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FM ROME
TO IMMEDIATE FCO
TELNO 556
OF 111050Z OCTOBER 88

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FOR WED

ANGLO/ITALIAN SUMMIT: BRIEFING

1. I HAVE BEEN CONSIDERING IN THE LIGHT OF LYN PARKER'S LETTER OF 29 SEPTEMBER TO NO 10 (COPIED TO US) SOME ADDITIONAL POINTS WHICH COULD BE USEFULLY INCORPORATED INTO THE BRIEFING FOR THE PRIME MINISTER AND OTHER MINISTERS.

2. PRIME MINISTER

(I) EAST/WEST RELATIONS. SEE MY LETTER OF 6 OCTOBER TO RATFORD.

(II) EC. THE PRIME MINISTER WILL WISH TO REINFORCE THE THEMES IN HER BRUGES SPEECH (OF WHICH A COPY IN ITALIAN HAS GONE TO DE MITA'S OFFICE). THE PRIME MINISTER'S PRAGMATIC APPROACH GAINS A CERTAIN UNDERSTANDING, IF NOT SYMPATHY HERE, AT LEAST AMONG AUDIENCES OF BUSINESSMEN. DE MITA WILL NOT ALLOW HIMSELF TO BE DISLODGED FROM THE ULTIMATE OBJECTIVE OF EUROPEAN UNION, WHICH SEEMS SO NATURAL TO MOST ITALIAN POLITICIANS. BUT HE IS NOT LIKELY TO INSIST ON THIS BEING PRESSED NOW, STILL LESS ADVOCATE THAT IT SHOULD TAKE ANY PARTICULAR FORM. HE WILL NOT ARGUE AGAINST THE IMMEDIATE IMPORTANCE OF WILLING AND ACTIVE COOPERATION BETWEEN INDEPENDENT SOVEREIGN STATES: NOR AGAINST THE IMPORTANCE OF PULLING DOWN THE BARRIERS TO ENTERPRISE: NOR AGAINST KEEPING THE COMMUNITY OPEN: NOR (WITH A BIT OF AN ALLOWANCE FOR ITALIAN HYPOCRACY) AGAINST THE NEED FOR THE EUROPEANS TO SHOULDER A GREATER SHARE OF ALLIANCE DEFENCE. SO THERE SHOULD BE A GOOD DEAL TO SHOW IN COMMON IN THE FINAL PRESS CONFERENCE, PERHAPS IN A FORM WHICH WILL BE USEFUL TO US AFTERWARDS WHEN THE ITALIANS SEEM TO BE BACKSLIDING FROM SOME OF THESE FIVE OBJECTIVES.

I ALSO HOPE THE PRIME MINISTER WILL INCLUDE IN THIS PART OF THE DISCUSSION HER PRACTICAL RESERVATIONS ABOUT THE NEED TO BE DEVOTING MUCH ENERGY AT THIS STAGE TO THE IDEA OF A EUROPEAN CENTRAL BANK, TO THE OBJECTIONABLE SIDE OF THE IDEAS CIRCULATING ON THE QUOTE SOCIAL SPACE UNQUOTE (BOTH OF WHICH DE MITA IS

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INCLINED TO ACCEPT WITHOUT MUCH ARGUMENT) AND TO THE NEED TO MAINTAIN SOME BORDER CONTROLS IF WE ARE TO KEEP CONTROL OF TERRORISM, DRUGS TRAFFICKING AND ILLICIT ARMS SALES. THESE ARE LONG-TERM QUESTIONS WHICH WILL NOT BE DECIDED DURING DE MITA'S LIKELY TERM OF OFFICE, BUT IT IS IMPORTANT THAT HE SHOULD HEAR, AT FIRST HAND, THE OTHER SIDE OF THE ARGUMENT.

(III) TORNADO FOR JORDAN. CONSIDERATION IN THE ITALIAN BUREAUCRACY MAY STILL NOT HAVE PRODUCED A FINAL DECISION BY 21 OCTOBER: IN THAT CASE IT WOULD BE RIGHT FOR THE PRIME MINISTER TO RAISE IT WITH DE MITA.

(IV) SCIENTIFIC COLLABORATION. SEE MY TELNO 552, FOLLOWING MR JACKSON'S MEETING WITH RUBERTI ON 8 OCTOBER.

(V) LIBYA. IT WOULD BE USEFUL FOR THE PRIME MINISTER TO REINFORCE WITH DE MITA OUR CONCERNS OVER RECENT SIGNS OF ITALY'S WISH TO IMPROVE BILATERAL RELATIONS. ANDREOTTI, OF COURSE, KNOWS OUR VIEWS WELL BUT THE SECRETARY OF STATE SHOULD NEVERTHELESS GO OVER THEM AGAIN WITH HIM (SEE BELOW): THE SUBJECT COULD USEFULLY BE RETURNED TO WHEN THE FOREIGN MINISTERS JOIN THE PRIME MINISTERS TOWARDS THE END OF THE MEETING.

(VI) INTELLIGENCE LIAISON. SEE LAMPORT'S LETTER OF 15 SEPTEMBER TO FRY (WED).

(VII) PRESS CONFERENCE. WE DO NOT YET KNOW WHETHER DE MITA WILL MAKE THE OPENING STATEMENT, OR INVITE THE PRIME MINISTER TO DO SO. AS WELL AS DESCRIBING THE SUBJECTS DISCUSSED (HIGHLIGHTS WILL BE EAST/WEST RELATIONS, THE GULF, MIDDLE EAST, EC FUTURE DEVELOPMENT AND 1992), WE SHOULD USE THIS AS AN OPPORTUNITY TO BRING OUT POSITIVE ASPECTS OF OUR BILATERAL RELATIONS. THESE WOULD INCLUDE: FORTHCOMING BILATERAL MINISTERIAL VISITS, SUCH AS MR HURD'S, COOPERATION OVER DRUG TRAFICKING, SCIENTIFIC COLLABORATION IN THE CONTEXT OF RUBERTI'S REINSTATED VISIT. THE VISIT TO THE UK OF THE HEAD OF THE ITALIAN EMPLOYER'S FEDERATION IN EARLY NOVEMBER: AND (IF A FINAL TEXT CAN BE AGREED IN TIME) THE DOUBLE TAXATION AGREEMENT, WHICH I HOPE FOREIGN MINISTERS WILL BE ABLE TO SIGN ON 21 OCTOBER.

3. SECRETARY OF STATE

I HOPE THAT THE SECRETARY OF STATE WILL RAISE, AMONG OTHER SUBJECTS:

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(I) DEVELOPMENTS IN YUGOSLAVIA, ALGERIA AND CHILE. THE ITALIANS HAVE STRONG INTERESTS IN ALL THREE. ANDREOTTI IS LIKELY TO PUT THE CASE ONCE AGAIN FOR PROPPING UP THE YUGOSLAVS WITH MORE MONEY.

(II) MIDDLE EAST. THIS SHOULD INCLUDE BOTH THE GULF (OPERATION CLEANSWEEP) AND LIBYA. IT WOULD BE USEFUL - PARTICULARLY IF THE SECRETARY OF STATE HAS BEEN ABLE TO INCH ANDREOTTI FORWARD ON EITHER FRONT - TO REPORT ON THESE WHEN THE FOREIGN MINISTERS JOIN THE PRIME MINISTERS. IF ITALIAN HESITATION OVER CLEANSWEEP HAS BEEN OVERCOME BY THEN, WE SHALL BE ABLE TO WELCOME CONTINUED COOPERATION BY WEU MEMBERS OUT OF AREA.

(III) EAST/WEST RELATIONS. ANDREOTTI IS ACCOMPANYING DE MITA TO MOSCOW LATER THIS WEEK. THE SECRETARY OF STATE WILL WISH TO FOLLOW UP IN PARALLEL WITH THE PRIME MINISTER'S DISCUSSION WITH DE MITA.

(IV) ARMS TO ARGENTINA. THE SECRETARY OF STATE WILL NOT WISH TO MISS THIS OPPORTUNITY OF MAKING CLEAR THAT WE ARE STILL WATCHING THIS SPACE.

(V) EC. ANDREOTTI HAS ASKED THAT LA PERGOLA SHOULD BE PRESENT FOR A DISCUSSION ON EC AFFAIRS. I HAVE WELCOMED THIS.

4. DEFENCE MINISTERS

I HOPE THAT MR YOUNGER WILL BE BRIEFED TO COVER:

(I) ARGENTINA. ZANONE WILL HAVE RETURNED ON 20 OCTOBER FROM HIS VISIT TO ARGENTINA. IT WILL BE USEFUL TO HAVE A FIRST-HAND ACCOUNT.

(II) FIXED-WING AIRCRAFT FOR THE ITALIAN NAVY. IT IS A GOOD MOMENT TO RAISE THIS NOW THAT THE MARITIME AVIATION BILL IS ALMOST THROUGH PARLIAMENT. BUT IF WE ARE GOING TO SPEAK EFFECTIVELY, WE MUST HAVE CLEARED OUR MINDS ABOUT HOW TO TACKLE THE CHOICE BETWEEN AV8B AND SEA HARRIER. WHETHER WE DECIDE TO BACK THE AV8B OPTION OR LEAVE THE CHOICE TO THE ITALIANS, WE NEED TO BE ABLE TO EXPLAIN OUR REASONS TO ZANONE IN A WAY THAT DOES NOT LEAVE THE IMPRESSION THAT WE HAVE SOLD OUT TO THE US AIRCRAFT INDUSTRY.

5. HOME SECRETARY

WE HAVE FED INTO GAVA'S OFFICE A LIST OF SUBJECTS FOR DISCUSSION PROPOSED BY THE HOME SECRETARY. GAVA HAS NOW SAID THAT HE WOULD LIKE TO CONCENTRATE ON FRONTIER CONTROLS, TERRORISM, DRUGS AND

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EXTRADITION. WE HAVE NO COMMENTS TO OFFER ON THESE. WE HAVE INFORMED THE HOME SECRETARY'S OFFICE.

6. TRADE MINISTERS

WE HAVE BEEN IN TOUCH DIRECTLY WITH THE DTI AND HAVE HAD A CHANCE TO COMMENT ON THEIR DRAFT BRIEF: NOTHING FURTHER TO ADD.

THOMAS

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