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FM ROME
TO IMMEDIATE FCO
TELNO 202
OF 051425Z APRIL 88

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ANGLO/ITALIAN SUMMIT.

SUMMARY:

1. THE EASTER HOLIDAY HAS NOT PRODUCED A NEW ITALIAN GOVERNMENT. WE WILL NEED TO TAKE A DECISION AT THE LATEST ON 11 APRIL WHETHER OR NOT TO STICK TO 20 APRIL AS THE DATE FOR THE NEXT ANGLO/ITALIAN SUMMIT.

DETAIL:

2. IT IS NOW BARELY TWO WEEKS UNTIL 20 APRIL, THE DATE SET FOR THE NEXT ANGLO/ITALIAN SUMMIT ON LAKE MAGGIORE. DE MITA'S NEGOTIATIONS WITH HIS PROSPECTIVE PARTNERS IN GOVERNMENT HAVE CONTINUED OVER EASTER BUT HAVE NOT YET PRODUCED AGREEMENT. HE IS NOW ENGAGED IN A FURTHER ROUND OF BILATERAL CONSULTATIONS AND HOPES TO HOLD A MEETING WITH ALL HIS PROSPECTIVE PARTNERS AT THE END OF THIS WEEK. THE PEOPLE IMMEDIATELY CONCERNED IN THE PARTY SECRETARIATS ARE UNREACHABLE AT PRESENT BUT THE MOOD AMONG COMMENTATORS IS THAT AGREEMENT MAY BE REACHED BY THE END OF THIS WEEK ON A PROGRAMME FOR A NEW GOVERNMENT. THE NEXT STEPS WOULD BE TO WORK OUT A DISTRIBUTION OF PORTFOLIOS BETWEEN THE PARTIES AND THEN TO SECURE VOTES OF CONFIDENCE IN BOTH HOUSES OF PARLIAMENT. CRAXI COULD DECIDE TO HOLD UP AGREEMENT FOR A BIT LONGER TO DEMONSTRATE THE UNDERLYING WEAKNESS OF DE MITA'S POSITION. BUT EVEN IF HE DOES, NOT, IT IS DIFFICULT TO SEE THAT A NEW GOVERNMENT COULD BE FUNCTIONING BEFORE THE END OF THE WEEK BEGINNING 11 APRIL AT THE VERY EARLIEST.

3. THIS WOULD LEAVE VERY LITTLE TIME FOR A NEW GOVERNMENT TO PREPARE FOR A FULL ANGLO/ITALIAN SUMMIT ON 20 APRIL. ITALIAN OFFICIALS ARE NEVERTHELESS KEEN TO STICK TO THE DATE AND RECOGNIZE THAT AN EARLY MEETING WITH MRS THATCHER WOULD HELP TO ESTABLISH THE AUTHORITY OF THE NEW HEAD OF THE ITALIAN GOVERNMENT. MOREOVER, THEY ARE WORRIED ABOUT THE IMPLICATIONS OF YET ANOTHER ANGLO/ITALIAN EVENT FALLING VICTIM TO THE VAGARIES OF ITALIAN POLITICS. BUT I BELIEVE THEY WOULD ACCEPT THAT IT WOULD BE PREFERABLE TO RE-SCHEDULE THE MEETING BY AGREEMENT THAN TO RISK A MESSY LAST-MINUTE CANCELLATION OR A HASTILY PREPARED AND THEREFORE UNSUCCESSFUL

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MEETING. FROM OUR SOUNDINGS TODAY OF PALAZZO CHIGI ADVISERS WE UNDERSTAND THAT BOTH GORIA AND ANDREOTTI MAY HAVE DOUBTS ABOUT THE FEASIBILITY OF HOLDING THE SUMMIT AS EARLY AS 20 APRIL.

4. I PROPOSE TO SEEK AN APPOINTMENT ON 7 APRIL TO DISCUSS THIS WITH GORIA'S CHEF DE CABINET (UNTIL A NEW GOVERNMENT IS FORMED, GORIA RETAINS THE UNEVIABLE JOB OF CARETAKER). IF BY THEN IT LOOKS AS THOUGH, THE WAY IS CLEAR FOR DE MITA TO FORM A GOVERNMENT IN THE COURSE OF NEXT WEEK, I WOULD THEN SUGGEST THAT WE STICK TO THE PRESENT DATE AND PLACE FOR THE BILATERAL SUMMIT MEETING. IF THE PROSPECTS FOR A DE MITA GOVERNMENT BEING FORMED LOOK PROMISING BUT NOT YET DEFINITE, I WOULD SUGGEST THAT WE TAKE A FINAL DECISION ON 11 APRIL, BUT I WOULD MAKE IT CLEAR THAT THAT WOULD HAVE TO BE THE ULTIMATE DEADLINE. IF THE PROCESS OF NEGOTIATION HAS MET SOME FURTHER OBSTACLE AND IT IS CLEARLY NOT GOING TO BE POSSIBLE FOR A NEW GOVERNMENT TO BE FORMED NEXT WEEK, I WOULD SUGGEST THAT WE AGREE TO POSTPONE THE NEXT SUMMIT UNTIL A NEW ITALIAN GOVERNMENT HAS HAD TIME TO GET ESTABLISHED. IN EITHER OF THE SECOND TWO CASES, I WOULD MAKE IT CLEAR THAT IF IT DID COME TO POSTPONEMENT THE PRIME MINISTER WOULD NOT BE ABLE TO OFFER ANOTHER DATE UNTIL THE AUTUMN.

5. I HAVE DISCUSSED THIS INFORMALLY WITH NO. 10 WHO ARE CONTENT THAT I SHOULD PROCEED IN THIS WAY. THEY HAVE AGREED THAT, IF IT SEEMS A USEFUL ALTERNATIVE, I SHOULD KEEP OPEN THE OPTION OF A MORE LIMITED MEETING ON 20 APRIL, EITHER IN LONDON OR IN ROME, ON THE LINES OF GORIA'S VISIT TO LONDON SHORTLY AFTER HE TOOK OFFICE IN 1987. IN THAT CASE, HOWEVER, I WOULD NEED TO LEAVE NO DOUBT IN ITALIAN MINDS THAT THIS WOULD NOT BE ADDITIONAL TO A FULL SUMMIT LATER IN THE YEAR, BUT INSTEAD OF IT.

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