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p/w minute under
reference in list PA file
15/6



Foreign and Commonwealth Office
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Your reference

Our reference

Date 15 June 1981

ITALIAN NATIONAL DAY RECEPTION: 4 JUNE

24

1. In his minute of 5 June, the Ambassador recorded conversations with various personalities attending the National Day reception at the Quirinale.
2. Paragraph 7 of the minute noted that Signora Fanfani and Signora Vattani would be in London from 12-20 June, where they would stay with the Italian Ambassador. I telephoned the Italian Embassy to ask if the FCO could assist in any way but was told that the visit is entirely private. In fact, Signora Fanfani did not come but Signora Forlani did, accompanied by Signora Vattani. The primary purpose of the visit is to enable the ladies to attend the racing at Ascot. I hope the weather stays fine for them!

WRJ 014/2	
RECEIVED REGISTRY NO. 13	
5 JUN 1981	
OFFICER	REGISTRY
PA	Action Taken
PA RPO	<input checked="" type="checkbox"/>

14/6

R P Osborne
Western European Department

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Minister
H of C

cc: Head WED

WRJ014/2 Italy Italian Political.

Received 16 JUN 1981

DEPT OFFICER PA

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Mr. G. Stone Yes
Mr. Carter 17/6
This is all interesting.
Spadolini has the new mandate from a govt.
R/O 17/6

ITALIAN NATIONAL DAY RECEPTION AT THE QUIRINALE ON 4 JUNE

1. The following is fall-out from this national occasion. I have recorded separately what the President and his staff said to me about the Royal Wedding.
2. New Government. President Pertini said it was slow and uphill work. The parties would simply not agree among themselves. The Socialists were being the most tiresome. He had confidence in Forlani and did not want delay. I also discussed the present state of affairs with Secretary-General Maccanico, Ministers Colombo, Andreatta, La Malfa and Rognoni, and with General Bartolucci and Secretary-General Malfatti. I was able to speak only briefly to Spadolini, Zanone, Zamberletti and Amadei. The general impression was that progress was slow and a solution might not be reached before the Administrative elections. The most likely outcome might be another Forlani Government based on a pact with the Socialists, with some formula on alternation for the Presidency of the Council. Malfatti, himself a Socialist, said the PSI wanted to play it long. They hoped to get a lift from the results of the French election in mid-June and again from the Italian elections a week later. He discounted the possibility of Communist ministers in the French Government. He gave the impression that it was accepted that President Pertini had ruled out the premiership for Craxi at this point. I heard only one opinion that another lay prime minister might solve the problem, ie Spadolini. The DC Ministers gave the impression that the Socialists were being excessively demanding. The Spanish Ambassador, who has good Socialist links, said that they were being very tough on the distribution of portfolios. For example, they wanted the Ministry of the Interior - difficult because Rognoni had been a good minister. They even aspired to the MFA - even more difficult because of Colombo's evident qualities. (I see the press mentions the candidature of Giolitti.) Piccoli and Forlani were discussing this in a corner while I was in the smaller room with the President; and earlier in the day Umberto Vattani from Forlani's office had said that he thought that things were moving towards a solution - but his was the only optimistic voice I heard during the day. Several interlocutors were worried about the length of the gap if a new government were not in place until after the elections. The President himself spoke of the undesirability of "un vuoto". I asked Andreatta whether this would be bad for the economy and he said his main preoccupation was that of the strength of the Dollar. Vattani added that Forlani was bearing up well, and was extremely cool, calm and collected. President Pertini said that Forlani did not want to stick to office and was really fed up with the whole thing, which showed that he was an honest man. The President obviously wanted him to succeed, was trying to force the pace, and was fed up with the Socialists. In short, the situation is obviously a difficult one and the Socialists are trying to drive a hard bargain despite the fact that they are fairly heavily implicated in P2.



3. P2. I asked Rognoni and Andreatta why certain senior officials etc were resigning or going on leave when nothing had been proved against anybody, nor indeed against P2 itself. Rognoni said that conflicts had to be cleared out of the way. For example, he could not very well give orders for this or that course of action to heads of SISIE and SISMI who were implicated in P2: therefore they had to be set aside. Andreatta on the other hand said that officials in his Ministry had gone voluntarily. Some did not deny the charges and some went with a sense of shame. Both of these Ministers said that it was incompatible with public service to belong to something like P2. They even said that taking the ordinary Masonic oath was in conflict with loyalty to the state. They and others had made it clear that they distinguished between British Masonry and Italian. Andreatta indeed said that he had been to a Masonic lodge in Britain and found it little more than Rotary/Lions, ie a mutual-help society with charitable overtones. I clarified with Umberto Vattani that Gregorio of the Quirinale was now being returned to Montecitorio had acted as personal valet to President Pertini and handled visitors, telephone calls and other personal services. Between them, he and Piscitello must have been an embarrassment to the President as their link with P2 emerged. Vattani suggested that Malfatti's position was anomalous; other prominent figures had resigned while he stayed put. He added that there was beginning to be criticism in the press and perhaps somebody was trying to unseat Malfatti. The general impression is that the Government had not handled the crisis very well. One has the spectacle of people resigning all over the place or being sent on leave without any statements being put out officially, while some are defending themselves vigorously, eg Fiori. The scandal is one which brings in a number of others, Sindona and ENI, for example. Gelli was also said to have had easy access to the Palazzo Chigi. There seemed to be fewer and fewer people who are not involved in some way. Everybody comments on how Andreotti has managed to keep his name out of it so far.

4. Italian Economic measures. Andreatta said he hoped we would not make difficulties in Brussels. I said I did not think we had. He said he really meant the Germans, who had raised some complaints. I asked if there was any criticism of the measures inside Italy, and he replied that there had been a misguided demonstration by hoteliers in the South, who did not seem to understand that the measures worked the other way round.

5. Meeting in London. Signor Forlani merely said that we would have to see what could be done about a new date for the meeting. I grumbled a bit to Secretary-General Malfatti, saying that it did not help the Italians to play the rôle they wanted in Europe if they could not keep these appointments. As regards other appointments, I see that Cheysson is coming to Rome and the Japanese Ambassador told me that the visit of his Prime Minister is still on, and indeed I have received an invitation for a function on 12 June. Nevertheless I have the impression that the visit might not be quite firm and that there might even be doubts about that of Chancellor Schmidt.



6 spoke. In fact it is Sign Vattani and Signor Foresti. No help required. Ho 15/1

7. Visit to London. I learned that Signora Maria Pia Fanfani and Signora Vattani are going to London for ten days from 12-20 June, staying with the Italian Ambassador. Signora Vattani is taking her two sons along. They hope to go to Glyndebourne, Trooping the Colour, Ascot and so on. I expect Ambassador Cagiati will make all the arrangements but some help might be needed from WED and/or PCD.

8. Oxfam Concert. Signora Maria Pia Fanfani confirmed definitely that she would see us on Monday evening in the box at the Opera for the concert.

9. The May case. I spoke to General Cappuzzo. He said that the air search really proved to be impracticable because of the rugged terrain. I said that Mr May believed that an air search might turn up traces of graves, but the General was not impressed. I then explained Mr May's main point, which was that the possibility of search be exhausted in order that it could be ruled that a crime appeared to have taken place, in which case the door would be kept open. The General said he still thought more in terms of an accident, but he gave me an assurance that the file would not be closed.

10. Europe/Japan/United States Seminar: 9/10 June. Minister Speranza said he hoped I could come to a luncheon he would be giving on 10 June. Foresti said he thought it would be appropriate to attend the opening ceremony, and possibly the closing remarks, as well as the lunch. He clearly did not expect an Ambassador to attend all the time.

R Arculus

5 June 1981

R Arculus