

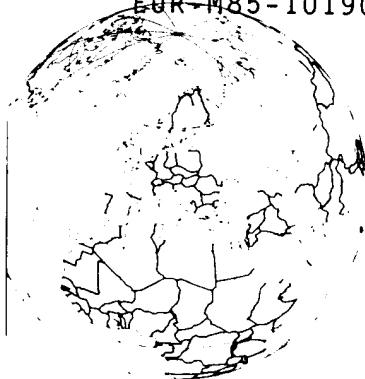
Memorandum for: THE RECORD

These Talking Point Papers were requested by NIO/WE. "French Policy on the PLO" was prepared by [redacted], "PLO Relations with Italy" by [redacted] EURA/WE/CM. 25X1

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Attachments:

EUR M85-10188



30 October 1985

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**Office of European Analysis
Directorate of Intelligence**

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PLO Relations with Italy

Prime Minister Craxi and Foreign Minister Andreotti have tried to cultivate good relations with the Arab World in general and with the PLO in particular. They believe that the PLO must be brought into the Middle East peace process, and last December they began a direct--albeit domestically controversial--dialogue with PLO leader Arafat. Craxi was among the harshest critics of the recent Israeli raid on PLO headquarters in Tunis

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The pro-Arab, pro-PLO bias of Craxi and Andreotti is not shared by the entire government. Their policy has drawn especially heavy fire from Defense Minister Spadolini and his Republican Party and was at least partly responsible for Spadolini bringing down the coalition. In the negotiations to form a new government, the Republicans have demanded a more even-handed Middle Eastern policy. The Social Democrats and the Liberals, junior members of the

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5-party coalition, have also criticized the government's
pro-PLO bias. [Redacted]

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Craxi and Andreotti have tended to justify their stand
in terms of Italy's location and its vulnerability to
economic pressure--on investments and trade as well as oil
and gas supplies--from the Middle East. [Redacted]

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[Redacted]

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The PLO had

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previously been linked to the Red Brigades, and a warrant
for Arafat's arrest was issued in Rome a year ago. [Redacted]

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