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*Pl. keep for
briefing notes for
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FOR SYNNOTT, HEAD/WED

UK/ITALIAN SUMMIT, 23 FEBRUARY: AGENDA ISSUES

SUMMARY

1. SOME SUGGESTIONS AND RECOMMENDATIONS ON THE MAIN INTERNATIONAL ISSUES WHERE BRITISH AND ITALIAN INTERESTS ARE DIRECTLY INVOLVED, AND ON BILATERAL ISSUES, FOR POSSIBLE INCLUSION IN THE BRIEFING FOR 23 FEBRUARY. I PLAN TO TELEGRAPH A GENERAL SCENE-SETTER ON 19 FEBRUARY.

DETAIL

A: INTERNATIONAL ISSUES

ARMS FOR ARGENTINA

2. I SHALL SOON BE TAKING UP WITH MFA SECRETARY-GENERAL BOTTAI THE RECENT ARGENTINE PRESS REPORT ABOUT ITALIAN INTEREST IN REFITTING THE AIRCRAFT CARRIER, '25 DE MAYO'. IT WILL BE ADVISABLE TO BRING ANDREOTTI UP TO DATE ON THE STAGE REACHED IN REBUILDING ANGLO-ARGENTINE RELATIONS, AND ALSO TO WARN HIM THAT WE ARE NOT (NOT) OUT OF THE WOOD YET. ANY MOVES WHICH LED TO AN ENHANCED ARGENTINIAN MILITARY CAPABILITY, OR BELIEF THAT THEIR CAPABILITY MAY SOON BE ENHANCED, COULD SET BACK PROGRESS MADE. WE THEREFORE LOOK TO THE ITALIANS NOT (NOT) TO RESUME MAJOR DEFENCE BUSINESS WITH ARGENTINA.

SOUTH AFRICA

3. ANDREOTTI'S VIEWS ON SANCTIONS HAVE NOT (NOT) BEEN CONSISTENT. TWO YEARS AGO HE CAME OUT IN FAVOUR OF MANDATORY SANCTIONS, BUT SUBSEQUENTLY BACKED DOWN. HE HAS NOT NOT SO FAR COMMENTED PUBLICLY ON THE ISSUE FOLLOWING MANDELA'S RELEASE. I RECOMMEND THAT THE PRIME MINISTER SHOULD EXPLAIN TO ANDREOTTI THE THINKING BEHIND HER LETTER OF 10 FEBRUARY TO HIM (FCO TELNO 81 TO PARIS). MY TELNO 121 REPORTED OFFICIALS' REACTION TO HER MESSAGE.

LIBYA/IRA

4. WE HAVE TAKEN EVERY SUITABLE OPPORTUNITY TO UNDERSCORE OUR CONCERN AT THE ITALIAN GOVERNMENT'S CONTINUING IF SPORADIC ATTEMPTS

TO CONCILIATE QADHAFI, IN DEFAULT OF ANY PROOF THAT HE HAS GIVEN UP SUPPORTING EXTERNAL TERRORISM. I RECOMMEND THAT THE PRIME MINISTER AND THE SECRETARY OF STATE SHOULD GO OVER THE GROUND, ADDUCING ANY FIRM RECENT EVIDENCE TO DEMONSTRATE QADHAFFI'S CONTINUING SUPPORT FOR PIRA AND OTHER TERRORISTS. (ANDREOTTI HAS IN THE PAST BEEN SCEPTICAL ABOUT THE RELIABILITY OF SUCH EVIDENCE AS HAVE BEEN ABLE TO GIVE.) AT THE SAME TIME, I RECOMMEND THAT THE SECRETARY OF STATE SHOULD THANK ANDREOTTI OR DE MICHELIS FOR ITALY'S CONTINUING REPRESENTATION OF BRITISH INTERESTS IN LIBYA. IT WOULD BE WORTH INSTANCING THE ITALIANS EMBASSY'S RECENT AGREEMENT TO PROVIDE SOME ADDITIONAL OFFICE ACCOMMODATION FOR BIS TRIPOLI, AND TO ALLOW THE SECTION TO ESTABLISH ITS OWN COMMUNICATIONS FROM THERE.

IRAN

5. DESPITE THE ITALIAN PARLIAMENT'S CONCERN AT IRAN'S HUMAN RIGHTS RECORD, THE ITALIAN GOVERNMENT CONTINUES TO REGARD THE CURRENT REGIME IN TEHRAN AS PRAGMATIST, AND TO PURSUE A POLICY OF RAPPROCHEMENT WITH IT (EG. THE VISIT BY UNDER SECRETARY OF FOREIGN TRADE ROSSI TO THE TEHRAN TRADE FAIR LAST SEPTEMBER). ITALY REGARDS THE RUSHDIE ISSUE AS PURELY A BRITISH CONCERN, DESPITE THE NUMBERS OF NORTH AFRICAN MUSLIMS WANDERING ABOUT THIS COUNTRY. I RECOMMEND THAT THE SECRETARY OF STATE POINT OUT TO DE MICHELIS THAT THE DEATH THREAT AGAINST RUSHDIE, RESTATED ONLY LAST WEEK, IS AN INTOLERABLE VIOLATION OF INTERNATIONAL LAW AND CONCERNS ALL COUNTRIES WHO PERMIT LARGE NUMBERS OF MUSLIMS TO RESIDE WITHIN THEM.

HONG KONG

6. AFTER DE MICHELIS' RETURN FROM VIETNAM AND HONG KONG LAST DECEMBER, HE EXCHANGED LETTERS WITH THE SECRETARY OF STATE. I RECOMMEND THAT MR HURD SHOULD PRESS DE MICHELIS ON CONFIDENCE BUILDING MEASURES FOR HONG KONG, ON WHICH I HAD QUITE A GOOD DISCUSSION WITH THE ITALIAN POLITICAL DIRECTOR ON 15 JANUARY (MY TELNO 32). AS ITALY HAS RECENTLY DROPPED ITS RESERVATION TO THE CONVENTION OF REFUGEES UNDER WHICH IT WOULD ACCEPT ONLY EUROPEANS, IT SEEMS POSSIBLE THAT DE MICHELIS MIGHT BE PERSUADED TO TRY FOR RIGHT OF ABODE HERE FOR A NUMBER OF HONG KONG CITIZENS. MR HURD MIGHT ALSO EXPLAIN OUR VIEWS ON AID TO VIETNAM, WHICH DE MICHELIS SEES AS THE KEY TO THE BOAT PEOPLE PROBLEM.

B: BILATERAL ISSUES

DEFENCE COLLABORATION

7. THE PRIME MINISTER QUESTIONED DE MITA AT THE 1989 SUMMIT ABOUT ITALIAN RELUCTANCE TO PROVIDE OFFICIAL EXPORT CREDIT COVER FOR

THEIR SHARE OF COLLABORATIVELY PRODUCED DEFENCE EXPORTS (EG TORNADO SALES TO JORDAN AND MALAYSIA). A SENIOR FCO/MOD/ECGD TEAM DISCUSSED THE SUBJECT WITH THE ITALIANS IN ROME LAST MAY, BUT OUR PROPOSAL TO ESTABLISH A PROPER BILATERAL COMMITTEE CAME TO NOTHING. MFA OFFICIALS TELLS US THE PAPERS ARE STILL WITH DE MICHELIS. I THEREFORE RECOMMEND THAT, SUBJECT TO THE VIEWS OF THE MODUK, THE SECRETARY OF STATE EMPHASISE TO DE MICHELIS THE IMPORTANCE WE ATTACH TO MAKING PROGRESS ON THIS ISSUE, WHICH IS CRUCIAL FOR MOST COLLABORATIVELY PRODUCED DEFENCE EXPORTS TO NON-NATO COUNTRIES.

STATE VISIT

8. NOW THAT DOMINEDO', COSSIGA'S DIPLOMATIC ADVISER, HAS TOLD US THAT COSSIGA CAN GIVE US THE NECESSARY ASSURANCES, THE WAY IS CLEAR FOR HIM TO BE FORMALLY INVITED. I RECOMMEND (AS I DID IN MY TELNO 114) THAT THE SECRETARY OF STATE SHOULD TELL ANDREOTTI IN THE MARGINS OF THE SUMMIT THAT WE ARE DELIGHTED THAT COSSIGA HAS NOW ACCEPTED THE QUEEN'S INFORMAL INVITATION, BUT THAT WE ARE STILL CONCERNED THAT NO (NO) DOMESTIC POLITICAL HICCOUGH WILL PREVENT HIS ACTUALLY COMING TO LONDON IN OCTOBER. THE EFFECTS OF A SECOND POSTPONEMENT WOULD BE VERY DAMAGING TO ITALY'S IMAGE WITH THE BRITISH PUBLIC.

DRUGS

9. I RECOMMEND THAT THE PRIME MINISTER SHOULD PLACE ON RECORD WITH ANDREOTTI OUR SATISFACTION WITH THE PROGRESS ON BILATERAL COLLABORATION OVER DRUGS. THE BILATERAL AGREEMENT ON SEQUESTRATION OF DRUG TRAFFICKERS' ASSETS, AGREED IN PRINCIPLE AT THE SUMMIT AT PALLANZA IN OCTOBER 1988, SHOULD SOON BE READY FOR SIGNATURE AFTER HAVING BEEN EXTENDED TO COVER ALSO THE PROCEEDS OF OTHER CRIMINAL ACTIVITIES. WE ARE DELIGHTED THAT INTERIOR MINISTER GAVA HAS AGREED TO DELIVER ONE OF THE TWO KEYNOTE SPEECHES (ON COCAINE) AT THE FORTHCOMING DRUGS SUMMIT IN LONDON IN APRIL.

WORLD CUP, JUNE-JULY 1990

10. ANDREOTTI IS KEEN ON FOOTBALL. I RECOMMEND THAT THE PRIME MINISTER THANK HIM FOR THE COOPERATION WE HAVE RECEIVED FROM THE ITALIAN AUTHORITIES IN ROME, IN CAGLIARI (WHERE THE ENGLAND TEAM WILL PLAY ITS OPENING MATCHES), AND IN GENOA AND TURIN (WHERE SCOTLAND WILL PLAY ITS OPENING MATCHES), IN PREPARING FOR THE EXPECTED INFLUX OF SEVERAL TENS OF THOUSANDS OF OUR FANS. MR MOYNIHAN WILL BE TAKING OUR EXCHANGES FURTHER WHEN HE VISITS AGAIN IN MAY.

PRINCE OF WALES ARCHITECTURE SUMMER SCHOOL

11. THE PRINCE OF WALES SUMMER SCHOOL FOR YOUNG BRITISH ARCHITECTS

WAS PLANNED TO BEGIN AT MAGDALEN COLLEGE, OXFORD, FOR THREE WEEKS (5-24 AUGUST), MOVING TO THE BRITISH SCHOOL FOR ARCHITECTURE, ROME, FOR TWO WEEKS, (27 AUGUST-7 SEPTEMBER). ANDREOTTI RECEIVED THE COURSE DIRECTOR, MR JULES LUBBOCK, WHEN HE VISITED ROME TO DISCUSS THE PROJECT AT THE END OF JANUARY, AND OFFERED TO MAKE AVAILABLE THE VILLA LANTE, A SPLENDID IF SPARSELY EQUIPPED MANSION SOME 40 MILES NORTHEAST OF ROME, FOR A THIRD WEEK IN ITALY (8-15 SEPTEMBER). I RECOMMEND THAT MINISTERS SHOULD THANK ANDREOTTI FOR THIS KIND OFFER, AS A CONTRIBUTION TO THE SUCCESS OF THE SUMMER SCHOOL, AND TO ENHANCING THE PARTICIPANTS' APPRECIATION OF ITALIAN ARCHITECTURE. INFORMATION RECEIVED SINCE THE DESPATCH OF MY TELNO 123 SUGGESTS THAT ANDREOTTI WILL MENTION THE PROJECT AND THE LOAN OF LANTE EITHER AT THE END OF THE 23 FEBRUARY CONFERENCE OR A FEW HOURS LATER, IN A UNILATERAL STATEMENT (YOU MAY WISH TO CHECK WITH THE ITALIAN EMBASSY).

BRITISH COUNCIL

12. WE HAVE AGREED IN PRINCIPLE WITH THE BRITISH COUNCIL THAT, SUBJECT TO PLANNING PERMISSION FROM THE LOCAL AUTHORITIES, THEY WILL CONSTRUCT A NEW SPECIALLY DESIGNED CULTURAL CENTRE, INCLUDING A LIBRARY, AUDITORIUM, LANGUAGE TEACHING FACILITIES, AND OFFICES, IN THE GROUNDS OF THE PORTA PIA EMBASSY. WE HAVE HAD PRELIMINARY DISCUSSIONS ABOUT POSSIBLE DESIGNS WITH THE ROME CITY PLANNING AUTHORITIES. THE PROCESS OF OBTAINING FULL CONSENT IS LIKELY TO BE LONG DRAWN OUT. IT WOULD HELP GREATLY IN THE PURSUIT OF THOSE CONSENTS IF ANDREOTTI COULD BE BROUGHT TO GIVE THE PROJECT THE ITALIAN GOVERNMENT'S BACKING IN PRINCIPLE. (ANDREOTTI HAS NOT (NOT YET BEEN INFORMED OF THE PROJECT: HE WAS TOLD PREVIOUSLY OF OUR EARLIER PLAN TO BUILD STAFF ACCOMMODATION ON THE SITE, BUT THIS HAS NOW BEEN DROPPED IN FAVOUR OF THE CULTURAL CENTRE).

13. I THEREFORE STRONGLY RECOMMEND THAT THE PRIME MINISTER SHOULD COMMEND TO ANDREOTTI THE PROPOSED NEW CULTURAL CENTRE FOR THE BRITISH COUNCIL IN THE PORTA PIA GROUNDS, AND SEEK HIS ENDORSEMENT IN PRINCIPLE.

C: COMMENT

14. ALTHOUGH MANY OF THESE ISSUES WILL TAKE LITTLE TIME, I HOPE THEY CAN ALL BE INCLUDED IN MINISTERS' BRIEFING. I HAVE NOT COVERED THE OTHER MAIN INTERNATIONAL ISSUES WHICH WILL OBVIOUSLY ARISE, INCLUDING GERMANY, EAST-WEST RELATIONS, DISARMAMENT, AND EC MATTERS (ESPECIALLY EMU), AS ALL SUCH ISSUES ARE REGULARLY DISCUSSED ELSEWHERE, AND BOTH SIDES WILL BE FAMILIAR WITH EACH OTHER'S POINT OF VIEW.

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