ADVANCE COPIES: FALKLAND ISLANDS

PS

PS/MR ONSLOW TO WELL WANTE

PS/PUS

MR GIFFARD

MR WRIGHT

MR ADAMS

MR URE

MR GILLMORE

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

HD/DEF D

HD/NEWS D

HD/UND

HD/PLANNING STAFF

HD/HKGD

RESIDENT CLERK

(Copies passed to Emergency Staff, MOD Sitcen and CinC Fleet)



ADVANCE COPY

DIO CABINET OFFICE

(29)

PS No.10 DOWNING ST.

Miss DICKSON (EIP DIV) D/EN

MR WADE-GERY CABINET OFFICE

MR FULLER SAPU CABINET OFFICE

1010

H.M. TSY

PS/CHANCELLOR

SIR K COUZENS

MR LITTLER

MR HAWTIN

MR PERETZ

MR McINTYRE

MR ILETT

CONFIDENTIAL

FM ROME 170935Z APR 82

IMMEDIATE

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

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 CHIRSTIAN 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
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 RIGHTWING RESIDENT ITALIANS IN BUENOS AIRES AGAINST THE ITALIAN EMBASSY
HAVE CAUSED CONCERN HERE, ALTHOUGH THE NUMBERS INVOLVED ARE SAID TO
BE SMALL.

## ITALIAN ATTITUDES

- ING THAT 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. BOTTAL 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. BOTTAL WANTED ME TO KNOW HOW DIFFICULT A CLASH THIS HAD
  BEEN FOR THE GOVERNMENT.
- THE ARGENTINE DELEGATION HAS CLEARLY HAD SOME IMPACT ON THE SOCIALISTS. OUR CONTACTS IN THE MFA AND PRIME MINISTER'S OFFICE
  ARE NVERVOUS 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

PRESENT WERE NEITHER USEFUL NOR JUSTIFIED, AND RISKED INCREASING
TENSION: THERE SHOULD BE POLITICAL AND PARLIAMENTARY CONSOLTATION.

MARTELLI, CRAXI'S DEPUTY, HAS SPECIFICALLY COMPLAINED THAT THE PSI
WAS NOT CONSULTED ABOUT SANCTIONS. THE MFA ARE WORRIED ABOUT THIS
LAST POINT BECAUSE OF THE SALVADOR PRECEDENT WHEN COLOMBO HAD IT
BACKTRACK ON SUPPORT FOR JUARTE BECAUSE OF PSI OPPOSITION.

BENVENUTO, THE SOCIALIST UNION LEADER, IS IN BUENOS AIRES AND ACCORDING TO PRESS REPORTS CRITICISED THE EC'S POSITION AS HASTY AND LACKING IN BALANCE, WHILE ALSO ATTACKING THE ARGENTINE GOVERNMENT FOR
ITS REPRESSION OF TRADE UNIONISTS.

6. SO FAR ITALY HAS DONE ALL WE COULD WISH. BUT CRITICISM IS MOUNTING (PARA 3 OF TUR), AND THE PROSPECT OF A SHOOTING WAR CAUSES ANXIETY: FANFANI TOLD ME LAST NIGHT THAT HE HOPED EVERYTHING POSSIBLE WOULD BE DONE TO AVOID HOSTILITIES. THE ARGENTINES ARE ACTIVE HERE DIPLOMATICALLY: AS WELL AS THIS DELEGATION, ORTIZ DE ROSAS, THEIR FORMER AMBASSADOR IN LONDON, IS IN ROME (HE DEALS WITH THE VATICAN OVER THE BEAGLE CHANNEL). EVEN FRINGE PARTIES LIKE THE NEO-FASCIST MSI, WHO HAVE MANY SUPPORTERS IN ARGENTINA AND ELSEWHERE IN SOUTH AMERICA, CAN MAKE TROUBLE: THEY HAVE ALREADY ORGANISED AN ANTI-BRITISH DEMONSTRATION IN MILAN. THERE ARE MORE CRITICAL COMM-ENTS APPEARING IN THE MEDIA. THE FACT IS THAT THIS REMAINS A DIFF-ICULT ISSUE FOR THE ITALIANS: A MORE EVEN-HANDED APPROACH, WHICH TO THEIR CREDIT THEY HAVE RESISTED SO FAR, WOULD BE MUCH MORE COMFOR-TABLE FOR THEM. THUS PARTIAL ARGENTINE COMPLIANCE WITH SC RESOL-UTION 502 MIGHT SEEM TO THE ITALIANS A SUFFICIENT BASIS FOR NEGOT-IATIONS (PARA 3 OF MY TELEGRAM NO. 155, NOT TO ALL). THE MFA WONDER-ED WHETHER WE COULD NOT HALF OUR TASK FORCE AT ASCENSION IF ARGENTINE FORCES WITHDREW FROM THE FALKLANDS.

7. IF PRESENT U S EFFORTS DO NOT SUCCEED, AND THE RISK OF CONFLICT BECOMES MORE ACUTE, I RECOMMEND SENDING SPECIAL MESSAGES TO SPADOLINI AND COLOMBO TO STIFFEN THEM AS THE GOING GETS ROUGH.

MEANWHILE I HAVE ASKED TO CALL ON COLOMBO ON 19 APRIL TO HAND OVER YOUR MESSAGE (FCO TELEGRAM NO. 98 TO ATHENS) AND TO SOUND HIM OUT GENERALLY.

8. FCO PLEASE PASS SAVING ADDRESSEES.

## ARCIII IIS

THE RESERVED THE THE STATE OF THE SELECT OF SHIP OF THE STATES THE STATES OF THE STATE

to not now the section of the sectio