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DESPATCH

FOREIGN AND COMMONWEALTH OFFICE

Security Co-ordination Department

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ITALY

6 November 1985

THE ACHILLE LAURO AFFAIR

*Her Majesty's Ambassador at Rome to the
Secretary of State for Foreign and Commonwealth Affairs*

SUMMARY

The hijacking of the Achille Lauro and its aftermath a major international event with far-reaching effects for Italy (paragraph 1).

2. Brief outline of events, which resulted in the resignation of the Craxi Government. There was a direct British interest in the early stages of the crisis (paragraphs 2 to 4).

3. The Italian handling of the crisis *ad hoc* but not unimpressive. And it fulfilled the Government's immediate objectives (paragraphs 5 and 6).

4. Italian decisions must be seen against the political background of Craxi's Middle East policy (paragraphs 7 to 9).

5. But they provoked a quarrel with the US, whose contrasting approach to the problem led to a series of unfortunate incidents (paragraphs 10 and 11).

6. Against this background, and partly for domestic reasons, the Italian Republican Party withdrew from the Craxi coalition and provoked a government crisis (paragraphs 12 and 13).

7. Possible repercussions of the Achille Lauro affair on the Italians' handling of the terrorist threat (paragraph 14).

8. But the most lasting effect in Italian eyes may be the memory of her unhappy experience at US hands (paragraphs 15 and 16).

Rome
6 November 1985

Sir,

The seizure of the Italian liner *mv Achille Lauro* (23,629 gross tons) by Palestinian terrorists in international waters off Egypt on October 7 set in train a series of events which gripped international attention for several weeks, and had important effects in a number of countries — notably Italy, where the repercussions caused the Craxi Government to resign. As the effects are

likely to be with us for some time, I send in this despatch a summary account of what happened in the first incident of its kind since the seizure of Portuguese liner *Santa Maria* in 1961. I will examine the consequences in Italy and the effect on Italian relations with the United States. The particular questions to be asked are: why the Italian Government acted as it did; why the Government crisis occurred; and why relations between Italy and the United States suffered.

2. I attach a chronology of events. Inevitably there are still many gaps and question marks. Mystery still surrounds the planning of the hijacking, the original objective of the four terrorists, the possible complicity of the chief PLO negotiator, Abu Abbas, the way in which knowledge of Mr Klinghoffer's murder came to light, the whereabouts of the four terrorists during 10 October when they were said already to have left Egypt, and so on. That said, the bare outline of the events of the crisis was as follows. It fell into two parts: the hijacking of the *Achille Lauro* itself (7-9 October), and the attempted detention of Abu Abbas in Italy and its aftermath (beginning on 10 October). Four terrorists embarked on the *Achille Lauro* at Genoa, where the cruise began, on October 3. First reports of the seizure of the ship with 340 crew and 80 passengers on board reached Rome in the late afternoon of 7 October. By chance I was myself with Andreotti at the time when the news of a possible incident had just reached him. By the following morning the hijackers, whose exact number was at that time unknown, had been identified as belonging to the extreme Front for the Liberation of Palestine. They had demanded the release of 50 Palestinians held in Israeli jails. During the morning of Tuesday 8 October the *Achille Lauro* sailed towards Tartus in Syria, but was denied permission by the Syrians to enter the port. That afternoon news agencies reported the possible murder of two American passengers. From the Syrian coast the ship then began to steam south-west and by early morning of 9 October was anchored 12 miles off Port Said. The previous afternoon the Italian Foreign Minister had authorised the Egyptian Foreign Minister to establish contact with the hijackers. This enabled direct contact to be made on the morning of 9 October between PLO emissaries sent by Arafat (led by Abu Abbas) and the hijackers. During the course of the morning Italian agreement was given to a request from the Egyptian Foreign Minister that the surrender of the hijackers could be accepted in return for a pledge of safe conduct out of Italy on the basis that no violence had been committed against the ship's passengers or crew. At 1430 GMT on 9 October an announcement was made from Port Said that the hijackers had surrendered and that the passengers were safe and well. There followed a series of messages from the ship's captain culminating in a telephone conversation between Craxi and the captain at 1520 GMT in which it became clear that an American passenger was missing, presumed dead. This was later confirmed when American diplomats boarded the ship off Port Said. The Egyptian Government response to a request from the Americans to hand over the 4 hijackers for prosecution was that they had already left Egypt.

3. Official Egyptian statements during Thursday 10 October continued to refer to the fact that the hijackers had already left the country. But shortly before midnight, President Reagan telephoned Craxi to inform him that US military aircraft had intercepted an Egyptian aircraft over the Mediterranean carrying the hijackers. Craxi agreed to the request that the Egyptian plane be brought to land at the Sigonella NATO base in Sicily. The aircraft, a Boeing 737 of Egyptair, landed about half an hour afterwards. In a later telephone conversation with President Reagan, Craxi said that the four hijackers on board would be taken into Italian custody to await trial; he declined to arrest two other Palestinians on board the plane (of whom one was Abu Abbas) until further enquiries had been made. During Friday 11 October the four hijackers were taken to a prison in Syracuse and their identity confirmed by American passengers brought to Sicily from the *Achille Lauro*. US pressure to detain Abbas continued, culminating in a formal American request, delivered early in the morning of Saturday 12 October, for the provisional arrest of Abu Abbas pending an application for his extradition. Meanwhile, during the night the Egyptian aircraft with Abu Abbas still on board had flown to Rome. Later on the Saturday morning the Italian Government announced that there were no grounds to arrest Abbas, who left early that evening on

a scheduled Yugoslav flight to Belgrade, having been flown from the Rome military airport (Campino) to the international civil airport (Fiumicino) in the Egyptian Boeing. This aircraft finally left Rome for Cairo during the morning of Sunday 13 October, and the *Achille Lauro* was simultaneously allowed by the Egyptians to leave Port Said. Four days of hectic political activity in Rome followed in which the Republican Party (PRI) criticized the decision to release Abbas, did not attend a meeting of the Cabinet on 14 October to discuss the hijacking affair, and on 16 October announced its withdrawal from the governing coalition. On Thursday 17 October Craxi delivered a formal account to the Italian Parliament of the Government's handling of the crisis and immediately tendered his government's resignation to President Cossiga.

4. The direct interest of the British authorities in the seizure of the *Achille Lauro* lay in the presence on board the ship when it was hijacked of six British crew members, all of them young girls. We learned afterwards that they, together with the American passengers, had been taken to one side by the hijackers and treated more severely than the other hostages. We played a small part on the operational side: on the first night of the crisis the Italians asked us to make available the sovereign base area at Akrotiri in Cyprus for use by a small number of Italian helicopters and troops. Despite the secrecy which was a condition of Ministers' ready agreement, news of this did eventually leak in the press because the passage of the helicopters was noticed when in transit through Greece. The following night we made similar facilities available to the Americans. It also seems that the two US transport aircraft which landed in Sicily with the Egyptian Boeing, had staged *en route* at Gibraltar. And we, among others, were credited by the press here with intercepting at British listening stations in Cyprus the radio conversations between the 4 hijackers on the *Achille Lauro* and the PLO negotiator.

5. Italian management of the crisis, although *ad hoc* and informal, was not unimpressive. The Italians do not have an established central apparatus for crisis management similar to our own in Whitehall (though in the aftermath of the *Achille Lauro* affair the Government has announced that a specific organisation is now to be created). Co-ordination between the departments involved (the Prime Minister's office, the MFA, the Defence Ministry, and the Intelligence services), was more personal than formal. The Prime Minister's office in Palazzo Chigi played the prime co-ordinating role. During the two days of the hijacking itself, frequent meetings between Craxi, Andreotti and Spadolini were the basis for joint decision-making. As subsequent events bear out, this is important in a five-party coalition for political as well as purely managerial reasons. During the hijacking phase of the crisis this machinery worked well. The political controversy came later, for wider reasons which I set out below.

6. The objectives of the Italian Government were from the outset to secure a peaceful resolution to the affair, by bringing about the release of ship and passengers unharmed. They mounted a major diplomatic effort in the Arab world to isolate the terrorists from their potential friends and to persuade them to surrender, while ensuring minimal damage to Italy's established relations with the Arabs. In addition military precautions were quietly in preparation in case a peaceful solution did not prove possible. The Italians succeeded in their objectives and, when the hijackers surrendered on 9 October, apparently without bloodshed, the Italians felt they had pulled off a diplomatic triumph. Despite intense pressure from the Americans on 8 October for immediate military action the Italians had stuck to their priority of diplomatic pressure; and it seemed to have paid off. Their real problems began once the discovery of the death of Mr Klinghoffer destroyed the only basis on which the Americans, however reluctantly, would have accepted a negotiated surrender.

7. The decisions taken by Craxi and his ministers need to be seen against the background of the Craxi government's policy towards the Middle East and the PLO. Under Andreotti and Craxi, the Venice principles had been more vigorously followed up by Italy than by her EC partners. Italy

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has long had an active Middle East policy, partly for commercial reasons, but also because of her geographical position as a Mediterranean power, and because of the view which Italians take of the relationship with the Arab world. Italy tries not to take sides in Arab politics, she has cultivated not only Egypt and Jordan but also (especially during Andreotti's time as Foreign Minister) Libya and Arafat's PLO. This has involved a careful balancing act in relations with Israel, and is an aspect of foreign policy which has engaged Craxi personally: he has met Arafat on three occasions, pays regular visits to Tunisia (where he has a holiday home), and (I am told) regarded Peres and Arafat as the two key individuals with whom lay the greatest responsibility for peace in the Middle East. Craxi's own strong reaction to the Israeli raid on the PLO headquarters in Tunisia on 1 October illustrated the full extent of his sense of personal involvement and disappointment, even despair. Some Italians, and particularly the Republican party, believe that relations with the PLO had become too close and too trusting, and that Italy favoured the Palestinian cause at the expense of a more cautious and balanced policy. But the policy did provide contacts and credit in the Arab (and Palestinian) world which the Government was able to use to good effect when the terrorists seized the *Achille Lauro*.

8. The Italian Government added laudably and responsibly in making the saving of lives their main concern. I believe that other European Governments would probably have behaved similarly in like circumstances. The Italian diplomatic record enabled Andreotti to appeal to Arafat (this at American request) at the outset of the crisis, to condemn the seizure of the ship, and to ask President Assad to deny use of Tartus to the hijackers: in each case with success. It also won Craxi Egyptian help to negotiate a peaceful solution and the despatch of PLO emissaries to help to resolve the crisis. It enabled the Italians to isolate the hijackers from Arab political support, and especially from the Syrians. The immediate result was seen as greatly to Craxi's credit. It seemed for a brief moment that links to the PLO could pay.

9. It was only after the hijackers had surrendered, when the news of Klinghoffer's murder became known, and the evidence of Abu Abbas' links to the hijackers became apparent (fed by a remarkably indiscreet press interview given by the Italian Ambassador in Cairo on 11 October), that doubts began to be voiced, notably in the United States, but elsewhere as well. Yet another act of terrorism was to go unpunished, it seemed. What really put Craxi on the spot was the presence of Abbas with the four hijackers on the Egyptian Boeing intercepted by the Americans on the night of 10-11 October. The Italian decision to try the four hijackers before considering the US request for their extradition was reasonable: a crime had been committed on board an Italian ship in international waters, and the suspects were now on Italian soil. Craxi had already said at his press conference when the news of the missing American passenger had just reached him, that if the four terrorists could be found (they were thought at that time already to have been released) Italy would wish to proceed against them. But Abbas was a different matter. There is little doubt that the Italian decision to release Abbas, rather than to act on the US request for his provisional arrest pending the submission of a formal demand for extradition, was taken for entirely political reasons. This did not prevent the weaving of much legal argument around the decision. The Italian Government referred frequently to the extra-territorial immunity of the Egyptian aircraft and its occupants, and to the diplomatic immunity conferred on Abbas by his possession of an Iraqi diplomatic passport. neither reason looks convincing to me. Much has been said, in criticism of the Italian decision, about the obligations of both the Americans and the Italians under their bilateral extradition treaty. But study of the text, and knowledge of its application (and non-application) by both parties, does not suggest that the Americans had a conclusive case. Political considerations were probably preponderant for both, and Craxi at least now had serious political problems on his hands. The Egyptian Government, having provided a plane to fly the four hijackers and Abbas out of Egypt, was desperately anxious to ensure its release, and put heavy pressure on the Italians to release Abbas during 11 and 12 October, while the Egyptian plane with Abbas on board was detained first in Sicily and then at the military airport in Rome. Egypt threatened to break off

omatic relations with Italy and to order its armed guards on board to defend the aircraft by force if attacked. The Italians were also left in no doubt that the *Achille Lauro* would be detained in Port Said until the aircraft and its passengers were released. Nor could Craxi have relished the prospect of Palestinian reprisals against Italy (in Italian cities) which acceptance of the US request for the arrest of Abbas might have provoked. Further, having invoked Arafat's help, he could hardly turn over to the Americans Arafat's chosen negotiator. In these circumstances it is not surprising that the Italian Government took the decisions it did. But the damaging effect this had on Italy's relations with the US was serious.

10. Why? This was a quarrel between two countries who have come to enjoy a very close relationship to their mutual benefit. The Italian immigrant community in the US, even though much of it derives its American roots from early in the century, has maintained a network of close ties between the two nations. American money cushioned Italy immediately after the Second World War against some of the worst effects of the collapse of fascism and of the costs of reconstruction. It is widely believed that, for many years, American money has found its way in quantity to the two largest Italian non-Communist parties, the Christian Democrats and the Socialists. All five parties within the present government coalition attach great importance to transatlantic relations and to American support. The procession of Italian political leaders to Washington is constant, and they are received at high levels. Italy has also been a good ally to the US, as well as to the NATO in general. The installation of cruise missiles at Comiso was carried out with less public and political controversy than in any other Western European country. And if Craxi may occasionally have flirted with disarmament initiatives which the Alliance could not endorse, his basic loyalties have always been free from suspicion. Thus the strong words bandied about in this affair had all the bitterness of a family squabble.

11. The quarrel itself was the result of differing objectives. I have described the Italian aim in paragraph 6 above. For their part, the US wished from the outset to take strong measures against the hijackers and, once they had escaped, to pursue them by all means in their power. This caused a series of difficult incidents over several days and led the Americans into a number of actions which appeared to show scant respect for Italian sovereignty. There was the intense pressure put upon the Italians during the first 30 hours of the hijacking to take immediate military action to repossess the *Achille Lauro*. This heavy-handed intervention was contrary to the way in which the Italians, with many more citizens at risk on their own ship, had decided to handle the crisis. US pressure suggested that the Americans trusted neither Italian nerve nor Craxi's ability to handle the crisis properly. The tensions then worsened sharply following the US interception of the Egyptian Boeing. By the time Abbas was released during the afternoon of 12 October Craxi felt bruised and angry at American actions. In Italian eyes the list was wrong: the midnight telephone calls from President Reagan — or aides speaking in his name — demanding instant replies; similar pressures by US ministers on their Italian opposite numbers; the sequence of events after the landing of the intercepted Egyptair Boeing at Sigonella in Sicily, when 50 armed and excited Americans leapt from two transport aeroplanes (which apparently landed from Gibraltar without Italian permission or prior notification) and surrounded the company of armed Italian troops who were themselves already guarding the Egyptair plane; the shadowing of the Egyptair plane when it flew to Rome the next day by an American military aircraft which refused to identify itself; the late night calls and abrasive personal behaviour of Ambassador Rabb. By the end of the weekend Craxi was furious. He had to be restrained by his staff from issuing a tough statement before Andreotti met Shultz in Brussels. The Italians were further dismayed when the moderating statement prepared by the two Foreign Ministers was vetoed by the White House. In the difficult days following the tense weekend of the Abbas affair, the impression of an unprecedented crisis in Italo/American relations took hold in Italy. This was bad for Italy and bad for Craxi's Government.

12. In this atmosphere the Republican Party decided to leave the Government. It had long been restive and critical of some aspects of government policy, particularly on the economy, and seized this opportunity to provoke a crisis. The background owes as much to Italian domestic politics as to international affairs. The small Republican Party led by Spadolini, Minister of Defence and former Prime Minister, only commands about 5% of the vote. It draws considerable support from Italian Jews, and has traditionally advocated a more pro-Israeli line in Italian foreign policy. Spadolini's discomfort at the role played by Palestinian negotiators in resolving the *Achille Lauro* hijacking was clear and predictable. The Republicans could, however, have lived with their discomfort if the *Achille Lauro* crisis had ended with the surrender of the ship. But the circumstances in which Abbas was held and the apparently hold-and-corner manner in which he was released raised wider questions for them about Italian policy in the Middle East and about the arrangements for collective decision-taking and responsibility in a five-party coalition government. During the critical Saturday in which the American request was considered and rejected, Spadolini (as well as Craxi) was in Milan. He claims not to have been properly consulted about the decision to release Abbas, although he was in touch with some of the key people by telephone, and his closest advisers attended crisis meetings. He has not gone so far as to say that he would have advocated different tactics, but has based his complaint on the lack of consultation itself. Personalities played a part: Spadolini is conscious of his position as a former Prime Minister and has long wished to cut Craxi down to size. His pride and dignity were hurt. His fury grew when, after he refused to attend the meeting of the Cabinet called on Monday 14 October to endorse the Government's handling of the crisis, Craxi proceeded to hold the meeting without him. The Republicans' announcement on 16 October that they were leaving the Government thus contained many home-grown elements as well as their concern for the foreign policy issues at stake: their eagerness for a fight, their wish to upstage Craxi, their genuine unease at the split which had opened with the US, and their long-held views on the Arab/Israel problem. The Republicans believed there was political advantage to be gained, and that this was the moment to strike. In doing so, they may have misjudged the mood of popular opinion, which has not only come to appreciate the past two years of relatively stable government under Craxi, but which strongly sympathised with Craxi in his clear attempt during the crisis to resist US infringement of Italian sovereignty.

13. The domestic effect of the *Achille Lauro* affair has been to give the Italian political scene a violent shake. Although Craxi's Government has now been re-installed after several hectic weeks of political activity, in its new photocopy form I expect it to be weaker than its predecessor. It will now face even greater difficulty in seeing the passage of its much needed Finance Bill through Parliament before the end of the year. Both effects are regrettable.

14. Seen more widely, the *Achille Lauro* affair, following the other acts of violence in the region, may have set back the Middle East peace process. It has certainly done the PLO's image no good. On the other hand there is some reason to hope that the experience will cause the Italians to look once more at the terrorist threat and the ability of terrorists to move and plot freely in Italian territory, and to take stiffer measures to counter this menace. The *Achille Lauro* seizure came soon after a spate of terrorist bombings in Rome, including that against the British Airways office. The Italians are not cowards in the face of terrorists. The way in which the Red Brigades were dealt with earlier this decade is proof of that. But Italy's borders are open and accessible to many Arabs who wish to make Italy their hunting ground. There are now signs of a more conscious wish to tackle the terrorist threat by imposing stricter entry and residence controls and by tightening up visa regimes. It is in our interest to encourage that as much as possible, for we too are a target.

15. What went wrong? To an observer in Rome it does seem that the Americans did not recognise the changes which have been taking place here. The country has grown in self-confidence during two years of one of its most stable post-war governments. Italy has found greater respect for

her voice in the world. Craxi's Government has been ready to stand up for its interests. So the harsh American reaction to Craxi's decision to release Abbas wounded and upset Italian pride. That it did not give rise to a sustained burst of popular anti-Americanism, either in the press or in the piazza, is testimony to the basic strength of the relationship between the two countries. But it touched a raw nerve of national feeling which the Americans seem to have ignored. It rallied fresh public support for Craxi; and conversely it weakened public support for the Republican Party's provocation of a government crisis. And it set the atmosphere in which Craxi's strongly pro-American Government fell. That seems to me a high price to pay in Italo-American terms.

16. It would be wrong, of course, to overlook the imperatives operating in Washington, and the need to take account of the immense popular support enjoyed by President Reagan in trying to expunge memories of President Carter's aborted rescue in 1980 of the US hostages in Iran, and of the humiliation of the US in this year's TWA hijacking in Beirut. This the Italians understood. But there are inevitably dangers in allowing emotion to dominate political judgement to the extent which seems to have occurred in the White House, and in failing to perceive that Italy would be sensitive on issues so closely touching her own sovereignty. That misconception, coupled with American suspicion of Italian Middle East policy as unbalanced and soft on terrorism, and American distrust of Andreotti as the architect of these policies, produced an unhappy blend of insensitivity and high-handedness, recollection of which will remain in the Italian memory for some time to come as the principal effect of the *Achille Lauro* affair.

17. I am sending copies of this despatch to HM Ambassadors in Tunis, Algiers, Athens, Belgrade, Bonn, Cairo, Damascus, Paris, Washington, UKMIS New York, UKDEL to NATO, British High Commissioners in Nicosia and Ottawa and to the Governor, Gibraltar.

I am, Sir,
Yours faithfully

BRIDGES

Mr O'Neill

FROM : C V Anson, SCD

DATE : 13 November 1985

THE ACHILLE LAURO AFFAIR

1. I attach an advance copy of a despatch dated 6 November from HM Ambassador Rome on the Achille Lauro incident.

15/11
 Mr. Daunt
 Mr. Hunt O.P.
 6 Nov 3/12
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C V Anson
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cc : PS
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 PS /Mr Rifkind
 PS/Mr Renton
 PS/Mr Eggar
 PS/PUS
 Mr Goodall
 Mr Derek Thomas
 Mr Daunt
 WED
 Defence Dept
 NAD
 Information Dept
 MED
 NENAD
 PUSD
 Research Dept
 Planning Staff

MOD (Mr Pawson, SEC/NATO/UK(C))
 Home Office (Mr R Harrington, F4)
 Cabinet Office, Assessments Staff, (Mr Morland)
 Dept of Transport, (Mr G Sunderland)
 Director of Shipping Policy



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BRITISH EMBASSY
ROME

THE ACHILLE LAURO AFFAIR

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BRITISH EMBASSY.
ROME.

The Rt Hon Sir Geoffrey Howe QC MP 6 November 1985
LONDON

Sir,

THE ACHILLE LAURO AFFAIR

The seizure of the Italian liner mv Achille Lauro (23,629 gross tons) by Palestinian terrorists in international waters off Egypt on October 7 set in train a series of events which gripped international attention for several weeks, and had important effects in a number of countries - notably Italy, where the repercussions caused the Craxi Government to resign. As the effects are likely to be with us for some time, I send in this despatch a summary account of what happened in the first incident of its kind since the seizure of Portuguese liner Santa Maria in 1961. I also examine the consequences in Italy and the effect on Italian relations with the United States. The particular questions to be asked are: why the Italian Government acted as it did; why the Government crisis occurred; and why relations between Italy and the United States suffered.

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/as well



as well as purely managerial reasons. During the hijacking phase of the crisis this machinery worked well. The political controversy came later, for wider reasons which I set out below.

6. The objectives of the Italian Government were from the outset to secure a peaceful resolution to the affair, by bringing about the release of ship and passengers unharmed. They mounted a major diplomatic effort in the Arab world to isolate the terrorists from their potential friends and to persuade them to surrender, while ensuring minimal damage to Italy's established relations with the Arabs. In addition military precautions were quietly in preparation in case a peaceful solution did not prove possible. The Italians succeeded in their objectives and, when the hijackers surrendered on 9 October, apparently without bloodshed, the Italians felt they had pulled off a diplomatic triumph. Despite intense pressure from the Americans on 8 October for immediate military action the Italians had stuck to their priority of diplomatic pressure; and it seemed to have paid^{off}. Their real problems began once the discovery of the death of Mr Klinghoffer destroyed the only basis on which the Americans, however reluctantly, would have accepted a negotiated surrender.

7. The decisions taken by Craxi and his ministers need to be seen against the background of the Craxi government's policy towards the Middle East and the PLO. Under Andreotti and Craxi, the Venice principles had been more vigorously followed up by Italy than by her EC partners. Italy has long had an active Middle East policy, partly for commercial reasons, but also because of her geographical position as a Mediterranean power, and because of the view which Italians take of their relationship with the Arab world. Italy tries not to take sides in Arab politics; she has cultivated not only Egypt and Jordan but also (especially during Andreotti's time as Foreign Minister) Libya and Arafat's PLO. This has involved a careful balancing act in relations

/with



with Israel, and is an aspect of foreign policy which has engaged Craxi personally: he has met Arafat on three occasions, pays regular visits to Tunisia (where he has a holiday home), and (I am told) regarded Peres and Arafat as the two key individuals with whom lay the greatest responsibility for peace in the Middle East. Craxi's own strong reaction to the Israeli raid on the PLO headquarters in Tunisia on 1 October illustrated the full extent of his sense of personal involvement and disappointment, even despair. Some Italians, and particularly the Republican party, believe that relations with the PLO had become too close and too trusting, and that Italy favoured the Palestinian cause at the expense of a more cautious and balanced policy. But the policy did provide contacts and credit in the Arab (and Palestinian) world which the Government was able to use to good effect when the terrorists seized the Achille Lauro.

8. The Italian Government acted laudably and responsibly in making the saving of lives their main concern. I believe that other European Governments would probably have behaved similarly in like circumstances. The Italian diplomatic record enabled Andreotti to appeal to Arafat (this at American request) at the outset of the crisis, to condemn the seizure of the ship, and to ask President Assad to deny use of Tartus to the hijackers: in each case with success. It also won Craxi Egyptian help to negotiate a peaceful solution and the despatch of PLO emissaries to help to resolve the crisis. It enabled the Italians to isolate the hijackers from Arab political support, and especially from the Syrians. The immediate result was seen as greatly to Craxi's credit. It seemed for a brief moment that links to the PLO could pay.

9. It was only after the hijackers had surrendered, when the news of Klinghoffer's murder became known, and the evidence of Abu Abbas' links to the hijackers became apparent (fed by a remarkably indiscreet press interview given by the Italian Ambassador

/in Cairo



in Cairo on 11 October), that doubts began to be voiced, notably in the United States, but elsewhere as well. Yet another act of terrorism was to go unpunished, it seemed. What really put Craxi on the spot was the presence of Abbas with the four hijackers on the Egyptian Boeing intercepted by the Americans on the night of 10-11 October. The Italian decision to try the four hijackers before considering the US request for their extradition was reasonable: a crime had been committed on board an Italian ship in international waters, and the suspects were now on Italian soil. Craxi had already said at his press conference when the news of the missing American passenger had just reached him, that if the four terrorists could be found (they were thought at that time already to have been released) Italy would wish to proceed against them. But Abbas was a different matter. There is little doubt that the Italian decision to release Abbas, rather than to act on the US request for his provisional arrest pending the submission of a formal demand for extradition, was taken for entirely political reasons. This did not prevent the weaving of much legal argument around the decision. The Italian Government referred frequently to the extra-territorial immunity of the Egyptian aircraft and its occupants, and to the diplomatic immunity conferred on Abbas by his possession of an Iraqi diplomatic passport: neither reason looks convincing to me. Much has been said, in criticism of the Italian decision, about the obligations of both the Americans and the Italians under their bilateral extradition treaty. But study of the text, and knowledge of its application (and non-application) by both parties, does not suggest that the Americans had a conclusive case. Political considerations were probably preponderant for both, and Craxi at least now had serious political problems on his hands. The Egyptian Government, having provided a plane to fly the four hijackers and Abbas out of Egypt, was desperately anxious to ensure its release, and put heavy pressure on the Italians to release Abbas during 11 and 12 October, while the Egyptian

/plane



plane with Abbas on board was detained first in Sicily and then at the military airport in Rome. Egypt threatened to break off diplomatic relations with Italy and to order its armed guards on board to defend the aircraft by force if attacked. The Italians were also left in no doubt that the Achille Lauro would be detained in Port Said until the aircraft and its passengers were released. Nor could Craxi have relished the prospect of Palestinian reprisals against Italy (in Italian cities) which acceptance of the US request for the arrest of Abbas might have provoked. Further, having invoked Arafat's help, he could hardly turn over to the Americans Arafat's chosen negotiator. In these circumstances it is not surprising that the Italian Government took the decisions it did. But the damaging effect this had on Italy's relations with the US was serious.

10. Why? This was a quarrel between two countries who have come to enjoy a very close relationship to their mutual benefit. The Italian immigrant community in the US, even though much of it derives its American roots from early in the century, has maintained a network of close ties between the two nations. American money cushioned Italy immediately after the Second World War against some of the worst effects of the collapse of fascism and of the costs of reconstruction. It is widely believed that, for many years, American money has found its way in quantity to the two largest Italian non-Communist parties, the Christian Democrats and the Socialists. All five parties within the present government coalition attach great importance to transatlantic relations and to American support. The procession of Italian political leaders to Washington is constant, and they are received at high levels. Italy has also been a good ally to the US, as well as to the NATO in general. The installation of cruise missiles at Comiso was carried out with less public and political controversy than in any other Western European country. And if Craxi may occasionally have flirted with disarmament initiatives which the Alliance could not endorse, his basic loyalties have always been free from suspicion. Thus the strong words bandied about in this affair had all the bitterness of a family squabble.



11. The quarrel itself was the result of differing objectives. I have described the Italian aim in paragraph 6 above. For their part, the US wished from the outset to take strong measures against the hijackers and, once they had escaped, to pursue them by all means in their power. This caused a series of difficult incidents over several days and led the Americans into a number of actions which appeared to show scant respect for Italian sovereignty. There was the intense pressure put upon the Italians during the first 30 hours of the hijacking to take immediate military action to repossess the Achille Lauro. This heavy-handed intervention was contrary to the way in which the Italians, with many more citizens at risk on their own ship, had decided to handle the crisis. US pressure suggested that the Americans trusted neither Italian nerve nor Craxi's ability to handle the crisis properly. The tensions then worsened sharply following the US interception of the Egyptian Boeing. By the time Abbas was released during the afternoon of 12 October Craxi felt bruised and angry at American actions. In Italian eyes the list was long: the midnight telephone calls from President Reagan - or aides speaking in his name - demanding instant replies; similar pressures by US ministers on their Italian opposite numbers; the sequence of events after the landing of the intercepted Egyptair Boeing at Sigonella in Sicily, when 50 armed and excited Americans leapt from two transport aeroplanes (which apparently landed from Gibraltar without Italian permission or prior notification) and surrounded the company of armed Italian troops who were themselves already guarding the Egyptair plane; the shadowing of the Egyptair plane when it flew to Rome the next day by an American military aircraft which refused to identify itself; the late night calls and abrasive personal behaviour of Ambassador Rabb. By the end of the weekend Craxi was furious. He had to be restrained by his staff from issuing a tough statement before Andreotti met Shultz in Brussels. The Italians were further dismayed when the moderating statement prepared

/by the



by the two Foreign Ministers was vetoed by the White House. In the difficult days following the tense weekend of the Abbas affair, the impression of an unprecedented crisis in Italo/American relations took hold in Italy. This was bad for Italy and bad for Craxi's Government.

12. In this atmosphere the Republican Party decided to leave the Government. It had long been restive and critical of some aspects of government policy, particularly on the economy, and seized this opportunity to provoke a crisis. The background owes as much to Italian domestic politics as to international affairs. The small Republican Party led by Spadolini, Minister of Defence and former Prime Minister, only commands about 5% of the vote. It draws considerable support from Italian Jews, and has traditionally advocated a more pro-Israeli line in Italian foreign policy, Spadolini's discomfort at the role played by Palestinian negotiators in resolving the Achille Lauro hijacking was clear and predictable. The Republicans could, however, have lived with their discomfort if the Achille Lauro crisis had ended with the surrender of the ship. But the circumstances in which Abbas was held and the apparently hole-and-corner manner in which he was released raised wider questions for them about Italian policy in the Middle East and about the arrangements for collective decision-taking and responsibility in a five-party coalition government. During the critical Saturday in which the American request was considered and rejected, Spadolini (as well as Craxi) was in Milan. He claims not to have been properly consulted about the decision to release Abbas, although he was in touch with some of the key people by telephone, and his closest advisers attended crisis meetings. He has not gone so far as to say that he would have advocated different tactics, but has based his complaint on the lack of consultation itself. Personalities played a part: Spadolini is conscious of his position as a former Prime Minister and has long wished to cut Craxi down to size. His pride and dignity



were hurt. His fury grew when, after he refused to attend the meeting of the Cabinet called on Monday 14 October to endorse the Government's handling of the crisis, Craxi proceeded to hold the meeting without him. The Republicans' announcement on 16 October that they were leaving the Government thus contained many home-grown elements as well as their concern for the foreign policy issues at stake: their eagerness for a fight, their wish to upstage Craxi, their genuine unease at the split which had opened with the US, and their long-held views on the Arab/Israel problem. The Republicans believed there was political advantage to be gained, and that this was the moment to strike. In doing so, they may have misjudged the mood of popular opinion, which has not only come to appreciate the past two years of relatively stable government under Craxi, but which strongly sympathised with Craxi in his clear attempt during the crisis to resist US infringement of Italian sovereignty.

13. The domestic effect of the Achille Lauro affair has been to give the Italian political scene a violent shake. Although Craxi's Government has now been re-installed after several hectic weeks of political activity, in its new photocopy form I expect it to be weaker than its predecessor. It will now face even greater difficulty in seeing the passage of its much needed Finance Bill through Parliament before the end of the year. Both effects are regrettable.

14. Seen more widely, the Achille Lauro affair, following the other acts of violence in the region, may have set back the Middle East peace process. It has certainly done the PLO's image no good. On the other hand there is some reason to hope that the experience will cause the Italians to look once more at the terrorist threat and the ability of terrorists to move and plot freely in Italian territory, and to take stiffer measures to counter this menace. The Achille Lauro seizure came soon after a spate of

/terrorist



terrorist bombings in Rome, including that against the British Airways office. The Italians are not cowards in the face of terrorists. The way in which the Red Brigades were dealt with earlier this decade is proof of that. But Italy's borders are open and accessible to many Arabs who wish to make Italy their hunting ground. There are now signs of a more conscious wish to tackle the terrorist threat by imposing stricter entry and residence controls and by tightening up visa regimes. It is in our interest to encourage that as much as possible, for we too are a target.

15. What went wrong? To an observer in Rome it does seem that the Americans did not recognise the changes which have been taking place here. The country has grown in self-confidence during two years of one of its most stable post-war governments. Italy has found greater respect for her voice in the world. Craxi's Government has been ready to stand up for its interests. So the harsh American reaction to Craxi's decision to release Abbas wounded and upset Italian pride. That it did not give rise to a sustained burst of popular anti-Americanism, either in the press or in the piazza, is testimony to the basic strength of the relationship between the two countries. But it touched a raw nerve of national feeling which the Americans seem to have ignored. It rallied fresh public support for Craxi; and conversely it weakened public support for the Republican Party's provocation of a government crisis. And it set the atmosphere in which Craxi's strongly pro-American Government fell. That seems to me a high price to pay in Italo-American terms.

16. It would be wrong, of course, to overlook the imperatives operating in Washington, and the need to take account of the immense popular support enjoyed by President Reagan in trying to expunge memories of President Carter's aborted rescue in 1980 of the US hostages in Iran, and of the humiliation of the US in

/this



THE ACHILLE LAURO AFFAIR: CHRONOLOGY OF EVENTS

this year's TWA hijacking in Beirut. This the Italians understood. But there are inevitable dangers in allowing emotion to dominate political judgement to the extent which seems to have occurred in the White House, and in failing to perceive that Italy would be sensitive on issues so closely touching her own sovereignty. That misconception, coupled with American suspicion of Italian Middle East policy as unbalanced and soft on terrorism, and American distrust of Andreotti as the architect of these policies, produced an unhappy blend of insensitivity and high-handedness, recollection of which will remain in the Italian memory for some time to come as the principal effect of the Achille Lauro affair.

17. I am sending copies of this despatch to HM Ambassadors in Tunis, Algiers, Athens, Belgrade, Bonn, Cairo, Damascus, Paris, Washington, UKMIS New York, UKDEL to NATO, British High Commissioners in Nicosia and Ottawa and to the Governor, Gibraltar.

I am, Sir,
yours faithfully

Bridges

Bridges

Wednesday 9 October

0015

The first radio contact between Achille Lauro and the Egyptian authorities. The Captain reports that all passengers are well.

0415

Achille Lauro anchors 17 miles off Port Said. Negotiations between the hijackers and FIS envoys and Egyptian officials begin.

08

The Egyptian Foreign Minister asks the Italian Ambassador whether he can agree to accept the surrender of the hijackers in return for a pledge of safe conduct out of Egypt, bearing in mind that no violence had been committed against passengers or crew on board. After consulting Andreotti the Ambassador agrees.

THE ACHILLE LAURO AFFAIR: CHRONOLOGY OF EVENTS

[All times GMT]

- Thursday 3 October
- Achille Lauro sails from Genoa for an 11-day Mediterranean Cruise.
- Monday 7 October
approx. 1700
- Achille Lauro with 340 crew and 80 passengers on board is seized by 4 Palestinian passengers belonging to the FLP while en route from Alexandria to Port Said. The release of 50 Palestinians held in Israeli jails demanded. Italians overnight begin preparations to send military units to the area.
- Tuesday 8 October
- Achille Luaro arrives off Tartous in Syria, but following contacts between Italian and US Governments with the Syrians is denied permission to enter port.
- am
- Hijacking condemned publicly by Arafat and by the Syrian government. Arafat tells Italians he is sending two senior emissaries to Cairo to offer help.
- 1400
- AFP in Beirut report the possible killing of two American passengers.
- pm
- The US Ambassador in Rome informs the Italian government of the American decision to take military action on the night of 9 October.
- pm
- Achille Lauro sails South West from Tartous.
- 2000
- Italian Foreign Minister authorises Egyptian Foreign Minister to establish contact with the hijackers to find out who they are and what they want.
- Wednesday 9 October
- 0015
- The first radio contact between Achille Lauro and the Egyptian authorities. The Captain reports that all passengers are well.
- 0415
- Achille Lauro anchors 12 miles off Port Said. Negotiations between the hijackers and PLO envoys and Egyptian officials begin.
- am
- The Egyptian Foreign Minister asks the Italian Ambassador whether he can agree to accept the surrender of the hijackers in return for a pledge of safe conduct out of Egypt, bearing in mind that no violence had been committed against passengers or crew on board. After consulting Andreotti the Ambassador agrees.

- 1430 Announcement in Port Said that hijackers had surrendered and that passengers were safe and well. The hijackers come ashore by boat.
- 1530 The Captain of the Achille Lauro confirms by radio that all on board are safe.
- 1550 The Captain tells Italian radio that all Italian passengers are well.
- 1710 Italian Prime Minister telephones the Captain of Achille Lauro who admits that an American passenger is missing.
- 1730 Italian Prime Minister announces during a press conference that an American passenger is missing, presumed dead, and says that Italy would ask the PLO to allow the hijackers to be tried in Italy.
- pm The US Government ask the Egyptian government to hand over the hijackers for prosecution. They are told that the hijackers have already left Egypt.

Thursday 10 October

- 0300 Achille Lauro docks at Port Said. An Egyptian enquiry begins.
- 1300 approx. Egyptian government declares that the hijackers left Egypt soon after their surrender on 9 October.
- 2300 approx. President Reagan telephones the Italian Prime Minister to inform him that US military aircraft have intercepted an Egyptian aircraft carrying the hijackers and asks for permission to force it to land at the Sigonella Nato base in Sicily. Craxi agrees.
- 2330 Egyptian aircraft lands at Sigonella and is surrounded by Italian security forces. Immediately afterwards two US C141 aircraft carrying members of the US Delta Force land at Sigonella with orders to take custody of the passengers on the Egyptian aircraft. They surround the Italian troops and are themselves surrounded by members of the Italian carabinieri. In a further telephone conversation with President Reagan the Italian Prime Minister insists that the hijackers should be taken into Italian custody to await trial and declines to arrest two other Palestinian officials on board until further enquiries have been made.

Friday 11 October

am

The 4 hijackers are transferred to Syracuse gaol, and their identities confirmed by American passengers from the Achille Lauro. The Italian Prime Minister's Diplomatic Adviser boards the aircraft for discussion with Abu Abbas.

2101

The Egyptian aircraft takes off from Sigonella for Ciampino airport at Rome. A US F14 military aircraft, evading attempts by the Italians to obstruct it, takes off from Sigonella and follows the Egyptian aircraft, harrassing its Italian escorts and refusing to identify itself. On arrival of the Egyptian aircraft at Ciampino, a US military transport aircraft appears, seeks emergency landing permission and parks near the Egyptair Boeing.

Saturday 12 October

0430

The US Ambassador delivers a formal request for the provisional arrest of Abu Abbas pending the preparation of an application for extradition. Later in the morning the request is formally rejected by the Italian government (under the signature of the Minister of Grace and Justice).

mid-afternoon

The Italians decide to release Abbas, and so inform the US Embassy.

pm

The EgyptAir Boeing transfers to Rome International Airport.

1802

Having transferred to a Yugoslav civil airliner Abbas leaves for Belgrade under arrangements made by the Egyptian Ambassador and Defence Attache, who had been in constant touch with the Italian authorities and the passengers on the plane throughout. Soon afterwards the US Ambassador delivered a strongly-worded note of protest to the Diplomatic Adviser to the Italian Prime Minister.

Sunday 13 October

am

The Egyptair Boeing departs Rome for Cairo, and the Achille Lauro sails from Port Said for Genoa.

Monday 14 October

The Italian Minister of Defence declines to attend a Cabinet meeting in protest against the failure of the Prime Minister and Foreign Minister to consult him before releasing Abbas. He had rung them from Milan on 12 October requesting an urgent meeting before decisions were taken. Craxi reports to the Cabinet on his handling of the crisis.

Tuesday 15 October

Andreotti and Schultz have a tense meeting in Brussels. An expected public declaration of reconciliation between the USA and Italy over the handling of the Abbas affair does not materialise. A meeting of the Republican Party in Rome ends with a statement criticising Craxi's handling of the Abbas case.

Wednesday 16 October

approx 1400

The Republican Party announces its decision to withdraw from the Italian governing coalition. Its 3 Ministers resign.

Thursday 17 October

1030

Craxi delivers a statement to Parliament containing his account of the Italian government's handling of the hijacking of the Achille Lauro and subsequent development. The statement and its delivery are widely applauded inside and outside Parliament. He immediately submits the resignation of his government to President Cossiga. There is widespread resentment in Italy at the attitude adopted by the US Administration and media. President Cossiga asks Ministers to continue in office in a caretaker capacity until a new government can be formed.

Saturday 19 October

A US State Department emissary, Mr Whitehead, holds meetings in Rome with the Italian Prime Minister and Foreign Minister during which he delivers a personal letter from President Reagan. President Reagan's message is publicly accepted by Craxi as putting an end to tension between the two governments.

Thursday 24 October

Successful meeting between Craxi and President Reagan in New York.

pa 19/12.

Foreign and Commonwealth Office

London SW1A 2AH

9 December 1985



The Lord Bridges KCMG
ROME

Dear Ambassador,

WCS 051/2	
RECEIVED BY TELETYPE NO. 13	
9 DEC 1985	
DESK OFFICER	REGISTRY
INDEX	PA Action Taken
	✓ 9/12 1985

THE ACHILLE LAURO AFFAIR

1. Thank you for your most interesting despatch of 6 November with its valuable full record of developments during the Achille Lauro affair as seen from Rome. We have had the despatch printed in the Departmental series.
2. Others here may wish to comment on the Italy internal and the US/Italy aspects of the report but I shall confine my comments to the counter terrorist ramifications. We continue to be grateful for your Chancery's full reporting on the aftermath of the affair and you will, I hope, have seen a copy of the record of the debriefing of the six British hostages sent to you recently. But there is clearly a good deal more to emerge and for sub judice, if no other, reasons it may well be that we shall not obtain a really full picture until after the trials are concluded.
3. We agree with you that in all the circumstances Italian handling of the affair was not unimpressive. The Administration will doubtless have learnt many lessons and I understand consideration is now being given to establishing a more coordinated plan for similar future incidents, perhaps involving on the Foreign Ministry side Sasha Quaroni. This can only be a good development. We know from our own experience that although we regularly exercise our domestic contingency plans with the various Police regions, even those who take part each time learn something on each occasion. Not that I am suggesting that our ways would necessarily apply in Italy; and I very much take your implied point about the particular problems facing a five party coalition.
4. I suppose that the release of Abu Abbas in what can be described as Stage 3 of the incident is the area in which the Italians are most vulnerable to criticism. But it is impossible not to feel sympathy for them in the acutely difficult situation in which they found themselves and vividly portrayed in your paragraph 9. Indeed, there seems little doubt that from the

/moment



moment the hijack first occurred perhaps the most difficult problem facing the Italians was that of American pressure. It is the height of irony that no doubt well intentioned offers of assistance and pressure from a principal ally resulted in the fall of a major government. The evidence we now have of the current American approach to handling hijack incidents, and their likely attempt to exercise preponderant influence in any incident in which US citizens are at risk (and perhaps even if they are not) is something with which we have to come to terms, where British citizens may also be at risk, and our natural point of contact would be the government with proper jurisdiction.

5. US urging for early - as opposed to last, which is our policy - resort to the military solution is causing many of us particular concern. Although all the details have yet to emerge it seems probable that US views, if not pressure, also contributed to the recent early storming of the Egyptair aircraft at Valletta with all its tragic consequences. You will no doubt have seen from your copy of Robin O'Neill's letter of 21 November to Michael Jenkins that the subject of the growing gap in our respective approaches to the handling of hostage rescue incidents is likely to feature prominently on the agenda of the next round of Anglo/US talks on terrorism.

6. Perhaps the principal gain from this experience is the encouraging evidence you report of a more conscious wish on the part of the Italians to tackle the terrorist threat by imposing stricter entry and residence controls. Evidence from all sources has regularly shown Italy's vulnerability on this score. Although for economic reasons, particularly in the case of Libya, she is more exposed to Arab pressure than most European countries, she clearly cannot sit by and allow an increasingly sophisticated body of international terrorists a free run, especially after her notable success in controlling the home grown threat.

James

Graham Burton

Graham Burton
Security Coordination Department

cc: Washington
Cairo

bcc: **WED**
Mr O'Neill
PS/Mr Eggar
PS/Lady Young

Mr. Burton

Reference.....

(111)

MLJOS1/2

RECEIVED IN REGISTRY NO. 13
25 NOV 1985

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John

x has been included in checklist for call. *22/11*

*Mr Herbert
Mr Pym*

*Tague int #
22/11*

I think Lady Young should see the despatch and his clear acknowledgment. Mr. Pym will add her marks when Lord Bridges calls on 26.11.

Mr Munro, WED
Mr Burton o.r.

cc: Ms Darling Rogerson, NAD

8 AM 22/11

THE ACHILLE LAURO AFFAIR: HM AMBASSADOR ROME'S DESPATCH

1. Under cover of my minute of 13 November I sent your department an advance copy of Lord Bridges' fascinating despatch on the Achille Lauro incident.
2. We are having the despatch printed in the Departmental series. So far there have been no particular reactions from other Whitehall departments to the despatch but the Embassy in Washington have commented favourably in Mr Gomersall's teleletter of 19 November.
3. I attach a draft acknowledgement to Lord Bridges picking up one or two points made in the despatch.

Walter A

22 November 1985

C V Anson
Assistant Head
Security Coordination Department
WH MZ 25 233 7903

(Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM: Mr Burton

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: Lord Bridges
ROME

Your Reference

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PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

THE ACHILLE LAURO AFFAIR

1. Thank you for your most interesting despatch dated 6 November concerning the Achille Lauro affair. It is most useful to have such a detailed summary of Italian handling of the affair which as you say does leave many questions unanswered. We have arranged for the despatch to be printed in the departmental series.
2. We too have serious reservations about US handling of the incident, in particular their apparent willingness to resort to military action at an early stage even though negotiations were continuing and the lives of the hostages were not known ^{definitely} to be under direct threat at that time. We believe that any military action by the Americans might well have resulted in a considerable number of deaths and casualties. We hope to have the opportunity to discuss the lessons to be learnt from the Achille Lauro incident in detail with the Americans in the near future at the next round of bilateral talks on counter terrorism. We will certainly report anything of interest.

Enclosures—flag(s).....

1102

3. We were also interested in your account of the way in which the Italians handled the incident and their decision in the light of the Achille Lauro incident to move towards a more centrally coordinated apparatus within the Government machine more like our own. We would of course be happy to brief the Italians in detail on our own experience of coordinating the response to terrorist incidents as well as the procedures for use of the Cabinet Office Briefing Room procedures. The bilateral contacts proposed in David Goodall's letter of 4 November would provide an excellent opportunity for a full exchange of views on this subject.

?

4. Whilst on the subject of exchanges of information we were grateful to the Embassy for the reporting on the trial of the Achille Lauro hijackers. We do however hope that the Italians will at some stage provide us with an official and more detailed account of the debriefing of the terrorists, either openly or on other channels as they have so helpfully done previously following the recent bomb attacks on British interests in Rome.