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[Cables]
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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: EXECUTIVE SECRETARIAT, NSC: Records

Archivist: lov

Country File

FEBRUARY 1982 - MARCH 1982 [CABLES]

File Folder: ITALY 1/1/82 - 6/30/82 VOL III [2/6]

Date: May 20, 1999

~~[Cables: Feb-Mar]~~ Box 91327 **Box 15**

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
<u>Entire Folder</u>			
1. cable	011259Z FEB 82, 5p	2/1/82	P1/F1 P5
2. cable	031745Z FEB 82, 4p P 5/25/00 NL SF 97051 #18	2/3/82	P1/F1
3. cable	061001Z FEB 82, 1p R " " #19	2/6/82	P1/F1
4. cable	081644Z FEB 82, 2p	2/8/82	P1/F1
5. cable	090927Z FEB 82, 5p	2/9/82	P1/F1
6. cable	100401Z FEB 82, 2p	2/10/82	P1/F1
7. cable	101734Z FEB 82, 4p	2/10/82	P1/F1
8. cable	111710Z FEB 82, 4p	2/11/82	P1/F1
9. cable	121619Z FEB 82, 1p	2/12/82	P1/F1
10. cable	121952Z FEB 82, 1p	2/12/82	P1/F1
11. cable	131605Z FEB 82, 2p	2/13/82	P1/F1
12. cable	131606Z FEB 82, 1p	2/13/82	P1/F1
13. cable	171836Z FEB 82, 2p	2/17/82	P1/F1
14. cable	202019Z FEB 82, 3p	2/20/82	P1/F1
15. cable	260142Z FEB 82, 1p	2/26/82	P1/F1
16. cable	261724Z FEB 82, 2p	2/26/82	P1/F1
17. cable	020009Z MAR 82, 2p	3/2/82	P1/F1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information compiled for law enforcement purposes [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

WITHDRAWAL SHEET

Ronald Reagan Library

Collection: EXECUTIVE SECRETARIAT, NSC: Records

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(Feb-Mar 1982 - March 1982) [Cables]

File Folder: ITALY 1/1/82 - 6/30/82 VOL III [2/6]

Date: May 20, 1999

[Cables: Feb-Mar] Box 91327 *BOX 15*

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
18. cable	031341Z MAR 82, 1p	3/3/82	P1/F1
19. cable	031749Z MAR 82, 1p	3/3/82	P1/F1
20. cable	050151Z MAR 82, 2p	3/5/82	P1/F1
21. cable	050202Z MAR 82, 4p	3/5/82	P1/F1
22. cable	151419Z MAR 82, 5p <i>R 5/24/00 NL5F97051#20</i>	3/15/82	P1/F1
23. cable	181112Z MAR 82, 12p	3/18/82	P1/F1
24. cable	230301Z MAR 82, 7p	3/23/82	P1/F1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
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THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

WHITE HOUSE SITUATION ROOM

PAGE 01 OF 02 ROME 2781
SIT863 DATE 02/16/82

DTG: 031745Z FEB 82 PSN: 000446
TOR: 034/1911Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:
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EOB:
WHSR COMMENT:

MESSAGE ANNOTATIONS:
NO MESSAGE ANNOTATIONS

DECLASSIFIED IN PART
NLS F97-051718
By MJM, NARA, Date 5/25/00

MESSAGE:

IMMEDIATE
DE RUEHRO #2781/01 0341747
O 031745Z FEB 82
FM AMEMBASSY ROME

TO SECSTATE WASHDC IMMEDIATE 3034

~~SECRET~~ SECTION 01 OF 02 ROME 02781
NODIS

E.O. 12065: RDS-1 2/2/02 (BRIDGES, PETER S.) OR-M
TAGS: PINT, PTER, IT
SUBJECT: DOZIER CASE WRAP-UP: THE LIBERATION
REF: STATE 26624

1. ~~(ENTIRE TEXT.)~~
2. THIS IS ONE OF A SERIES OF MESSAGES WHICH WILL COVER THE LIBERATION AND DEBRIEFING OF GENERAL DOZIER. WE COVER HERE THE CHAIN OF EVENTS WHICH RESULTED IN THE GENERAL'S LIBERATION. SEPTEL REPORTS DOZIER'S REFLECTIONS ON HIS EXPERIENCE DURING LONG CONVERSATION JANUARY 30 -WITH EMBASSY POL COUNS, M. GEN. MCFADDEN, AND L. GEN THOMPSON. SUBSEQUENT MESSAGES WILL REPORT DETAILS OF THE GENERAL'S FORMAL DEBRIEFING. WE WILL BE RECEIVING COPIES OF TRANSCRIPTS OF THE ITALIAN DEBRIEF OF THE GENERAL.
3. FOLLOWING INFORMATION IS RESULT OF DEBRIEF OF U. S. EMBASSY REPRESENTATIVE TO ITALIAN COORDINATOR DE FRANCISCI'S WORKING GROUP, WHOSE INVESTIGATORS LED THE OPERATION WHICH FREED DOZIER. INPUT FROM OTHER CONFIDENTIAL SOURCES IS INVOLVED AS WELL. THE INFORMATION IS PROVIDED IN STRICT CONFIDENCE AND MUST NOT BE COMPROMISED.

MESSAGE (CONTINUED):

4. PRESS REPORTS ON THE OPERATION WHICH FREED THE GENERAL HAVE BEEN INCORRECT IN SEVERAL RESPECTS, ALTHOUGH MAIN LINES OF REPORTING HAVE BEEN NOTABLY ACCURATE.

~~REDACTED~~

~~REDACTED~~

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WHITE HOUSE SITUATION ROOM

PAGE 02 OF 02. ROME 2781

DTG: 031745Z FEB 82 PSN: 000446

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7. AT THIS POINT, POLICE WERE WORKING FEVERISHLY AGAINST THE CLOCK, BELIEVING THEY WERE VERY CLOSE TO THE FINAL LEAD. POLICE BELIEVED THAT SUCH A LEAD HAD TO BE PRODUCED BEFORE THE STORY OF THE MOST RECENT ARRESTS LEAKED AND DOZIER'S CAPTORS BECAME ALERTED TO INDICATIONS THAT INVESTIGATORS WERE CLOSING IN. DE FRANCISCI AND IMPROTA BELIEVED THAT IF THE CAPTORS WERE ALERTED, THEY WOULD EITHER FREE DOZIER AND FLEE, OR KILL HIM IMMEDIATELY.

MESSAGE (CONTINUED):

THEY PUT ALL THE POLICE HEADQUARTERS IN THE VENETO AREA ON ALERT FOR POSSIBLE MOVEMENT OF THE BR CAPTORS, WITHOUT EXPLAINING THE NEED FOR INCREASED VIGILANCE.

8. AS THE INTERROGATIONS WERE DEVELOPING, THE EMBASSY WAS KEPT ABREAST BY ITS REPRESENTATIVE IN VERONA. KNOWLEDGE OF THE PROGRESS BEING MADE BY THE POLICE IN VERONA WAS KEPT RESTRICTED TO THE EMBASSY, GENERAL MCFADDEN AT USASETAF, AND SELECTED OTHER U. S. PARTICIPANTS TO PREVENT COMPROMISE OF THE OPERATION. BY LATE AFTERNOON OF JANUARY 27, ALL AVAILABLE US SIGINT ASSETS, INCLUDING PLANES FROM EUCOM AND HELICOPTERS FROM SETAF, WERE ATTEMPTING TO MONITOR RADIO SIGNALS WHICH WOULD PROVIDE A LEAD (MANY INTERCEPTS WERE PRODUCED, MOST OF THEM HOAXES, AS FAR AS WE CAN TELL).

9. AT 0200 HOURS ON JANUARY 28, DR. IMPROTA [REDACTED]

ROME 2781

DTG: 031745Z FEB 82 PSN: 000446

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WHITE HOUSE SITUATION ROOM

PAGE 01 OF 02. ROME 2781
SIT862 DATE 02/16/82

DTG: 031745Z FEB 82 PSN: 000449
TOR: 034/1913Z

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EOB:
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MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE
DE RUEHRO #2781/02 0341749
O 031745Z FEB 82
FM AMEMBASSY ROME

TO SECSTATE WASHDC IMMEDIATE 3035

~~SECRET~~ SECTION 02 OF 02 ROME 02781
NODIS

[REDACTED] (ON ASSIGNMENT FROM NAPLES -- STRICTLY PROTECT) BEGAN INTERROGATING ONE OF THE INDIVIDUALS IDENTIFIED [REDACTED] BY 0345 THAT SAME MORNING, HE IDENTIFIED SPECIFICALLY THE PRISON OF GENERAL DOZIER IN PADOVA. AT 0600, THE LOCATION WAS PLACED UNDER POLICE SURVEILLANCE, AND PLANS BEGAN TO BE DRAWN UP FOR THE ASSAULT. IT WAS DECIDED TO WAIT UNTIL LATE IN THE MORNING SO THAT THE ASSAULT TEAM WOULD HAVE BETTER COVER GETTING TO THE APARTMENT.

10. AT 1115 DR. IMPROTA, FOUR OF HIS INVESTIGATORS, AND THE CIVIL POLICE SPECIAL UNIT (NOCS) MOVED INTO PLACE IN A MOVING VAN. WHILE OTHER POLICE FORCES SEALED OFF THE ASSAULT AREA, THE NOCS SQUAD FIRST ENTERED THE BUILDING AT ABOUT 1125. THE LARGEST AND STRONGEST OF THE SQUAD, A PRIZE-WINNING WEIGHTLIFTER, BROKE DOWN THE DOOR AND THE TEAM MOVED TO DOMINATE THE APARTMENT. THE NOCS MEMBER FIRST INTO THE APARTMENT WAS ALSO THE ONE THAT CLUBBED THE BR MEMBER RAISING HIS PISTOL AT DOZIER. AT 1136 DOZIER WAS FREED. THE ACTUAL PENETRATION OF THE APARTMENT ITSELF TOOK 10-15 SECONDS. NO EXPLOSIVES WERE USED, AND NO SHOTS FIRED. FIVE TERRORISTS WERE ARRESTED: THE LEADERS WERE ANTONIO SAVASTA AND EMILIA LIBERA, ACCOMPANIED BY CESARE DI LENARDO, GIOVANNI GIUCCI, AND EMANUELA FRASCELLA (HER FATHER RENTED THE APARTMENT).

MESSAGE (CONTINUED):

11. REGARDING REWARDS: THERE HAS BEEN MUCH SPECULATION ABOUT REWARDS THROUGHOUT THE DOZIER KIDNAPPING. THE RUMORS OF "FRIENDS OF DOZIER" REWARDS AND OTHER SUMS DID NOT PRODUCE ANY SUBSTANTIVE LEADS IN THE INVESTIGATION. THE REPORT THAT IMPRISONED BR MEMBER MICHELE GALATI WAS PROMISED A REWARD TO INFLUENCE HIS BROTHER PAOLO IS INACCURATE. THE PRESS REPORTS THAT PAOLO GALATI IS A NARCOTICS ADDICT ARE ALSO UNTRUE, HOWEVER A PROMISE OF MONEY [REDACTED]

[REDACTED] DID GREATLY INFLUENCE THEIR CONFESSIONS. WE BELIEVE THEY WERE ALSO PROMISED SPECIAL TREATMENT FOR THE COOPERATION AND MOST LIKELY, THAT THE AUTHORITIES WOULD FOREGO ESPECIALLY HARSH MEASURES. THESE STEPS WERE TAKEN BY IMPROTA AS AN INTERROGATION TECHNIQUE, PARTICULARLY DICTATED BY THE NEED TO BREAK THE CASE AS QUICKLY AS

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WHITE HOUSE SITUATION ROOM

PAGE 02 OF 02 ROME 2781

DTG: 031745Z FEB 82 PSN: 000449

POSSIBLE THE NIGHT OF JANUARY 27-28. WE DO NOT KNOW THE EXACT AMOUNT PROMISED THE TWO INFORMANTS, BUT COORDINATOR DE FRANCISCI HAS PROMISED IMPROTA THAT THE MINISTRY OF INTERIOR WILL BACK UP HIS COMMITMENT. WE SEE NO U. S. LIABILITY IN THE PROMISE OF REWARD IN THESE CIRCUMSTANCES.

12. WITH REGARD TO USE OF THE NOCS SQUAD IN THE OPERATION ITSELF, EMBOFFS (AND JSOC OFFICERS HERE) HAVE LONG FELT THAT IF THE CIVIL POLICE WERE THE ONES TO PRODUCE THE KEY INFORMATION LEADING TO DOZIER, THEY WOULD QUITE LIKELY USE THEIR OWN MEN IN CARRYING OUT THE OPERATION. THE SAME HOLDS TRUE FOR THE CARABINIERI. THIS BELIEF WAS BASED ON REASONS OF SERVICE PRESTIGE AND CONFIDENCE (THE NOCS HAVE CONDUCTED HUNDREDS OF SUCH ASSAULTS, WITH VIRTUALLY NO PUBLICITY UP TO NOW), AS WELL AS ON SECURITY GROUNDS. THE CHAIN OF COMMAND WHICH ENABLED DE FRANCISCI AND IMPROTA TO UTILIZE THE NOCS SQUAD IS COMPACT (MINISTER OF INTERIOR ROGNONI TO NATIONAL POLICE CHIEF CORONAS TO DE FRANCISCI) AND COMPARTMENTALIZED -- AND THESE ARE KEY FACTORS IN ACTING QUICKLY AND LIMITING THE DANGER OF VITIATING THE OPERATION. THE NOCS ASSAULT WAS PERFECTLY COORDINATED AND EXECUTED. IMPROTA INSTRUCTED THE NOCS TEAM NOT TO FIRE UPON ENTERING THE APARTMENT. HE BELIEVED THAT THE TERRORISTS WHEN CORNERED WOULD SURRENDER, AND WANTED TO AVOID ENDANGERING THE GENERAL'S LIFE IN AN EXCHANGE OF GUNFIRE.

ROME 2781
MESSAGE (CONTINUED):

DTG: 031745Z FEB 82 PSN: 000449

RABB

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WHITE HOUSE SITUATION ROOM

PAGE 01 ROME 3063
SIT281 DATE 02/17/82

DTG: 061001Z FEB 82 PSN: 004856
TOR: 037/1355Z

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WHTS ASSIGNED DISTRIBUTION:

SIT: WPC MCF NAN JP VP SIT EOB
EOB:
WHSR COMMENT:

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE
DE RUEHRO #3063 0371001
O 061001Z FEB 82
FM AMEMBASSY ROME

TO SECSTATE WASHDC IMMEDIATE 3165

C O N F I D E N T I A L ROME 03063
EXDIS
E. O. 12065: GDS 02/06/88 (BRIDGES, PETER S) OR-M
TAGS: OVIP
SUBJ: PRESIDENTIAL VISIT TO ROME JUNE 7

1. C - ENTIRE TEXT.
2. THE PRIME MINISTER'S OFFICE TOLD US FEBRUARY 6 THAT AMBASSADOR PETRIGNANI IN WASHINGTON HAD REPORTED THAT HE UNDERSTOOD THAT THE WHITE HOUSE WOULD BE SENDING MESSRS. CLARK AND DEEVER TO ROME IN MID-FEBRUARY TO DISCUSS DETAILS OF THE COMING PRESIDENTIAL VISIT TO ITALY.
3. WE WOULD, OF COURSE, BE DELIGHTED TO WELCOME MESSRS. CLARK AND DEEVER HERE. WOULD BE GRATEFUL FOR CONFIRMATION OF THE ITALIAN REPORT AND, IF CONFIRMED, WHATEVER YOU CAN TELL US ABOUT DATES OF TRAVEL.
RABB

DECLASSIFIED
NLS F97-051#19
BY MSN, NARA, DATE 5/25/00

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WHITE HOUSE SITUATION ROOM

PAGE 01 OF 02 ROME 6309
SIT126 DATE 03/17/82

DTG: 151419Z MAR 82 PSN: 055027
TOR: 074/1445Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:

SIT: CKLS
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NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE
DE RUEHRO #6309/01 0741425
O 151419Z MAR 82
FM AMEMBASSY ROME

DECLASSIFIED

NLS F47-051 #20

BY MSJ NARA, DATE 5/25/00

TO SECSTATE WASHDC IMMEDIATE 4678
SECDEF WASHDC IMMEDIATE

INFO AMEMBASSY ANKARA 3567
AMEMBASSY BONN 3862
AMEMBASSY CAIRO 3300
AMEMBASSY LONDON 6362
AMEMBASSY MOSCOW 0327
AMEMBASSY PARIS 2166
AMEMBASSY WARSAW 1681
CINCUSNAVEUR LONDON UK
USCINCEUR VAHINGEN GE
USDOCOSOUTH NAPLES IT
USNMR SHAPE BE
BT

~~SECRET~~ SECTION 01. OF 03 ROME 06309
E. O. 12065: RDS-1 03/15/02 (BRIDGES, PETER) OR-M
TAGS: NATO, OVIP, IT (CARLUCCI, FRANK C.)
SUBJECT: DEPSECDEF CARLUCCI'S CONVERSATIONS WITH
ITALIAN MFA OFFICIALS

1. ~~AS~~-ENTIRE TEXT)
2. SUMMARY. MFA SECRETARY GENERAL Malfatti's remarks to DEPSECDEF CARLUCCI centered around the need he saw for the West to accentuate rather than ease the Soviet Union's present economic difficulties. This he said was the approach most likely to induce the

MESSAGE (CONTINUED):

SOVIETS TO MAKE CONCESSIONS ON EAST/WEST ISSUES. HE WAS CRITICAL OF THE LOW-INTEREST FINANCING SOME GOVERNMENTS WERE EXTENDING TO THE SOVIETS FOR THE SIBERIAN GAS PIPELINE AND OTHER COMMERCIAL VENTURES. HE THOUGHT THE ONLY APPROACH REMAINING TO BE TAKEN TO THE PIPELINE PROJECT WAS TO SEEK WAYS TO DELAY IT AND TO TRY TO INCREASE ITS COST. MFA UNDERSECRETARY CORTI'S CONVERSATION WITH CARLUCCI DEALT MAINLY WITH THREE SPECIFIC ITEMS OF DEFENSE COOPERATION IN WHICH HE WAS INTERESTED. END SUMMARY.

3. DEPUTY SECRETARY OF DEFENSE FRANK CARLUCCI VISITED ROME MARCH 11-12. HE CALLED ON DEFENSE MINISTER LAGORIO, UNDERSECRETARY OF MFA BRUNO CORTI AND MFA SECRETARY GENERAL FRANCESCO Malfatti. CARLUCCI'S CONVERSATION WITH LAGORIO IS REPORTED SEPTEL.

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WHITE HOUSE SITUATION ROOM

PAGE 02 OF 02 ROME 6309

DTG: 151419Z MAR 82 PSN: 055027

4. CARLUCCI BEGAN HIS CONVERSATION WITH Malfatti BY EXPLAINING THAT HE HAD BEEN VISITING A NUMBER OF U.S. MILITARY INSTALLATIONS IN EUROPE AND HAD DECIDED TO MAKE A SIDE TRIP TO ROME TO CALL ON DEFENSE MINISTER LAGORIO AND OTHER ITALIAN LEADERS IN RECOGNITION OF GOI SUPPORT FOR RECENT U.S. POLICY INITIATIVES AND ITALY'S UNIQUELY STAUNCH PERFORMANCE AS AN ALLY. HE SAID THERE WAS GROWING APPRECIATION IN WASHINGTON FOR ITALY'S SUPPORT, PARTICULARLY IN VIEW OF THE ITALIANS' BRILLIANT SUCCESS IN FREEING GENERAL DOZIER. IN REPLY, Malfatti AFFIRMED THAT ITALY VIEWED ITS RELATIONSHIP WITH THE UNITED STATES AS A FUNDAMENTAL ELEMENT OF ITALIAN FOREIGN AND DEFENSE POLICIES, ADDING THAT ALLIED UNITY WAS OF PARTICULAR IMPORTANCE JUST NOW IN VIEW OF THE PRESENT SITUATION IN POLAND.

5. Malfatti RECALLED THAT THE WEST HAD ALLOWED THE SOVIETS TO INVADE CZECHOSLOVAKIA AND HUNGARY WITH VIRTUAL IMPUNITY; THE INDIGNATION OF THE INTERNATIONAL COMMUNITY HAD ONLY LASTED ABOUT THREE MONTHS IN EACH CASE. AS FOR THE SOVIET INVASION OF AFGHANISTAN, THE REACTION HAD LASTED PERHAPS SIX MONTHS, BUT NOW AFGHANISTAN WAS FORGOTTEN. THIS MUST NOT BE ALLOWED TO HAPPEN WITH POLAND, Malfatti INSISTED, ADDING THAT THERE WERE MANY POLITICALLY ACTIVE POLES IN NEIGHBORING EUROPEAN COUNTRIES. CARLUCCI AGREED, NOTING THAT

MESSAGE (CONTINUED):

THERE WAS A LARGE AND INFLUENTIAL POLISH POPULATION IN THE UNITED STATES.

6. Malfatti SAID THE SOVIETS WERE DEEPLY WORRIED -- MORE DEEPLY, IN FACT, THAN THEY SHOULD BE -- ABOUT THE POSSIBLE IMPLICATIONS OF THE POLISH CRISIS ON THEIR ACCESS TO WESTERN CREDITS, ADDING THAT THE WEST MUST MAKE THE SOVIETS PAY A HEAVY ECONOMIC PRICE FOR THEIR ROLE IN THE POLISH SITUATION. ON THE OTHER HAND, HE ACKNOWLEDGED THAT GOI HAD MISGIVINGS ABOUT THE ADVISABILITY OF WITHHOLDING ASSISTANCE TO POLISH INDUSTRY, SINCE THIS MIGHT RESULT IN ITS COMPLETE INTEGRATION INTO THE SOVIET INDUSTRIAL SYSTEM AS A CONSEQUENCE OF THE ECONOMIC RESCUE MEASURES THE SOVIETS WOULD HAVE TO TAKE IN ORDER TO SAVE THE FAILING POLISH INDUSTRIES.

7. CARLUCCI OBSERVED THAT THE PREVAILING OPINION AMONG EUROPEAN LEADERS SEEMED TO BE THAT THE SOVIET'S SIBERIAN GAS PIPELINE PROJECT WAS A FAIT ACCOMPLI; HE ASKED WHETHER Malfatti SHARED THIS VIEW. Malfatti REPLIED BY RECALLING THAT IT HAD BEEN AGREED AMONG THE GOVERNMENTS OF ITALY, FRANCE AND THE FRG THAT THE

ROME 6309

DTG: 151419Z MAR 82 PSN: 055027

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WHITE HOUSE SITUATION ROOM

PAGE 01 OF 02 ROME 6309
SIT125 DATE 03/17/82

DTG: 151419Z MAR 82 PSN: 055030
TOR: 074/1443Z

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WHTS ASSIGNED DISTRIBUTION:

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MESSAGE ANNOTATIONS:

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MESSAGE:

IMMEDIATE
DE RUEHRO #6309/02 0741426
O 151419Z MAR 82
FM AMEMBASSY ROME

TO SECSTATE WASHDC IMMEDIATE 4679
SECDEF WASHDC IMMEDIATE

INFO AMEMBASSY ANKARA 3568
AMEMBASSY BONN 3863
AMEMBASSY CAIRO 3301
AMEMBASSY LONDON 6363
AMEMBASSY MOSCOW 0328
AMEMBASSY PARIS 2167
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CINCUSNAVEUR LONDON UK
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~~SECRET~~ SECTION 02 OF 03 ROME 06309
THREE WOULD ACT IN CONCERT IN DEALING WITH THE SOVIET UNION ON THIS ISSUE. THE FRG, HOWEVER, HAD BROKEN RANKS WITHOUT FIRST NOTIFYING THE ITALIANS, AND SHORTLY THEREAFTER THE FRENCH HAD DONE THE SAME. IN THIS SITUATION, MALFATTI SAW ONLY TWO COURSES OF ACTION AVAILABLE TO OPPONENTS OF THE PIPELINE. THE FIRST WAS TO SEEK EVERY OPPORTUNITY TO DELAY THE PROJECT; THE SECOND WAS TO TRY TO INCREASE ITS COST.

8. THE CONVERSATION TURNED TO THE SUBJECT OF CREDITS EXTENDED THE SOVIET UNION BY WESTERN EUROPEAN GOVERNMENTS FOR THE PIPELINE AND OTHER COMMERCIAL ACTIVITIES.

MESSAGE (CONTINUED):

MALFATTI SAID THE LOW INTEREST RATES THE EUROPEANS WERE MAKING AVAILABLE TO THE SOVIETS AMOUNTED TO AN INDIRECT BUT NONETHELESS REAL SUBSIDY TO THE SOVIET MILITARY BUILDUP. MOREOVER, THIS LOW-INTEREST FINANCING WAS BEING PROVIDED AT THE EXPENSE OF WESTERN TAXPAYERS WHO WERE THEREBY RENDERED LESS ABLE TO SUPPORT THEIR OWN GOVERNMENTS' DEFENSE EFFORTS. HE ADDED THAT THE SOVIETS WERE DESPERATELY IN NEED OF WESTERN CREDITS AND IT BEHOVED THE WEST TO DO EVERYTHING POSSIBLE TO ACCENTUATE RATHER THAN EASE THEIR ECONOMIC DIFFICULTIES. THIS, HE SAID, WAS THE ONLY WAY TO GET THEM TO BARGAIN SERIOUSLY ON ARMS CONTROL AND OTHER ISSUES.

9. AS TO WHETHER THE SIBERIAN PIPELINE WAS OR WAS NOT A FAIT ACCOMPLI, MALFATTI CITED WINSTON CHURCHILL'S

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WHITE HOUSE SITUATION ROOM

PAGE 02 OF 02 ROME 6309

DTG: 151419Z MAR 82 PSN: 055030

RALLYING CRY TO "FIGHT ON THE BEACHES". HE NOTED THAT THERE WAS A RELATIVELY UNNOTICED CLAUSE IN THE PIPELINE AGREEMENT WHICH WAS BEGINNING TO WORRY SOME WESTERN EXPERTS, NAMELY A PROVISION THAT WOULD ALLOW THE SOVIET UNION TO ADJUST ITS GAS PRICES TO MATCH THOSE OF OTHER SUPPLIERS. A POSSIBLE EVENTUAL GAS-PRICING AGREEMENT WITH THE ALGERIANS COULD ENABLE THE SOVIETS TO INVOKE THIS CLAUSE. MALFATTI WAS NOT OPTIMISTIC, HOWEVER, ABOUT THE CHANCES OF BLOCKING THE PIPELINE PROJECT.

10. CARLUCCI SAID HE HAD BEEN IMPRESSED BY HOW CLOSELY MANY OF THE VIEWS EXPRESSED BY MALFATTI PARALLELED THOSE OF THE PRESENT U. S. ADMINISTRATION, ESPECIALLY CONCERNING ECONOMIC POLICY TOWARD THE SOVIET UNION. MALFATTI SAID THE NEED FOR CLOSE COOPERATION IN SUCH MATTERS WAS VERY IMPORTANT AND THAT GOI WOULD LIKE TO SEE GREATER U. S. COOPERATION WITH ITALY IN REGARD TO MARKETS FOR THE LATTER'S DEFENSE INDUSTRY.

11. MFA UNDERSECRETARY BRUNO CORTI'S REFERENCE TO U. S. - ITALIAN COOPERATION IN ARMAMENTS PROCUREMENT WAS MORE SPECIFIC THAN MALFATTI'S. AS SOON AS HIS CONVERSATION WITH CARLUCCI GOT UNDERWAY HE LISTED THREE ITEMS IN WHICH HE WAS PARTICULARLY INTERESTED, NAMELY THE BERETTA'S ENTRY IN THE U. S. SIDEARMS COMPETITION, THE POSSIBILITY OF FMS JOINT FINANCING (ALONG WITH

MESSAGE (CONTINUED):

GOI) FOR FIAT VEHICLES FOR EGYPT, AND SIMILAR JOINT FINANCING OF AGUSTA HELICOPTERS FOR TURKEY.

12. CARLUCCI EXPLAINED THAT NONE OF THE COMPETITORS HAD MET THE STANDARDS SET FOR THE U. S. SIDEARMS COMPETITION, AND INFORMED CORTI THAT A TECHNICAL GROUP WOULD SOON BE DISCUSSING BERETTA'S ENTRY WITH THAT COMPANY. THE FMS CREDIT FOR THE FIAT VEHICLES FOR EGYPT HAD ENCOUNTERED LEGAL PROBLEMS RELATED TO THE INTEREST OF A U. S. FIRM IN BIDDING ON THE CONTRACT. HIS UNDERSTANDING WAS THAT THE TURKISH GOVERNMENT HAD ALREADY BUDGETED ALL ITS U. S. MILITARY ASSISTANCE FUNDS FOR THE CURRENT YEAR AND HAD NOT INCLUDED THE PURCHASE OF AGUSTA HELICOPTERS IN ITS PROJECTIONS. HOWEVER, HE AGREED TO LOOK INTO THE MATTER.

13. CORTI SAID HE DID NOT REGARD THE SIBERIAN PIPELINE AS A FAIT ACCOMPLI. HE SAID GOI'S PRESENT STANCE IN REGARD TO THE PROJECT WAS ACCURATELY DESCRIBED AS A "PAUSE FOR REFLECTION". HE THOUGHT THE APPROPRIATE RESPONSE BY THE WEST LAY IN FIND-

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