



## THE PRIME MINISTER'S TELEPHONE CALL TO SIGNOR SPADOLINI

BACKGROUND

1. The Italian Government faces many difficulties. The Socialists in particular have come out strongly against sanctions. The Liberals too are against them and even certain factions of the Christian Democrats, witness the recent Congress, are against renewal. Spadolini is trying to hold together a fragile Coalition. The matter of sanctions has been discussed extensively in the Italian Parliament.
2. It is believed that there are about one million Italian passport holders in the Argentine and up to half of the population is of Italian origin. This considerable Italo-Argentine community clearly does not vote in Italy but nonetheless they have, through their families and connections, much influence in Italy. They do not see themselves as being in danger in Argentina and are largely in full agreement with the régime. They have much to lose tradewise.
3. Italy, after Germany, of the Community countries has the largest trade with Argentina. Very large-scale contracts are involved.
4. Italy is naturally very anxious to minimise the possibility of bloodshed and any increases in the likelihood of this occurring is something which plays heavily on Italian sentiments.
5. Italy, which has large connections not only with Argentina, but throughout Central and Southern America, is naturally very preoccupied with the long-term effects of a sanctions policy.



POINTS TO MAKE BY THE PRIME MINISTER TO SIGNOR SPADOLINI

1. I well sympathise with your difficult position (particularly of the hardline taken by the Socialists). I am very grateful for all you have done so far to support me; I was particularly heartened to receive your message last month. It is important that we have been able to present to the Argentines a united Community front.
2. I fear that to divide the Community now - which is exactly what the Argentines wish to achieve - would have a disastrous effect on the negotiations at this stage. It could only lead to increased Argentine demands which themselves would only increase the possibility of more bloodshed and I know that this is something which your country naturally wishes to prevent. Likewise any process of 'stopping the clock' would have the same effect since it could only be interpreted as a sign of Community weakness. Conversely, if the Argentine ploy of division fails, it will have a marked effect on them.
3. President Schmidt and President Mitterrand in Hamburg have publicly come out strongly in favour of the renewal of sanctions.
4. The United States and the vast majority of the Third World is behind my country in our stand against aggression. It is essential at this stage, therefore, to preserve Community solidarity too. The United States alone can't solve this problem.



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5. We were much impressed by Community solidarity when sanctions were first imposed and I would be worried about UK public opinion should a split now emerge.

6. The basic principles involved - of combatting aggression - are important to us all. We must do all we can to combat this together.

Foreign and Commonwealth Office

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