

TYPISTS

ADVANCE COPIES: FALKLAND ISLANDS

(28)

PS

PS No.10 DOWNING ST.

PS/MR ONSLOW

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MR URE

MR GILLMORE

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SIR K COUZENS

MR LITTLER

MR HAWTIN

MR PERETZ

MR ILETT

MR McINTYRE

H.M.TSY

HD/SAmD (FCO DIST + A/D F/I)

HD/DEF D

HD/NEWS D

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Miss DICKSON (EIP DIV) D/EN

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Dio

RESIDENT CLERK

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ADVANCE COPY

CONFIDENTIAL

IMMEDIATE

FM ROME 170935Z APR 82

TO IMMEDIATE FCO

TELEGRAM NO. 168 OF 17 APR 82

INFO IMMEDIATE MADRID, BRUSSELS, BONN, WASHINGTON, UKREP BRUSSELS AND ROUTINE OTHER EC POSTS, UKDEL NATO.

SAVING FOR INFO OTTAWA, WELLINGTON, CANBERRA, MONTEVIDEO, BIS BUENOS AIRES, HOLY SEE (ACTIONED).

MY TELEGRAM NO. 167 (NOT TO ALL): FALKLAND ISLANDS

ARGENTINE MISSION

1. THE ARGENTINE DELEGATION VISITING ROME WAS FRANCISCO CERRO (PRESIDENT OF THE ARGENTINE CHRISTIAN DEMOCRATS), RAFAEL MARTINEZ RAYMONDA (PROGRESSIVE DEMOCRATS) AND JOSE DEHESA (PERONIST). THEY SAW PICCOLI (CHRISTIAN DEMOCRAT SECRETARY), RUMOR (PRESIDENT OF THE CHRISTIAN DEMOCRAT WORLD UNION), THE SOCIALIST PARTY (PSI) LEADERSHIP, COLOMBO, AND MONS. SILVESTRINI. THEIR PURPOSE WAS TO ASK ITALY TO USE HER INFLUENCE IN THE EC AND HER LINKS WITH BOTH BRITAIN AND ARGENTINA IN FAVOUR OF A PEACEFUL NEGOTIATED SOLUTION: THEY ALSO SET OUT ARGENTINA'S CASE ON SOVEREIGNTY IN STANDARD TERMS.

THEY ALSO SET OUT ARGENTINA'S CASE ON SOVEREIGNTY IN STANDARD TERMS. THEY SAID THAT AFTER THE INVASION THEY HAD TEMPORARILY BURIED THEIR DIFFERENCES WITH THE GALTIERI REGIME, AND HAD COME TO EUROPE ON A PEACE MISSION. THEIR NEXT STOPS ARE SAID TO BE MADRID, BRUSSELS AND BONN.

2. ALL THE ITALIANS THEY MET CONDEMNED ARGENTINA'S ACT OF AGGRESSION, AND STRESSED ITALY'S SOLIDARITY WITH BRITAIN AND COMMITMENT TO EC DECISIONS. NEVERTHELESS, THIS EXPOSITION OF THE ARGENTINE CASE WAS LISTENED TO WITH ATTENTION, AND THE POINT ABOUT ITALY'S STRONG LINKS WITH ARGENTINA WENT HOME. REPORTS OF DEMONSTRATIONS BY RIGHT-WING RESIDENT ITALIANS IN BUENOS AIRES AGAINST THE ITALIAN EMBASSY HAVE CAUSED CONCERN HERE, ALTHOUGH THE NUMBERS INVOLVED ARE SAID TO BE SMALL.

ITALIAN ATTITUDES

3. AFTER THE CALL ON COLOMBO, THE MFA ISSUED A PRESS STATEMENT SAYING THAT THE EC'S INVOLVEMENT ON BRITAIN'S SIDE WAS FELT PARTICULARLY IN ITALY BECAUSE OF ITALY'S LINKS WITH ARGENTINA. IT ADDED THAT HAIG HAD SENT A MESSAGE TO ROME ON 14 APRIL, TO WHICH COLOMBO HAD REPLIED CONFIRMING ITALY'S FULL SUPPORT FOR THE U S PEACE INITIATIVE. BARBARANI OF THE MFA TOLD US THAT THIS DID NOT REPRESENT ANY CHANGE IN ITALY'S BASIC POSITION OF SUPPORT FOR BRITAIN. BUT HE WAS NERVOUS THAT IF SHOOTING STARTED THE PRESENT ALL-PARTY SUPPORT FOR OUR POSITION COULD BEGIN TO CRUMBLE. BIG BUSINESS WOULD BRING PRESSURE TO BEAR ON BOTH THE DC AND PSI, AND THE ENORMOUS ITALIAN COMMUNITY IN ARGENTINA COULD FACE REPRISALS, QUITE APART FROM THE ITALIAN EMBASSY ITSELF. TODAY'S PAPERS REPORT THAT AN ITALIAN CONSORTIUM HAS BEEN STRUCK OFF THE LIST OF TENDERERS FOR A PIPELINE PROJECT.

4. BOTTAI TOLD ME THAT THE GOVERNMENT HAD HAD A REAL BATTLE WITH THE PSI ON 15 APRIL OVER ECONOMIC SANCTIONS. ITALY'S ASSENT TO THE EC WRITTEN PROCEDURE HAD AS A RESULT BEEN COMMUNICATED TO BRUSSELS A FEW HOURS AFTER THE DEADLINE. ALTHOUGH THE MATTER WAS NOW SETTLED THE GOVERNMENT'S DIFFICULTIES WERE NOT OVER. THE SOCIALISTS WERE OPPOSED TO SANCTIONS IN PRINCIPLE, BELIEVING THEM TO BE INEFFECTIVE. BOTTAI WANTED ME TO KNOW HOW DIFFICULT A CLASH THIS HAD BEEN FOR THE GOVERNMENT.

5. THE ARGENTINE DELEGATION HAS CLEARLY HAD SOME IMPACT ON THE SOCIALISTS. OUR CONTACTS IN THE MFA AND PRIME MINISTER'S OFFICE ARE NERVOUS ABOUT FUTURE SOCIALIST ATTITUDES, THOUGH SPADOLINI HIMSELF IS SAID TO BE LESS SO. YESTERDAY'S CABINET MEETING DISCUSSED THE FALKLANDS, AND THE COMMUNIQUE ISSUED AFTERWARDS EXPRESSED THE HOPE THAT ECONOMIC SANCTIONS REMAIN IN FORCE FOR THE SHORTEST POSSIBLE TIME AND THAT A PEACEFUL SOLUTION CAN ENABLE THEM TO BE REVOKED. YESTERDAY A SOCIALIST PARTY NOTE ARGUED THAT, WHILE IT WAS RIGHT FOR ITALY TO IMPOSE AN ARMS EMBARGO, ECONOMIC SANCTIONS AT

