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PRIVATE

CMM.

Since the start of the Falklands' crisis I have been in regular touch by telephone with Doctor Cristiano Rattazzi in Buenos Aires. Rattazzi is the son of Signora Susanna Agnelli, an Italian MEP, and is a nephew of Signor Giovanni Agnelli, Chairman of Fiat. His present job is No.2 in Impresit Argentina, Fiat's construction subsidiary. Rattazzi has dual Argentine/Italian nationality, having been born in Argentina, where he has also worked for several years in Fiat, itself an important prop to the Argentine economy. I have known Rattazzi well for 20 years.

He is well-placed socially and politically in Buenos Aires and amongst his friends are:

- Maxi Gaenza Paz, who owns and edits "La Prensa";
- Amalita Forte Bas, widow of an Argentine steel tycoon, who, Susanna Agnelli tells me, is now the mistress of one of the leading Generals.

Rattazzi is aware that I have friends in our Administration, and has on several occasions asked whether I would be prepared to pass on any private message from Buenos Aires. I have always answered that I would be happy to try to pass on anything constructive from them, but that I have nothing to say from this end beyond what I hear on the wireless (which I communicate regularly).

Rattazzi telephoned me at 08.15 hours this morning (Tuesday 4th May) saying that Gaenza saw Costa Mendez "last night" - (possibly the night of 3rd May) - and told him that he might have a private line to London via the Agnelli family, if that was of interest to Costa Mendez. The latter appeared very enthusiastic about the idea saying that he would consult urgently with his masters and come back to Gaenza. As at 08.15 British time today he had not done so.

But I thought I should pass it on.

M.E.M. Pearson