SUBJECT CONFIDENTIAL CC Master

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRESIDENT OF ITALY AT 12 O'CLOCK ON WEDNESDAY 22 FEBRUARY AT 10 DOWNING STREET

Present

The Prime Minister
Lord Bridges
Mr. Coles
Interpreter

President Pertini Signor Andreotti Signor Maccanico The Italian Ambassador Interpreter

The <u>Prime Minister</u> suggested that the discussion should concentrate on the Lebanon, East/West relations and European Community issues.

President Pertini said that he had been in the Lebanon when the situation was very difficult and the Italian contingent in the MNF was still present. Italian troops had been greatly respected by the local population. He had also visited Jordan and had received President Gemayel. The situation now was very serious and worried him greatly. He did not know what the solution was. But he doubted whether President Gemayel himself would be able to achieve a solution.

Signor Andreotti said that the immediate problem was to try to obtain a favourable vote in the UN Security Council on a UN force. It remained to be seen whether, inspite of the internal divisions in the Lebanon, the various groups positively wanted a united Lebanon with territorial integrity. It might be that there was a greater possibility of achieving this because of the comparative weakness of Israel. It was not clear whether President Gemayel would be able to form a government of national unity or whether another leader such as Franjieh would be better suited to the task. The latter was again a Maronite but was not committed to the Phalange; he was regarded favourably by Syria and might be better placed to make progress. But it could not be excluded that Syria would prefer Gemayel simply because he was weaker.

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Italy was concerned about the Palestinians who remained in the refugee camps. There was a risk of attacks upon them similar to those which had occurred at Sabra and Chatila.

Italy had hoped that its contingent could stay in the Lebanon until a UN force arrived. But when the United States decided to withdraw, the Italian troops were left in the Shia part of the city. There was a terrible risk that if the United States had shelled the Shia area the retaliation would have resulted in Italian victims. So the Italian contingent had embarked leaving behind 100 soldiers to protect the Italian Embassy and a naval unit which would stay there until a UN force arrived. The Italian hospital had been given to the Shia community which was the only authority which could take it on. There were also volunteer doctors and nurses who were ready to come to the Lebanon if required.

The <u>Prime Minister</u> explained that the British contingent had been in a particularly exposed position. Once the United States had decided to redeploy the other contributors had little option but to do the same. We too had been worried about the consequences of US shelling. So our contingent had been put on RFA RELIANT but a representative continued to attend the MNF Coordination meetings.

We shared Italian concern about the future. It had once looked as though the 17 May Agreement was the stumbling block. But other demands had also been tabled. It was very difficult to assess the significance of Saudi efforts to promote a solution. Their 8 point plan had appeared to be little more than a set of aspirations. She was very doubtful whether complete Israeli and Syrian withdrawal could be secured. But if President Gemayel could re-engage in negotiations and if a UN force could replace the MNF, that would be an advance. Syrian cooperation was essential. It was her impression that the major Lebanese groups wished to achieve a solution in order to prevent the extremists taking over. So there was possibly an opportunity for constructive negotiation. We too were actively supporting the idea of a Security Council Resolution on a UN force.

It was possible to learn certain lessons from events in the Lebanon. All the MNF contributors had been able to foresee what might happen, ie that there might be a major deterioration in the situation. But they had not been able to agree on effective contingency planning. The four contributors had not been able to meet regularly. There was clearly a need for better crisis management.

Signor Andreotti said that the Saudis had made a series of proposals for a solution in the Lebanon. But the basic problem was that the Lebanese government and army were not able to function properly because of the mixed composition of the army. The Americans had made the mistake of believing that such an army could operate against individual communities such as the Shia. There had to be a Lebanese government representing all the major communities.

It was French objections that had prevented the four from meeting. France had been conducting negotiations with Syria and the Soviet Union about a UN force and it had suited them to avoid giving the impression that the four MNF contributors were united.

The 17 May Agreement had been a political error. At an earlier stage the United States had achieved a good relationship with Syria through the efforts of Ambassador Habib. But by failing to keep the Syrians informed about the negotiations for the 17 May Agreement the United States had created a serious lack of trust. When Italy had tried to broaden the MNF by including troops from Greece and Yugoslavia (and this in agreement with the United States) they had been surprised to discover, very late in the day, that the 17 May Agreement contained a clause by which President Gemayel had undertaken not to accept in the Lebanon troops from countries which had no diplomatic relations with Israel. This effectively excluded Greece, Yugoslavia and the moderate Arab countries. It was an absurd provision. The 17 May Agreement must now be considered obsolete. Otherwise countries which did not have diplomatic relations with Israel would not be able to participate in the UN force.

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The <u>Prime Minister</u> commented that she did not believe that an agreement between President Gemayel and Israel could affect the composition of the UN force. She wondered what effect the abrogation of the 17 May Agreement would have on Israel.

Signor Andreotti said that in November Assad had told him that it was necessary to save the face of both Gemayel and the United States - and that that could be achieved by replacing the 17 May Agreement by a broader agreement. Assad had also wished to secure Israeli withdrawal but recognised that Israel must have adequate security arrangements.

The <u>Prime Minister</u> said that the key was largely in Syrian hands. If the Saudis were willing to bring pressure to bear on Damascus, this could be useful. <u>Signor Andreotti</u> recalled that Syria, given its traditional attitude to the Lebanon, had never appointed an Ambassador to Beirut. Assad had told him that if sovereignty was not restored to the Lebanese the whole region, including Syria, would not be able to stay at peace.

Lord Bridges asked whether Syria wanted a strong, independent Lebanon or a nominally independent Lebanon that was weaker. The Prime Minister suggested that the Syrian aim was a puppet government in Beirut. Signor Andreotti expressed the view that Syria would always have great influence on the Lebanon. It was clear that many were working for a divided Lebanon, but he did not believe that that concept prevailed with the major interests involved.

President Pertini said that he believed in Lebanese unity but he doubted whether Gemayel could achieve it. The latter was very weak and was seeking help from everybody. If unity were to be achieved, Israel would have to withdraw. The Sadat/Begin agreement had achieved Israeli departure from Sinai but Israel had been more than compensated for this by the settlements it had been allowed to establish in the West Bank and elsewhere. The Prime Minister commented that the Israeli attitude was unlikely to change in the near future. She recalled that it was the Israelis who, by their opposition to the Reagan plan, had neutralised American peace efforts. King Hussein's recall of the Jordanian Parliament had

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been a shrewd move. She understood that the Americans had made it clear to the Israelis that they must allow West Bankers to take their seats in the Parliament. They had also pressed the Israelis to allow Arafat to leave Tripoli unimpeded.

More recently, there had been some developments which could facilitate the peace process but it would not be easy to persuade Israel to negotiate with the Palestinians. Signor Andreotti commented that in his view Israel would be prepared to negotiate with West Bank Palestinians eg the Arab mayors (Mr. Shamir himself had told him so) but the Israelis would not be prepared to negotiate with the PLO. The visit of President Mubarak to Washington and of Arafat to Cairo raised the possibility of the PLO adopting a more moderate stance. Israel, in its present economic condition, might be tempted to respond to this. He recalled a recent conversation in Washington with a Zionist leader who had expressed considerable anger with Israel because its South American type inflation belied the Israeli image of being good administrators.

He wished to inform the Prime Minister that an Orthodox Patriarch who lived six months of the year in Damascus and six in Beirut recently visited Rome and had seen himself and the President. He (Signor Andreotti) had given the Patriarch a letter to the Syrian Foreign Minister suggesting that, in the absence of an effective civil authority in the Lebanon, it might be worthwhile attempting to work through religious authorities, both Christian and non-Christian. The Patriarch had recently telephoned to say that he believed that he had secured a 15 day cease-fire which would give the parties time to meet and negotiate.

Turning to East/West relations, the <u>Prime Minister</u> said that the outstanding feature of the funeral arrangements and the accompanying talks had been the new ascendancy of Gromyko. He had made the best speech and had delivered it with a natural air of authority. He had also clearly influenced the various statements made by Chernenko at the latter's bilateral meetings. Gromyko seemed to have more authority than Ustinov. There was a general air of satisfaction that the Andropov experiment was over and that the comfortable old routine had returned. <u>President Pertini</u>

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said that when he had met Chernenko he had been courteously excluded from the conversation by Gromyko who had said that he wished to speak to Signor Andreotti. The President's impression was that Gromyko was now the salient figure in the Politburo. It might be an illusion but he believed that the Soviet Union wished to re-start the various negotiations which had been terminated.

Signor Andreotti said that Gromyko's great strength lay in his international experience and his close relationship with Ustinov. Some people thought that Gromyko might be chosen as President. There was less room for optimism than Vice President Bush had implied after his Moscow meetings, largely because the Kremlin still distrusted US intentions. This originated in the failure of Congress to ratify SALT II. The Russians did wish to resume negotiations but were very cautious. Stockholm would be important in establishing a general framework. But we should work on two points - first, the banning of chemical weapons, though effective verification measures were essential; secondly, the limitation on the use of space for military purposes. The Soviets were very alarmed about military use of space. They had begun their own activities but they knew that the United States had the power to outstrip them. If the United States were able to obtain such protection as to make them invulnerable to attack by the Soviet Union, this would create great problems for Europe which would be much more exposed. This could be a useful subject for dialogue.

The change of one person did not mean a change of Soviet policy. The Collegiate approach would survive. But he believed that the Russians were willing to conduct a dialogue, not least because of their economic situation. However, a dialogue would not bring quick results. Agreeing, the Prime Minister said that we had to tread softly and cautiously. But we must embark on the dialogue. President Pertini said that he entirely agreed.

Turning to European Community issues, the <u>Prime Minister</u> said that the more difficult the world situation, the greater the need to solve the Community's internal problems. She did not underestimate the difficulty of achieving solutions and the present rate of progress was not adequate. The difficulties in both

the agricultural and financial fields were enormous. President Mitterrand was being very active, especially through the series of bilateral talks which M. Dumas was conducting. We should not be too depressed if we did not solve all the problems in March but the Community must show the outside world that it was united. Recent speeches about the Community had been too gloomy. We should strike the note that the Community had its problems but that we were determined to solve them.

Signor Andreotti said that the current problems depressed those who had grown up with the European idea and now believed that their political dream could fail. He was convinced that it was a mistake to set rigid deadlines. There were two choices. Either the Treaty was strictly applied with no exceptions. Or greater flexibility was allowed within the framework of a policy of strict control of expenditure, taking into account the fact that every country had one or two points which it could not surrender without losing the trust of its people. In the case of the United Kingdom, there was the matter of a budget solution. But other countries had their problems - eg Ireland because of its special type of agriculture, Italy because of competition in Mediterranean products.

President Pertini said that he wished to make the point that the young King of Spain had overcome great difficulties in restoring and defending democracy. The King now felt abandoned. He (Pertini) had spoken to President Mitterrand who had explained the problems of Spanish entry into the Community. But these were not the real problems. He had told Mitterrand that it was the wine growers of Southern France who were preventing Spanish entry - and there had been no answer to this point. It was worth recalling that when the question of Greek entry into the Community had arisen, Italy had known that it would face new competition but had not on that account objected to Greek entry.

The discussion ended at 1300 hours.