
October 18, 1985

PREMIER OF ITALY, SCORNING U.S. ACTS, QUILTS OVER FUROR

By E. J. DIONNE JR., SPECIAL TO THE NEW YORK TIMES

The Prime Minister of Italy resigned today after a speech to Parliament in which he spoke of his "bitterness" over actions by the United States in the aftermath of the hijacking of the liner Achille Lauro.

The collapse of the 26-month-old coalition Cabinet led by Prime Minister Bettino Craxi produced one of the most dramatic days in Italian politics in several years.

The Prime Minister was forced to resign after Giovanni Spadolini, the Defense Minister, pulled his Republican Party out of the Government on Wednesday to protest its handling of the hijacking and its decision to free Mohammed Abbas, a Palestinian guerrilla sought by the United States.

The United States also condemned Mr. Craxi's decision to release Mr. Abbas.

Final Cabinet Meeting

After a final Cabinet meeting today, which the Republicans did not attend, Mr. Craxi made his address and then drove to the Presidential Palace to hand his resignation to President Francesco Cossiga.

Mr. Cossiga asked Mr. Craxi to stay on as a caretaker Prime Minister until a new government was formed. Immediately, political leaders began discussions aimed at forming a new cabinet, which could ultimately include the same five parties that made up Mr. Craxi's coalition.

Italians Told to 'Go Away'

In his speech, Mr. Craxi also asserted that on the night of Oct. 11, an unauthorized American aircraft followed an Egyptian airliner taking Mr. Abbas and an associate from Sicily to Rome.

The evening before, the two were aboard the same Egyptian plane with the four hijackers of the cruise ship when it was diverted to Sicily by American carrier-based fighter planes.

Mr. Craxi said that when the American plane following the airliner to Rome was asked for identification by Italian fighter planes, the pilot told the Italian pilots to "go away."

Mr. Craxi said Italy had lodged a protest with the United States over the unauthorized plane and was investigating the incident.

In Washington, a Reagan Administration official confirmed that a small military plane from Sigonella air base in Sicily had "shadowed" the Egyptian airliner to Ciampino Airport in Rome "on the initiative of American military authorities at Sigonella" to "keep an eye on" the two Palestinians. But the official insisted that the plane had taken no threatening actions.

Troops Said to Argue at Base

American officials also said that on the night the Egyptian airliner was diverted to Sicily, American commandos and Italian soldiers argued bitterly over which forces would hold the hijackers and the two other Palestinians. One official said the two groups had come close to exchanging gunfire before the Americans backed off.

Mr. Abbas, the Palestinian official, has been described by American officials as the mastermind of the operation that led to the hijacking. After the Egyptian airliner was diverted to Sicily, the hijackers were arrested and charged with murder and kidnapping, while the two Palestinian officials were allowed to travel aboard the Egyptian plane to Rome. The Government later allowed Mr. Abbas to leave the country.

Italian political analysts said today that it was possible President Cossiga would ask Mr. Craxi, head of the Socialist Party, to lead a new coalition of the same five political parties, though this depended on the outcome of the discussions.

Mr. Craxi said forming a new government could take three to four weeks. Other Italian politicians, however, hoped for a quicker solution.

In his address to a packed Chamber of Deputies, Mr. Craxi used particularly strong language to express his anger at the United States reaction to Italy's role in the hijacking affair.

'Polemical Tone' Charged

"The polemical tone of the first reactions of the American Government could not but cause the most profound regret and also a sense of bitterness," he declared, "for the lack of recognition on the part of a friendly Government for all that the Italian Government had done to come out of a particularly difficult and critical situation successfully.

"Words have been pronounced," Mr. Craxi continued, "which I must assume derive from an incomplete evaluation of the facts and the circumstances which the Italian Government had to consider in its line of conduct."

Mr. Craxi said he felt especially hurt over the American reaction because he had made it clear to the United States that "Italy was ready to risk the lives of its military to save the passengers on the ship and especially those who seemed most directly in peril, the American citizens aboard."

Referring to Italy's largely successful war against domestic terrorism, he said, "The Italian Government has always taken a firm stand in the struggle against terrorism, and the facts support that. No free government in the world has had such positive results in the fight against terrorism without having destroyed the principles of legality."

Mr. Craxi's speech also was designed to affirm earlier Italian claims of close consultation between Italy, Egypt, the United States and the Palestine Liberation Organization before the Egyptian airliner carrying the terrorists was intercepted by American planes.

Sought Extradition

As soon as he learned of the death of Leon Klinghoffer, an American passenger on the Achille Lauro, Mr. Craxi said, he demanded Egypt's extradition of the four terrorists to Italy and also told Yasir Arafat, chairman of the Palestine Liberation Organization, that he wanted them transferred to Italy. He said he communicated this intention to President Reagan.

Mr. Craxi repeated the view of Italy that American requests for Mr. Abbas, the Palestinian official, lacked

what it saw as an adequate legal basis. He also said Egypt had told Italy that it would "defend if necessary the inviolability of the airplane with arms." Egypt had told Italy that 10 armed guards were aboard the plane, he said.

Mr. Craxi's Government was the first since the war to fall over a foreign policy issue. Many leaders of the parties in the coalition - the dominant Christian Democrats, the Social Democrats and the Liberals as well as the Republicans and Mr. Craxi's Socialists - expressed anger that a Government had been brought down on an international issue.

There are several major points of disagreement and friction between the United States and Italy arising from the hijacking of the Achille Lauro.

THE FOUR HIJACKERS - Washington felt Rome should have extradited the hijackers for trial in the United States because an American had been slain.

Italy argued that the crimes had been committed on an Italian ship and had to be considered under Italian jurisdiction.

P.L.O. AIDES - The United States criticized Bettino Craxi, who resigned yesterday as Prime Minister, for allowing Mohammed Abbas and another Palestinian aide to leave Italy after the United States had issued a warrant for the provisional arrest of Mr. Abbas.

Mr. Craxi argued that there was insufficient evidence on which to arrest Mr. Abbas, that the Egyptian airliner he was on had enjoyed extraterritorial status, that Mr. Abbas had helped negotiate the release of the passengers aboard the ship, and that he had carried a diplomatic passport from Iraq.

In response, the United States argued that it had presented Italy with substantial evidence on Mr. Abbas and had promised to provide more.

AMERICAN FORCES - Mr. Craxi expressed annoyance at the way the United States used its military forces after intercepting the plane. Mr. Craxi described these incidents:

After the airliner was forced to land at a joint Italian-American military base in Sicily, 50 American soldiers in combat uniforms surrounded 50 Italian soldiers. There were indications the United States forces were prepared to seize the hijackers, but an American officer said the Americans backed down and allowed the Italians to take custody of the hijackers.

When four Italian jets accompanied the Egyptian jetliner carrying Mr. Abbas from the base to the airport in Rome on Oct. 11, an American F-14, without Italian authorization, left from the base, followed the airliner, and would not identify itself.

After the airliner landed, an American T-39 plane requested emergency permission to land and did so a few minutes later, several meters away. Italy has filed a protest with Washington over this incident.

CRITICISM OF ITALY - Mr. Craxi indicated he felt that the United States, through its criticism of the release of Mr. Abbas, was showing ingratitude.

He said Italy had been prepared to risk its soldiers' lives to free the ship and supported the American interception of the Egyptian airliner.