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HOME OFFICE
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25 October 1988

Dear Stephen,

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ANGLO-ITALIAN SUMMIT, 21 OCTOBER 1988

I attach a record of the discussions between the Home Secretary and the Italian Minister of the Interior during last Friday's Summit. You will see that Signor Gava confirmed his invitation for the Home Secretary to visit Rome in January. The two Ministers agreed that they should aim to conclude a bilateral agreement on the confiscation of drug traffickers' assets, in the hope that the agreement could be signed during the Home Secretary's visit. Officials on both sides were instructed to work to that end.

The other point to emerge was agreement that senior Italian officials should visit London before Christmas for discussion on a wide range of bilateral matters. This development was initiated by Signor Parisi, the Head of Police Services at the Ministry of the Interior who was present during the Summit meeting, who accepted that PIRA terrorism was now a European rather than simply a UK problem. He asked for discussions with his British counterparts to facilitate the exchange of information and intelligence. The Home Secretary invited him to visit London before Christmas, and in discussion after the meeting with Ministers had concluded, this invitation was broadened to include Signor Gava's Chef de Cabinet who said that other Italian officials would welcome the opportunity to discuss their draft legislation on confiscation of the proceeds of crime and on immigration with their British counterparts. Such discussions would form a very useful preparation for the Home Secretary's visit in January, and I am in touch with Martin Williams in Rome to follow up this development and to finalise the dates for the Home Secretary's visit.

I am copying this letter and enclosure to Charles Powell (No 10), Mike Maxwell (NIO), HM Ambassador and Martin Williams in Rome, and the Director General of the Security Service.

Yours sincerely,

P J C MAWER

S Wall, Esq
PS to the Foreign Secretary

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ANGLO-ITALIAN SUMMIT, 21 OCTOBER 1988,
NOTE OF HOME SECRETARY'S DISCUSSIONS
WITH ITALIAN MINISTER OF INTERIOR

The Home Secretary had an hour and a half of bilateral discussion with Signor Gava, the Italian Minister of the Interior, as part of the Anglo-Italian Summit at Pallanza on 21 October. Signor Gava was accompanied by his Chef de Cabinet, Diplomatic Councillor and the Head of the Police Services responsible to the Minister, Signor Parisi. Mr R M Morris, Mr Martin Williams of the British Embassy in Rome and I accompanied the Home Secretary. The discussions were friendly and businesslike, providing a valuable opportunity to pave the way for the Home Secretary's visit to Rome in January next year.

2. Signor Gava made a long opening speech of welcome, covering each of the main issues to be discussed: -

- (i) drugs - the Italian Government looked for an agreement with the British Government on the confiscation of drug traffickers' assets. The laws of the two countries were already very similar and yesterday the Council of Ministers had introduced in Parliament a draft law against organised crime which was aimed at confiscating the proceeds of drug trafficking, kidnapping and other aspects of organised crime. Signor Gava expected Parliament to approve the draft law rapidly. This would provide the opportunity for the signing of a bilateral agreement;
- (ii) terrorism - each country had its own particular problems. The recent arrests of 21 suspected members of the Red Brigades/Fighting Communists (BR/PCC) in Rome and of two other members of the group in Paris had struck left wing terrorists in Italy a severe blow. But terrorism was

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increasingly international in nature and there were proven links between Italian left wing groups and groups in the Federal Republic of Germany and the Middle East. Right wing terrorism still posed some danger, though less than in the past. Legislative diversity between countries could cause problems, eg the crime of subversion did not exist in France. Italy therefore looked for close co-operation between countries in an endeavour to defend free institutions against terrorist attack;

- (iii) immigration and the free movement of EC citizens - the Italian Government was busy drafting a Bill which would rationalise and consolidate its immigration laws. It looked to harmonise these with a view to admission to the Schengen group. Signor Gava was conscious of differing views on immigration issues such as visas. The only way through these was by discussion;
- (iv) Home Secretary's visit to Rome - Signor Gava confirmed his invitation to the Home Secretary to visit Rome in January. He hoped that this would provide the opportunity for the two men to sign a bilateral agreement on drugs and to engage in deeper discussion of the issues he had raised;
- (v) extradition - the Ministry of Justice was involved as well as his own Ministry in consideration of these issues. A bilateral agreement between Britain and Italy had been signed in 1986 but Italian legislation needed to be up-dated, eg the list of crimes covered by the agreement needed revision.

/Signor Gava

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Signor Gava concluded his opening remarks by commenting on the proliferation of groups within the European Community and the Council of Europe with overlapping responsibilities. He wondered whether there was scope for rationalising the number of these groups and invited the Home Secretary's comments on this and the other issues he had mentioned.

3. The Home Secretary responded by thanking Signor Gava both for his welcome to the Summit and for his invitation to visit Rome in January. He welcomed very much what Signor Gava had said about an agreement on drug trafficking, and was grateful for clarification of the Italians' plans. The UK had passed parallel legislation to that which was proposed in Italy and was anxious to establish a network of international agreements to catch the proceeds of drug trafficking and other aspects of crime. Discussions were underway in the Council of Europe on a Convention on confiscation of proceeds of crime and the UK hoped that this would be successful. But progress was slow and there was therefore every advantage in securing a bilateral agreement meanwhile. He hoped that officials could undertake further work on the proposed agreement before the end of the year, so that the agreement could be signed during his visit to Rome in January.

4. On terrorism, the Home Secretary said that the British Government admired the way in which the Italian Government had dealt with the serious problems with which it had been faced. He had been told that operational co-operation between the Italian and British police and security services was very good. The UK was undergoing a difficult period because of an increase in activity by the Provisional IRA, and a number of incidents on the Continent had indicated that while there was no intelligence of planned action against British targets in Italy, the possibility could not be excluded. PIRA was well placed to mount operations because of its acquisition of major supplies of arms from Libya. While co-operation between the British and Irish Governments and

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Security Services was improving because of the machinery established by the Anglo-Irish Agreement, it was very important to ensure that Libyan support for PIRA ceased.

5. Turning to extradition, the Home Secretary said that British legislation had recently been up-dated and it was hoped to ratify the European Convention on Extradition. The Home Secretary suggested that during his visit to Rome in January he and Signor Gava could discuss further the question of ratification of the 1986 Extradition Treaty, having regard to the likely timing of UK accession to the European Convention.

6. On immigration the Home Secretary agreed with Signor Gava that the question of third country nationals post 1992 was crucial. The discussions underway in the EC ad hoc working group on immigration were therefore particularly important. The UK Government felt that there would be a continuing need for checks on third country nationals after the introduction of the single market. Detailed work would be needed to agree the nature of these checks. Agreement was also required on the question of refugees and the country of first asylum.

7. Concluding his opening remarks, the Home Secretary said that he sympathised with Signor Gava's concern about the proliferation of international groups with overlapping remits. There would no doubt be difficulties in simplifying matters, but he accepted that the issue was worth discussion.

8. After these opening exchanges, the two Ministers agreed that the communique following the Summit could announce agreement in principle to the preparation of the bilateral agreement on the confiscation of drug traffickers' assets. Discussion then moved to consider more deeply some of the topics raised in the opening remarks. The Head of the Ministry's Police Services, Signor Parisi, said that there had been close collaboration with UK

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agencies, particularly since 1985. Relations were developing well. This collaboration embraced organised crime as well as drugs and terrorism. Nevertheless, he was worried about the growing internationalisation of terrorist activity. PIRA was trying to undermine collaboration between Governments by criticising British Government policy. Its recent actions in Gibraltar, Holland and West Germany meant that the possibility of action in Italy could not be ruled out. He would like to extend the Italian police and security service's knowledge of Irish terrorism and was prepared to visit London or to receive British officials in Rome for this purpose. He looked for a pooling of information and intelligence about terrorists and possible targets in Italy which might come under attack. He acknowledged the role of Libya in supporting PIRA, though the degree of this support was not totally known. Nevertheless, some intervention by Italy might perhaps help to control support for PIRA from this source. The Home Secretary responded by welcoming the suggestion for increased exchanges and invited the Chief of Police to visit London, preferably before Christmas, so as to pave the way for his own visit to Rome in January.

9. The Home Secretary went on to describe the British Government's proposals for UK legislation and getting at the assets of terrorists. He enquired whether the Italian Government was moving in the same direction. Signor Gava replied that terrorism in Italy was different from that in the United Kingdom. So far Italian terrorism was not well organised financially: Italian terrorists tended simply to steal money and keep their assets in cash. The new Italian legislation on confiscation of the proceeds of crime would enable the freezing, seizing and confiscation of the proceeds of crime. But the Italian proposals would not get at terrorism supported by normal economic activity, since this was not a feature of the Italian problem.

10. Discussion then turned to immigration matters, both Ministers noting that the visa issue was a difficult one,
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particularly in relation to Turkey and the Maghreb. Signor Gava said that the issue could only be solved at a European level in the run up to 1992. Italy had decided to reintroduce some visas, a course which was not without difficulty because the Italian Government was looking for co-operation, eg in the fight against terrorism from countries on whose nationals it was about to impose a visa requirement. There was some tension between the Italian Ministry of Foreign Affairs and the Interior Ministry on this issue. Nevertheless, it was intended to announce the introduction of visas for Turkey and the Maghreb, probably in December, with a view to Italy joining the Schengen group. Italy was ready now to join, but these and other practical issues would have to be resolved first.

11. The meeting concluded with Signor Gava and his colleagues giving an extended description of Italian terrorism. They estimated that there were still about 250 supporters of the BR/PC at large, some 200 of whom were active either in terrorist operations or eg in spreading the doctrine of the organisations in Universities. They increasingly operated as small cells. The recent arrests in Italy and France had netted a number of senior figures, including those involved in the murder of Senator Ruffili. The arrests had constituted a hard blow. The average age of those arrested was 32, the youngest arrested being 24. Some previously unknown supporters of the organisation had been discovered and the arrests in Rome had given the police more leads. There were indications that the organisation had a centre for planning and documentation in France. These leads were being pursued.

12. The police response to terrorism had improved greatly since Italian terrorist organisations had first emerged. Left wing terrorism in Italy had been born in the prisons, which had proved a fertile recruiting ground. Right wing terrorism was much closer to traditional organised crime and there were occasional

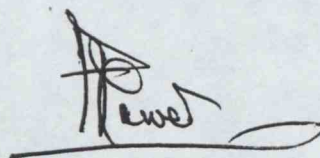
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exchanges of favours between criminal organisations and terrorist groups on the right. Recent years had seen an extension of links between left wing Italian terrorist organisations and their counterparts in other European countries. For example there were numerous contacts through the post between Italian and West German terrorists: clear evidence of the links had emerged at the third Moro trial. The groups had common objectives and targets, eg they were anti-NATO and opposed to the armaments industry. But there were limits to their co-operation, for example co-operation between Italian terrorists and those in France was much more limited. There were signs that Italian terrorists living in France did not trust Action Directe. But literature found in police raids indicated clear support by Italian terrorists for independence movements, including the IRA. So while the police had scored recent successes in combating terrorism in Italy it retained a limited but distinct force which meant that co-operation with other police and security organisations was vita



Private Office
25 October 1988

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Principal Private Secretary

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