

PARTIAL RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF ITALY, SIGNOR FRANCESCO COSSIGA, AT NO. 10 DOWNING STREET AT 1500 ON FRIDAY 25 APRIL 1980

Present:

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| Prime Minister | Signor Cossiga |
| The Foreign and Commonwealth Secretary | Signor Ruggiero |
| Mr. M. Franklin | Signor Berlinguer |
| Mr. Michael Alexander | |

European Council: Iran

Signor Cossiga said that he hoped the problems of US/Iranian relations would not interfere too much with the work of the Council. The Prime Minister said that she was wondering whether there should not be an early Summit meeting with President Carter. June seemed too long to wait. She would be hoping to discuss this at the European Council. Signor Cossiga said that he agreed that it would be difficult to wait until June. Neither President Giscard nor Monsieur Barre nor Monsieur Francois-Poncet had commented on the Iranian problem during their talk with Signor Cossiga in Paris earlier that morning. The Foreign and Commonwealth Secretary said that the British Government had been told in advance of the possibility of an attempt to rescue the hostages because of Diego Garcia. Signor Cossiga said that he had not known anything at all. He had held a secret meeting with his military advisers only the day before to discuss means of getting Italian subjects out of Iran in an emergency; and how the Italian Government should respond to any US request for assistance related to military movements, e.g. a request for over-flying rights. He had been told by senior American officials that a rescue attempt looked impossible.

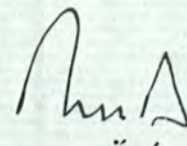
The Prime Minister said that the line which it had been proposed Ambassadors should take with President Bani Sadr on Tuesday would have to be reconsidered. The Foreign and Commonwealth Secretary agreed. Signor Cossiga said that the validity of the actions which the Foreign Ministers of the Nine had agreed earlier in the week would ^{also} have to be reconsidered. The dangers of allowing the United

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States to feel isolated would have to be borne in mind. However, things could not continue for much longer in the present manner. It was not that the requests being made by the United States were difficult to meet - though they were. The problem was that they seemed unlikely to be useful. Italy was willing to pay a price to help her ally but wanted to achieve results. Sanctions would put at risk Italo/Iranian trade to the value of \$3 billion. There were still 1800 Italian citizens (including 900 dependants) in Iran. There were 130 technicians whom the Iranian Government considered essential in keeping the oil and electricity generating industries going. These last were potential hostages. If the Italian Government paid a high price to help the Americans, and if nothing was achieved, it would be very embarrassing. The Prime Minister agreed but said that one could not abandon one's friends in the hour of need. Signor Cossiga said he felt the same.

The Prime Minister said that the international situation would have to be high on the agenda of the European Council. Perhaps the agenda could start with a discussion of the Budget problem following which officials could be sent away to pursue the matter and the Heads of Government could discuss Iran. It might also be a good idea for Heads of Government and Foreign Ministers to dine together. Signor Cossiga said that it would certainly be necessary to have a meeting to discuss the international situation. It could not be done simply at the dinner table. The Prime Minister and Signor Cossiga agreed that the best course might be for the dinner arrangements to remain as previously envisaged but for the Heads of Government and Foreign Ministers to assemble for a special session after dinner to discuss Iran. This could be announced publicly.



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