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TO IMMEDIATE FCO

TELEGRAM NO. 155 OF 07 APR 82

INFO PRIORITY UKMIS NEW YORK, WASHINGTON, UKDEL NATO

ALQ 050/579/1		
RECEIVED IN REGISTRY		
DESK OFFICER		REGISTRY
INDEX	PA	Action Taken

FALKLAND ISLANDS
FROM ORLEBAR

1. FORGIVE MY RAISING WHAT MAY PROVE TO BE A TRICKY POINT IN FUTURE DISCUSSIONS WITH THE ITALIANS ON THE IMPLEMENTATION OF SCR 502. IN THE SECOND OF MY INTERVIEWS WITH HIM (ROME TELEGRAM NO. 153), BOTTAI TOLD ME THAT THE ITALIANS HAD HAD A LOW LEVEL APPROACH FROM THE ARGENTINE EMBASSY. HIS ACCOUNT WAS CONFUSED BUT GAVE THE IMPRESSION THAT THE ARGENTINES WERE HINTING THEY MIGHT BE PREPARED TO WITHDRAW ALL BUT A TOKEN FORCE FROM THE FALKLANDS (WHICH WOULD INVOLVE, BOTTAI COMMENTED, SOME GESTURE TOWARDS BRITISH SOVEREIGNTY) IN RETURN FOR QUICK AND MEANINGFUL NEGOTIATIONS WHICH GAVE THEM SATISFACTION ON THE POINTS AT ISSUE. I SAID THAT IN PRESENT CIRCUMSTANCES I COULD NOT SEE THE POINT OF ANY NEGOTIATIONS IF THE ARGENTINE'S FINAL OBJECTIVE REMAINED THE ASSERTION OF THEIR SOVEREIGNTY. WHAT MATTERED NOW WAS TO FORCE ARGENTINA TO COMPLY WITH SCR 502 IN ALL ITS PARTS: THIS WAS WHY ECONOMIC AND DIPLOMATIC PRESSURE BY ALL OUR FRIENDS WAS SO IMPORTANT. BOTTAI SAID HE THOUGHT THE ARGENTINE APPROACH WAS NO MORE THAN A REPLAY OF THE "MESSAGE" HE UNDERSTOOD THEY HAD GIVEN THE FRG AMBASSADOR IN BUENOS AIRES, BUT HE SUGGESTED THERE COULD BE "SOMETHING" IN THIS FOR US.

2. WE SUBSEQUENTLY RECEIVED UKDEL NATO TELEGRAM NO. 165, PARAGRAPH 9 OF WHICH REPORTS THE ARGENTINES AS TELLING THE GERMANS THAT "EVERYTHING, INCLUDING THE POSSIBILITY OF WITHDRAWING ARGENTINA'S FORCES IN THE CONTEXT OF A NEGOTIATED SETTLEMENT WAS NEGOTIABLE, EXCEPT FINAL RECOGNITION OF ARGENTINA'S SOVEREIGNTY". WHEN HEAD OF CHANCERY SAW BARBARANI THIS MORNING, THEREFORE, HE ASKED WHETHER THE ITALIANS HAD PICKED UP ANY INFORMATION WHICH MIGHT CORROBORATE THIS REPORT. BARBARANI CONFIRMED, SPEAKING IN CONFIDENCE, THAT THE

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ITALIANS HAD INDEED RECEIVED A MESSAGE SIMILAR TO THAT RECEIVED BY THE FRG, WHICH THEY REGARDED AS A "POSITIVE STEP FORWARD" GIVEN INITIAL ARGENTINE REJECTION OF SCR 502. HEAD OF CHANCERY SAID HE DID NOT SEE THIS REPORTED ARGENTINE STEP AS ANYTHING MORE THAN A TACTICAL MOVE, SINCE THE IMPLICATION WAS SURELY THAT UK RECOGNITION OF ARGENTINE SOVEREIGNTY OVER THE FALKLANDS WAS A PRE-CONDITION OF ANY NEGOTIATIONS. IN ANY CASE, WE HAD EXPRESSLY DECLARED OUR INTENTION OF RESTORING BRITISH SOVEREIGNTY OVER THE ISLANDS.

3. AS I UNDERSTAND IT, SCR 502 IS WITHOUT PREJUDICE TO MEMBER STATES' ATTITUDES ON THE SOVEREIGNTY ISSUE, AND INDEED MANY OF THOSE WHO VOTED FOR US BECAUSE OF ARGENTINE AGGRESSION APPEAR TO HAVE MADE IT CLEAR THAT THEY DID NOT ACCEPT, OR WERE NEUTRAL ABOUT, OUR CASE ON SOVEREIGNTY. I AM A LITTLE CONCERNED THAT THE ITALIANS MIGHT BE ATTRACTED BY AN ARGENTINE MOVE TO COMPLY IN WHOLE OR IN PART WITH SCR 502 BY REMOVING ALL OR MOST OF THEIR TROOPS, WHILE RETAINING A CIVIL ADMINISTRATION ON THE ISLANDS AND THEN PUTTING PRESSURE ON OUR ALLIES TO PERSUADE US TO ENTER INTO NEGOTIATIONS ON THAT BASIS. (THERE ARE ECHOES OF THIS IN THE U S CONGRESSMAN'S PROPOSAL REPORTED IN PARAGRAPH 3 OF WASHINGTON TELEGRAM NO. 1155). I TAKE IT THAT WE WOULD FIRMLY REJECT ANY SUCH PACKAGE, BUT HOPE YOU WILL BEAR IN MIND OUR NEED FOR ADVANCE BRIEFING ON OUR TACTICS IF WE ARE TO BRING EFFECTIVE PRESSURE TO BEAR ON THE ITALIANS TO SUPPORT US.

ARCULUS

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