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ANGLO/ITALIAN SUMMIT:

OPENING STATEMENT FOR PRESS CONFERENCE

May I first thank Prime Minister Craxi for holding these Anglo/Italian consultations here in Florence.

It is my first visit and sadly only a very brief one. But I shall have a chance to see something of Florence's treasures immediately after this press conference.

[So the shorter your questions, the longer I shall have to do so!]

Signor Craxi has already given you an account of the main issues we discussed.

I think it is fair to say that we found ourselves substantially in agreement on most of them - which is a reflection of the extent to which our two governments keep very closely in touch in between meetings of this sort, and a tribute to the excellent work done by our respective Ambassadors.

¶And may I say how pleased we were to
welcome Ambassador Bottai to London.¶

We had a thorough discussion of East/West relations
and arms control.

I explained to Signor Craxi the reasons
why we have rejected Soviet demands for a
freeze on the modernization of the United
Kingdom's nuclear deterrent.

Our force is a strategic force and the minimum necessary to deter an attack on the United Kingdom.

It amounts to a mere three per cent of the Soviet nuclear force.

It is not relevant to the negotiations on intermediate nuclear weapons.

In any case, the INF negotiations are bilateral negotiations between the United States and the Soviet Union and cannot

involve constraints on third country
forces.

We have always made clear however that, if
the strategic nuclear forces of the United
States and the Soviet Union were to be
reduced ^{very} substantially, then we would be
prepared to consider the position of our
forces. But of course we are a long way
from that.

~~[Add any wording agreed during the talks.]~~

We also discussed European Community matters though rather less than in the past.

I take this as an encouraging sign.

The debate of the last year or two about institutional questions and the future shape of the Community is over and we have to focus on the serious and detailed questions of the Community's management.

I told Signor Craxi that during the forthcoming United Kingdom Presidency of the European Community we would want to concentrate on a number of practical issues: further steps to complete the common market, to reduce the burden of regulation, to liberalise transport and to reform the Common Agricultural Policy.

On this last we both agreed that the immense costs of intervention and storage

of surplus products could simply not be sustained.

On bilateral matters we confirmed the very good cooperation which exists between Britain and Italy in a number of areas including - and I stress this - collaboration on helicopters.

A great deal of nonsense was talked during the recent Westland affair about a choice

between the United States and Europe.

Anyone who deals with these matters knows that it is not a case of "either/or" but "both/and".

We need to promote both collaboration in Europe and with the United States.

That has been the experience of the British helicopter industry and of the Italian industry.

I am delighted that a solution was found

that will permit both an important Italian stake in Westland and continuing collaboration between Westland and Augusta on the EH 101 and the A 129 Mark 2 helicopters.

[And may I point out for the record that I was flown here this morning from Pisa in a Sikorsky helicopter.]

On international financial matters I was able to

tell Signor Craxi that we agree that arrangements need to be made to allow Italy to take part in discussions of exchange rates especially when these involve important decisions affecting her.

We shall certainly not stand in the way of a satisfactory solution which enables this to happen.

Finance Ministers will be working out the details next month.

Perhaps I could just mention briefly three final points before taking your questions.

First, our discussions dealt with terrorism.

I congratulated Signor Craxi on the progress made by your government in dealing with the problem in Italy.

Our foreign Ministers signed an important

Extradition Treaty.

May I also here express my sympathy at the recent murder of a most distinguished former mayor of Florence at the hands of terrorists.

Secondly, we both welcomed the forthcoming meeting of the Anglo-Italian Round Table in Naples.

And, lastly, may I mention the very excellent work done by the British Institute here in Florence.

Sadly, I shall not have time to visit it during my very brief stay.

But I have heard a great deal of its achievements and take this opportunity to congratulate the Director and his staff upon them, and wish them success in the appeal which has been launched for funds

to safeguard the Institute's future.