



MO 14/7V

NOTE FOR THE RECORD OF A MEETING WITH SENATORE SPADOLINI AT
THE ANGLO/ITALIAN SUMMIT IN FLORENCE AT 1115 ON 12TH MARCH 1986

Those Present:

The Rt Hon George Younger MP Secretary of State for Defence	Senatore Spadolini Italian Defence Minister
Sir David Perry Chief of Defence Equipment Collaboration	Admiral M Porta
Mr G Fitzherbert British Embassy, Rome	Professor Manzini and others
Mr R C Mottram PS/Secretary of State	

The Secretary of State thanked Senatore Spadolini most warmly for his kind message on taking up his new appointment. Senatore Spadolini said that he and Mr Heseltine had worked closely together to further Anglo/Italian co-operation and he hoped that this could continue. The Secretary of State said that he too wished further to develop their co-operation.

2. The Secretary of State said that there was one personal point which he wanted to mention. In the ordinary course of events he would have been looking forward to attending the next meeting of the WEU in Venice in April. Unfortunately, the meeting was in the same week as his daughter's wedding and regrettably he felt that he must give that first priority. Senatore Spadolini said that he could understand Mr Younger's difficulty, adding that he would represent the British Defence Minister himself!

SDI

3. Senatore Spadolini said that the WEU meeting would be important to affirm Europe's autonomous position on SDI. At present every government seemed to follow its own path. The Italian Government was looking to sign an agreement with the United States but this would be done not by Defence Ministers but, as in Germany, by Ministers of Economic Affairs. This was intended to show that Italy was committed to the scientific and industrial benefits of participation but did not wish to give support to the underlying strategic aims of the SDI.



4. The Secretary of State said that the British Government's commitment to SDI was limited to support for the research programme. We were in no way committed to the case for the development of such defences or their deployment. Our MOU spelt out solely the methods by which British and American companies and institutions could work together on this research, including safeguarding intellectual property rights to which we attached considerable importance. Senatore Spadolini asked whether we had defined the areas in which we would participate. In his last conversation with Mr Heseltine he had gained the impression that we were expecting to sign large scale contracts. He also wondered whether these were signed on a Ministry to Ministry basis. The Secretary of State said that contracts were signed by the companies concerned rather than by the Government, although we had established an office to facilitate participation. He believed that there would inevitably be a slow build-up in the number and scale of the contracts and as yet only a limited number had been signed. We certainly hoped for substantial participation over a longer period.

Helicopter Co-operation

5. Senatore Spadolini asked about the British Government's position on participation in the EH101 and A129 programmes. The Secretary of State said that there was no change in our approach to the EH101. The project had our full support. We were also very anxious to carry on with the feasibility study on the A129 Mk II helicopter to meet our light attack requirement. We would welcome the participation of other countries in the project on the basis of a solution derived from an improved A129. Holland and Spain were known to be interested; and he wondered whether it would also be worth approaching the French and Germans to establish if they had any interest. Senatore Spadolini commented that there might be better possibilities of success with the Germans rather than the French. France in the end was concerned more with national pride than with working collaboratively with her European partners. The Secretary of State agreed that there could be no question of stopping work on the solution we envisaged and starting again from scratch but, on that basis, it would seem sensible to approach other countries. Senatore Spadolini suggested that they should pursue the matter first with the Germans and follow this approach up shortly afterwards with the French. The timing of an approach to the French would in any case have to take account of the forthcoming election.

European Fighter Aircraft

6. The Secretary of State said that he had had a very successful first visit to Germany and a useful exchange with Dr Woerner. Senatore Spadolini said that he had recently met Dr Woerner who had told him of the areas they had discussed and also thought that the meeting had gone well. There still seemed



to be some German concern over the weight limit on EFA. The Secretary of State said that, at his meeting with Dr Woerner, he had given him the clearest possible assurance that it was Britain's intention to stick absolutely to the aircraft parameters agreed at Turin. We were committed to a weight limit of 9.75 tonnes. He had recently had lunch with the Board of British Aerospace and had told them that their task was to design an aircraft within this limit. Senatore Spadolini confirmed that his approach was the same and similar instructions had been given to Italian industry.

Arms Control

7. Senatore Spadolini asked about the British Government's position on Gorbachev's proposals on arms control. The Secretary of State said that the British Government had been very pleased with the response that President Reagan had made and with the effectiveness of the consultation process with European Governments. Some aspects of the Gorbachev proposals were disappointing and we had been particularly concerned about the effort to constrain third country systems. It was important to Europe that we should not permit the Russians to confuse third country deterrents with intermediate nuclear forces. Senatore Spadolini said that he had had the impression that the Russians were being less insistent on the need to take account of these forces. The Secretary of State commented that the Russians were now putting the emphasis on constraining their modernisation. This might have some attraction for the general public but the reality was that, if weapons were not modernised, then after a period of time this was the same as removing them. It was important for all European countries that we and the French retained absolute freedom to modernise our deterrents in order that they remained credible.

8. Senatore Spadolini said that Gorbachev's proposals had particular dangers for countries like Germany and Italy without their own nuclear weapons, who depended upon the US for protection. The Secretary of State said that we were prepared to go along with the American approach of an interim solution on INF with the aim of zero eventually. Our feeling was that, as we got to the first stage, it would become more important to address conventional imbalances and the threat from shorter range systems, before any move to zero. Senatore Spadolini asked whether the Soviet SS20s in Asia were an obstacle to an agreement. Gorbachev probably realised that the SS20s in Western Europe had proved to be a mistake since they had prompted a resolute Western response. The Secretary of State said that the Asian INF could not be addressed in isolation since the system was mobile. He repeated that we were conscious of the need to address the security requirements of Europe as a whole. The defence of Britain began in Europe.



9. Senatore Spadolini said that he had discussed with Dr Woerner his ideas for strengthening European defence against tactical ballistic missiles. He told him that this should be handled cautiously. The Russians were always looking for pretexts to go back on arms control concessions they had already made and any German initiative would be likely to provoke a strong response. They remained very wary of the Germans for historical reasons. If there were to be an initiative, it would be better for it to come from somewhere other than Germany. The Secretary of State said that he had agreed with Dr Woerner that these issues were important and merited further study. We had to take account of the threat from short range missiles not only in terms of nuclear attack but also of conventional and chemical attack.

Terrorism

10. Senatore Spadolini asked whether we had any information about the role of Libya in international terrorism. The Secretary of State said that Italy was perhaps better placed to advise on this. Speaking more generally, he felt very strongly about the need to combat terrorism and we were very glad to assist Italy when problems arose to which she needed to respond. He was in no doubt that terrorism was a matter on which it was not possible to compromise. Senatore Spadolini commented that he too took this point very seriously and, as Mr Younger knew, had risked his position within his Government over it.

Iran/Iraq War

11. Senatore Spadolini referred to recent Iranian gains in the war and differences in the capacity of the two countries to absorb losses. The Secretary of State said that there were some signs that Iraq would be able to regain territory and it was important to bear in mind that in conventional warfare a large numerical preponderance was needed for successful attack.

Middle East

12. Senatore Spadolini said that he found the position in the Middle East depressing. Peres was under pressure from Shamir. He believed that it would be a good idea to involve the Soviet Union in the peace process. The Secretary of State said that he could see the attractions from the Russian point of view since they had suffered a number of setbacks recently in the area, perhaps most notably in South Yemen where it was clear that they had had no idea what was happening. The PLO was very fragmented and lacked either a sense of direction or a capacity to achieve it. There seemed little hope of early progress.

13. Senatore Spadolini said that he was very concerned about recent events in Egypt which could undermine her contribution to stability in the area and particularly to the handling of Libya.



He felt that the main danger was that Qadhafi was so unpredictable rather than that he was dependent on the Soviet Union. He could at any time start a crisis which might lead the Americans to respond in a way which made matters worse. We had seen such American overreaction in the Lebanon.

Yugoslavia

14. Senatore Spadolini said that he had recently visited Yugoslavia. He agreed with the Secretary of State that there were continuing tensions between the republics, as well as concern over the possibility of increased Russian influence in Albania. The Yugoslavs were also worried about the disputes between Greece and Turkey. They felt that these weakened NATO's Southern Flank and thereby strengthened the Soviet position to the potential disadvantage of their own country.

Turkey

15. The Secretary of State said that the Turkish Prime Minister had recently visited the United Kingdom and the Turks had expressed considerable interest in Tornado. This might be of interest to the Italian Government. In the case of the British Tornado programme, we were already extensively re-scheduling our requirements in order to fulfil the contract with Saudi Arabia. Senatore Spadolini commented (obscurely) that the final Saudi deal seemed a good deal less than had been envisaged earlier. He would himself be visiting Saudi Arabia later in the year. He did not take up the point about the possible Turkish sale.

Imbalances in Defence Trade

16. Senatore Spadolini went on to refer to the adverse trade balance between Italy and Saudi Arabia. It was important to balance trade as much as possible and yet the Anglo/Italian balance on defence products seemed to be getting worse. There were, he knew, reasons for this in terms of purchases of aircraft engines and so on but it was a matter for concern. The Secretary of State commented merely that this strengthened the argument for collaborative equipment projects. Senatore Spadolini made no attempt to press the point.

STOVL

17. The Italian side raised the recent Anglo/US agreement on STOVL. Sir David Perry emphasised that the MOU concerned research on future systems rather than the present programme to which there was no change. The Secretary of State asked about the prospect of a change in Italian law to permit the Sea Harrier to be carried on the Garibaldi. We would be very happy to help in any way we could in showing the merits of the Sea Harrier. Senatore Spadolini said that a change in the law would be a very difficult road to follow and, while he hoped this



could be achieved, he could make no commitment. This was an issue which went back 60 years. Since there was no tradition of aircraft carriers in Italy, it was very difficult to persuade public opinion to accept what were seen as offensive systems. The problem in the Lebanon, where the Italian contingent had had no air cover, had shown the merits of such a capability but this now needed to be identified also in the NATO context.

18. The meeting ended at 1250.

Rh
Ministry of Defence
13th March 1986

Distribution:

PS/Prime Minister
PS/Foreign and Commonwealth Office
PS/Secretary of State for Trade and Industry
PS/Secretary of the Cabinet
Lord Bridges, Rome
Sir J Bullard, Bonn
Sir J Fretwell, Paris

PS/Minister(AF)	AUS(DS)
PS/Minister(DP)	AUS(EC)
PS/Minister(DS)	ACDS(OR)(Air)
PS/US of S (DP)	AUS(Systems)
PSO/CDS	CPR
PS/PUS	RMD 4
Sec/CNS	DDEC
PS/CAS	Hd of Sec(NATO/UK)(P)
PS/CDEC	Hd of DACU
PS/CDP	DPP
PS/CSA	D Pol SDIPO
PS/VCDS	D Nuc Pol/Sy
PSO/CDI	
PS/HDS	
PS/CA	
DCDS(Systems)	
DUS(P)	
DUS(RP)	
DCA	
DGA 2	
ACDS(Pol)Nuc	

