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TO TELELETTER FCO

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OF 191415Z NOVEMBER 85

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FROM S J GOMERSALL/ESQ, WASHINGTON

TO C A MUNRO ESQ WED FCO

US/ITALY RELATIONS IN THE AFTERMATH OF THE ACHILLE LAURO AFFAIR SUMMARY

1. RELATIONS FORMALLY ON THE MEND. US ANTICIPATE NO DIMINUTION IN ITALIAN POLITICAL OR MILITARY COOPERATION. BELIEF THAT THE EPISODE REVEALED CRAXI'S TRUE LEANINGS WITH REGARD TO THE PLO AND THE MIDDLE EAST.

DETAIL

2. OUR TELNO 2871 OF 15 OCTOBER REPORTED ARMACOST'S OBSERVATION THAT ONLY TIME WOULD HEAL THE WOUNDS LEFT BY THE ACHILLE LAURO AFFAIR. LORD BRIDGES' DESPATCH OF 6 NOVEMBER CONFIRMS HOW DEEP THEY WERE ON THE ITALIAN SIDE. MARTY VAN HEUVEN, DIRECTOR FOR WESTERN EUROPEAN AFFAIRS IN STATE DEPARTMENT, GAVE ME HIS ACCOUNT OF THE AFTERMATH ON 12 NOVEMBER. HE MADE IT CLEAR THAT THE AMERICANS STILL BELIEVE THAT THEY WERE ABSOLUTELY IN THE RIGHT OVER ABBAS, BUT IN HIS VIEW THE DELIBERATE STEPS WHICH HAD BEEN TAKEN BY BOTH SIDES SINCE THEN TO SMOOTH THINGS OVER HAD BEEN LARGELY SUCCESSFUL. THE RECONFIRMATION OF THE CRAXI GOVERNMENT HAS MADE IT EASIER TO PORTRAY THE EPISODE AS HAVING BEEN OF RELATIVELY SHORT-TERM SIGNIFICANCE.

3. VAN HEUVEN SAID HE BELIEVED THE QUOTE BIG PICTURE UNQUOTE WAS UNAFFECTED BY THE CRISIS. POLITICAL AND MILITARY COOPERATION WOULD CONTINUE AS BEFORE. GLCM BASING HAD NEVER BEEN CALLED INTO QUESTION, NOR HAD ITALY'S ROLE AS A MAJOR AND STABLE PARTNER IN THE ALLIANCE. SINCE THE EPISODE, BOTH SIDES HAD BEEN OPENING THE DOORS EVEN WIDER TO DEMONSTRATE THAT TRUST AND HARMONY WAS RESTORED. THE WHITEHEAD MISSION AND THE PRESIDENTIAL LETTER WHICH HE CARRIED HAD ACHIEVED THEIR PURPOSE. PRESIDENT REAGAN FELT HE HAD HAD A GOOD MEETING WITH CRAXI IN NEW YORK, AND CRAXI WAS KEEN TO COME AGAIN TO WASHINGTON SOON.

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SIGNED S. J. GOMERSALL

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① ~~cc~~ NAD
 MEB
 NENAD
 SCD

② ~~cc~~ Mr. Jain 22/4
 Mr. Mauro os.
 cc. Research Dept
 Planning Staff
 6/Nov 25/4

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