



10 DOWNING STREET

From the Principal Private Secretary

17 May 1982

ITALY AND SANCTIONS AGAINST ARGENTINA

The Prime Minister spoke on the telephone at 1435 yesterday to Signor Colombo, who was in Luxembourg, about the renewal of Community sanctions against the Argentine. Immediately afterwards I gave a summary of their conversation to the Foreign Secretary's party in Luxembourg. This letter records the main points of the exchange between the Prime Minister and Signor Colombo.

The Prime Minister said that the decision on the continuation of Community sanctions against Argentina which was to be taken that day was a very important one not only for the United Kingdom but also for the Community as a whole and for all who believed in upholding the rule of law throughout the world. The United States and the vast majority of the third world had supported Britain in her stand against aggression, and we felt that it was essential at this stage to be seen by them to be preserving Community solidarity. The fact was that the United States alone could not solve the problem. The Community's decision on the renewal of sanctions would be very much taken in the United Kingdom as a test of the solidarity of the Community. Chancellor Schmidt and President Mitterrand had come out in public very strongly in favour of the renewal of sanctions. If the Community failed now to extend sanctions, they would be completely split. That was of course precisely what the Argentines wished to achieve. If the Community failed to renew sanctions it would immensely strengthen all those in the world who did not uphold international law and believed that it could be changed by force.

The Prime Minister went on to say that the Foreign and Commonwealth Secretary had just left a meeting she had been holding at Chequers to travel to Luxembourg to join the other Foreign Ministers of the Community there. He would tell them that we were sending our Ambassador to the United Nations back to New York with fresh instructions to continue the negotiations. If those negotiations were to have a chance of being successful - and it was the earnest wish of the British Government that they should be successful - then there had to be a continuation of economic sanctions. If the Argentine Government felt that the Community was no longer behind the United Kingdom, there would be no hope of getting a peaceful settlement. We must not weaken the pressure on Argentina at this vital stage. She was well aware of the difficulties which sanctions

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presented for Italy. But Signor Colombo had a great understanding not only of European matters but of world matters generally and she hoped that we could count on his support and that of Signor Spadolini when the Community took its decision on the renewal of sanctions.

Signor Colombo said that he was quite clear about the significance of the Prime Minister's arguments. Italy had given its solidarity to Britain from the very beginning of the Falklands crisis. But there had been opposition to this course - opposition not only from the opposition parties in Italy, but also within the Government itself. Italy had a special position because there were literally millions of Argentines of Italian origin. They created their own pressures on Italian public opinion, and those pressures had been passed on to the political parties in Italy. They in turn were now putting pressure on the Government. He had to say, with great regret, that as matters stood at the moment, if he were to say yes to the renewal of sanctions, he would be risking a Government crisis in Italy. That, unfortunately, was the conclusion which Signor Spadolini and he had arrived at after a long discussion the previous day. He did not know whether Foreign Ministers would be able to resolve the problem that day or the next. For his own part, he had plenty of goodwill towards Britain but he could not ignore the strong political pressure on his Government from the other parties in Italy. He would report his conversation with the Prime Minister to Signor Spadolini, repeating in full the arguments she had put to him. But he could not guarantee at this point that he would be successful in changing the Italian Government's approach.

The Prime Minister said that she would be most upset if it appeared that Italy, a country from which Britain derived a lot of its law, was supporting aggression. Italy had helped the United Kingdom a great deal in the Community and, given that special relationship between us, it would be a tragedy if Italy, from which the Treaty of Rome derived its name, were to cause a fundamental split and crisis in the Community on this matter. She repeated that Chancellor Schmidt and President Mitterrand were very firm indeed. She hoped that his counsels would prevail with his own Government. A great deal depended on his success, not only for the Falklands but also for many other countries who might be similarly invaded if things went wrong over the Falklands.

Signor Colombo asked whether he could be given some indication about the future prospects for the negotiations.

In reply the Prime Minister said that she believed that the critical point in the negotiations would be reached this week. Sir Anthony Parsons would be trying very, very hard to reach a settlement this week. If a settlement was possible, then we ought to be able to get it very soon. We had been trying hard now for six weeks. This was the sixth lot of proposals which the British Government had considered, and we felt that we had to make a tremendous effort to try to get the matter settled this week. She hoped that this information would help Signor Colombo over the renewal of sanctions.

/ Signor Colombo

Signor Colombo said that he too hoped that it would help. He would continue to do his best and he would be in touch with the Foreign Secretary and with his other colleagues as soon as they arrived in Luxembourg.

I am sending a copy of this letter to David Wright (Cabinet Office).

CLIVE WHITMORE

Francis Richards, Esq.,
Foreign and Commonwealth Office.