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ECONOMIC SUMMIT: ITALIAN VIEWS

SUMMARY:

1. ITALIAN THINKING HAS NOT YET RECEIVED ANY PERSONAL INPUT FROM DE MITA. ITALIANS SOMEWHAT UNHAPPY ABOUT CANADIAN HANDLING OF PREPARATIONS AND CONCERNED THAT US AND CANADA MAY SEEK TO PUSH FOR MORE THAN CAN BE OBTAINED ON GATT SUBJECTS.

2. ON ENVIRONMENT, ITALIANS SEEM LIKELY TO BACK AWAY FROM THE EMPHASIS THEY SOUGHT TO GIVE AT THE SHERPAS MEETING ON DEGRADATION OF CITIES.

DETAIL:

3. I HAD A LONG TALK WITH SARCINELLI (DE MITA'S PERSONAL ADVISER) TODAY IN THE COURSE OF WHICH HE MADE A NUMBER OF POINTS ABOUT THE PREPARATIONS FOR THE TORONTO SUMMIT. HE WOULD BE SEEING DE MITA FOR THE FIRST TIME ON 11 JUNE TO DISCUSS THIS SUBJECT. UP TO THIS POINT, SARCINELLI HAS LITTLE IDEA OF DE MITA'S OWN THINKING ON SUMMIT ISSUES. EVERYTHING HE SAID, THEREFORE, SHOULD BE REGARDED AS REFLECTING HIS OWN VIEWS IN THE LIGHT OF DISCUSSIONS WITH HIS MINISTER (AMATO - TREASURY) AND CONTACTS WITH DE MITA'S OFFICE.

MACROECONOMIC ISSUES:

4. SARCINELLI HAD LITTLE TO SAY ON THE SUBSTANCE BUT A GOOD DEAL OF CRITICISM ABOUT THE STATE OF CANADIAN PREPARATIONS. WHAT IT BOILED DOWN TO WAS THAT THERE WAS STILL NO AGREEMENT ON ELEMENTS FOR INCLUSION IN COMMUNIQUE' LANGUAGE. THIS WOULD, IN HIS VIEW, MAKE DISCUSSION AT THE SUMMIT MORE DIFFICULT THAN IT NEED BE. HE ALSO THOUGHT THE CANADIANS HAD MADE AN ERROR IN TRYING TO LIMIT DISCUSSION OF POLITICAL ISSUES. NOW THAT THE TRADITION WAS FIRMLY ESTABLISHED, THE PRESS AND PUBLIC WOULD BE CRITICAL OF THE WORLD'S LEADERS IF THEY MET AT TORONTO AND DID NOT DISCUSS THE MAJOR POLITICAL ISSUES OF THE DAY.

AGRICULTURE AND TRADE:

5. SARCINELLI WAS WORRIED THAT THE AMERICANS AND CANADIANS WOULD PRESS TOO HARD FOR PROGRESS GOING BEYOND THE OECD COMPROMISE. IN HIS OWN VIEW, IT WAS A MATTER OF LANGUAGE RATHER THAN SUBSTANCE ON THIS OCCASION. HE HAD ALWAYS FELT, IN ANY CASE, THAT THE TIMING OF THE MTM WAS MISJUDGED. SINCE IT WOULD FALL BETWEEN THE AMERICAN ELECTIONS AND THE INSTALLATION OF A NEW US PRESIDENT, NO US REPRESENTATIVES WOULD BE ABLE TO SPEAK WITH ANY DEGREE OF AUTHORITY. DISCUSSION AT TORONTO WOULD BE FURTHER COMPLICATED BY THE RELATIVE NEWNESS OF THE FRENCH GOVERNMENT. HE DID NOT SEE THE SLIGHTEST HOPE OF GETTING FRENCH AGREEMENT TO GOING BEYOND WHAT THEIR PREDECESSORS HAD COMMITTED THEMSELVES TO IN THE OECD LANGUAGE.

ENVIRONMENT:

6. SARCINELLI EXPLAINED THAT HE HAD BEEN UNDER PRESSURE FROM DE MITA'S OFFICE TO ARGUE THE CASE FOR INCLUDING 'DEGRADATION OF THE CITIES' UNDER THE ENVIRONMENT HEADING AT TORONTO. ACCORDING TO HIS ADVISERS, DE MITA HAD FELT UNDER PRESSURE FROM THE ITALIAN PARLIAMENT TO SEEK A GENERAL RECOGNITION OF THIS PROBLEM AT TORONTO. SARCINELLI HAD UNDERSTOOD VERY CLEARLY THE OBJECTIONS OF OURSELVES AND OTHERS TO APPEARING TO ASSUME RESPONSIBILITY AT TORONTO FOR WHAT WAS ESSENTIALLY A MATTER FOR INDIVIDUAL GOVERNMENTS. HE HAD THOUGHT THERE MIGHT BE SCOPE FOR MEETING DE MITA'S POINT BY TILTING THE DISCUSSION IN THE DIRECTION OF 'HISTORIC CITIES' (SUCH AS VENICE OR ROME) WHICH WERE IN SOME SENSE THE PATRIMONY OF ALL. HE WOULD NOT KNOW UNTIL HE SAW DE MITA ON 11 JUNE HOW MUCH IMPORTANCE HE PERSONALLY ATTACHED TO THIS ISSUE.

DRUGS:

7. SARCINELLI WAS NOT MUCH IN FAVOUR OF THE US PROPOSAL FOR AN EXPERT GROUP ON DRUGS CONSISTING OF OFFICIALS FROM SPECIFIC DEPARTMENTS. RESPONSIBILITY FOR THIS PROBLEM WAS ALLOCATED DIFFERENTLY IN EACH GOVERNMENT. IN ANY CASE, SO MUCH ATTENTION HAD ALREADY BEEN GIVEN TO THE SUPPLY AND TRANSPORT ASPECTS OF THE DRUGS PROBLEM THAT HE WAS NOT SURE WHAT MORE WOULD BE ACHIEVED UNDER THOSE HEADINGS. HE SAW MORE MERIT IN A DISCUSSION OF HOW TO TACKLE THE DEMAND SIDE AND WHETHER THE TIME HAD COME FOR ACCEPTING FURTHER LIMITATIONS ON INDIVIDUAL FREEDOM IN ORDER TO IMPOSE MORE EFFECTIVE CONTROL ON DRUG ABUSERS. I DID NOT SENSE ANY EMERGING ITALIAN PROPOSAL ON DRUGS.

AFRICAN DEBT:

8. THERE WAS NO SIGN OF ANY PROBLEMS FROM THE ITALIANS ON THIS

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FRONT. SARCINELLI DID NOT MENTION MITTERRAND'S PROPOSAL. NEITHER DID I.

COMMENT:

9. I HAD HOPED TO SEE DE MITA MYSELF BEFORE HE LEAVES ROME ON 14 JUNE. THIS NOW LOOKS INCREASINGLY UNLIKELY. SARCINELLI'S VIEWS MAY THEREFORE BE THE MOST AUTHORITATIVE PICTURE WE CAN GET IN ADVANCE OF THE PRIME MINISTER' MEETING WITH DE MITA ON 18 JUNE.

THOMAS

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