BECOME APPARENT ONCE ITS RESULTS HAVE BEEN PROPERLY DIGESTED IN CAPITALS.

4. THE ITALIANS ARE DISAPPOINTED THAT MORE SPECIFIC PROGRESS WAS NOT MADE ON INTERNATIONAL MONETARY INITIATIVE, IN PARTICULAR THAT BAKER'S OFFER AT THE OECD MINISTERIAL MEETING SEEMED TO HAVE BEEN LOST SIGHT OF.

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BRIDGES

STANDARD (PALACE)

ADDITIONAL DISTRIBUTION  
ECONOMIC SUMMIT

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