

ECONOMIC SUMMIT

38

1) Mr Butler
2) Mr Coles
Mr 7/6

PS
PS/LADY YOUNG
PS/MR RIFKIND
PS/MR WHITNEY
PS/MR RAISON
PS/PDS
SIR C TICKELL
MR ~~KEWICK~~
MR J THOMAS
MR ~~KEWICK~~
HD/ECONOMIC SUMMIT
MR BARRINGTON

PRES UNIT
OAB 56/117

ED/ERD (2)
ED/ECD (4)
ED/ES & SD (2)
ED/NAD
ED/WED
ED/FED
ED/NEWS D
ED/ESID (2)

RESIDENT CLERK

PS/NO 10 DOWNING STREET

PS/CHANCELLOR OF THE)
EXCHEQUER) TREASURY
MR LITTLER)
MR BOTTRILL)

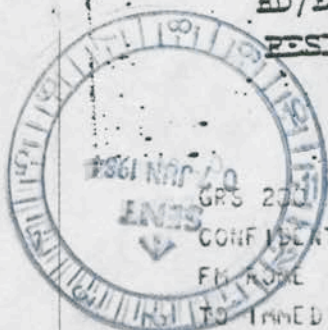
SIR R ARMSTRONG } CABINET OFFICE
MR COLVIN }

MR J CAINES } DTI
MR M BOURKE }

MR MCMAHON BANK OF ENGLAND

MR BUIST ODA

MS BOYS DEPT OF ENERGY



IMMEDIATE

ADVANCE COPY

TELNO 403
OF 070930Z JUNE 1984

ITALY AND THE LONDON ECONOMIC SUMMIT

1. BEFORE CRAXI AND ANDREOTTI ARRIVE IN LONDON THIS EVENING YOU SHOULD KNOW THAT A ROW HAS BROKEN OUT HERE WHICH INVOLVES ANDREOTTI PERSONALLY AND WHICH HAS INCREASED TENSION BETWEEN THE SOCIALISTS AND THE CHRISTIAN DEMOCRATS (DC). ON 5 JUNE THE LEADER OF THE SOCIALIST GROUP IN THE CHAMBER OF DEPUTIES, FORMICA, CAME CLOSE TO ACCUSING ANDREOTTI BY NAME OF BEING THE BRAIN BEHIND THE P2 MASONIC LODGE (MYTELNO 336) AND OF HAVING PROFITTED FROM THE MURDER OF THE FORMER DC LEADER, ALDO MORO, IN 1978. COMING ON TOP OF EARLIER, THOUGH LESS CONTROVERSIAL, REMARKS BY CRAXI ABOUT THE MORO MURDER, THE INCIDENT HAS REOPENED WOUNDS WITHIN THE DC. FORMICA HAS NOT (NOT) APOLOGISED, AND CRAXI'S OWN COMMENTS ON THE AFFAIR ARE JUDGED LESS THAN SATISFACTORY BY THE DC. ANDREOTTI HIMSELF HAS DISMISSED THE MATTER WITH HIS CUSTOMARY SANG-FROID.

2. THERE IS PRESS SPECULATION TODAY THAT THE GOVERNMENT MIGHT EVEN FALL BEFORE THE EUROPEAN ELECTIONS. THIS ALMOST CERTAINLY RUNS AHEAD OF THE GAME, BUT CRAXI AND ANDREOTTI WILL HAVE DOMESTIC CONCERNS STILL MORE ON THEIR MINDS IN LONDON THAN THEY HAD ALREADY BEFORE THIS LATEST STORM.

BRIDGES

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