





Mr Bullard

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INDEX	PA	Action	Taken	7
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## ITALY/ARGENTINA

- After you had briefed Community Embassies this afternoon, Signor Fontana Giusti called on me. He said that he had not wished to take up a bilateral point with you in the company of Community colleagues but wished us to know just how difficult the decision to go along with EC sanctions had been for the Italian Government. As we would know, the PSI in particular have criticised the Government for its decision and there would be strong pressure within the coalition's ranks to re-open the question if there were violence and bloodshed over the Falkland Islands. The Italian Government had supported us fully over the principle at stake but hoped very much that there would be a quick and above all a negotiated settlement: nearly half the population of Argentina were of Italian origin and Italian public opinion would not easily be able to accept a complete humiliation of Argentina. Such a humiliation would in any case lead to the collapse of the present junta and it was to be feared that whatever came afterwards would be worse.
- In reply, I assured him that the delicacy of the Italian domestic situation was well known to us: we had in particular studied the communique issued after the Council of Ministers' meeting on 23 April (Rome telno 196). Nevertheless, I must ask him, as no doubt you had already asked him, to urge on his government the need for patience. It could be some time before the Argentine Government were brought to negotiate seriously over the Falklands and HMG would have no option but to continue to use whatever means of pressure presented themselves until a satisfactory outcome had been achieved. I stressed that when I said 'satisfactory' I was not thinking merely of the re-establishment of British sovereignty over the Falkland Islands but of the wider principles of international law which had been flouted by the Argentinians and to which I was sure our Italian friends attached as great importance as we.

26 April 1982

D A S Gladstone Western European Department

cc:
Mr Goodison
Falkland Islands Emergency Unit



## **British Embassy** Via XX Settembre 80A 00187 Rome

Telex 61049 Telephone 4755.441

Falklands Emergency Unit FCO there has so far been no

British operation on South Georgia

Your reference

Our reference 021/18

Date 26 April 1982

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FALKLANDS: ITALIAN VIEWS

Rome telno 197.

REGISTRY DESK OFFICER INDEX

Our translation of the text of the PSI Secretariat note, published in the party newspaper 'Avanti' on 23 April, is as follows:

## "The PSI calls for an Italian commitment"

The Socialist Secretariat recalls its previous guidelines, and in the face of new signs that the controversy over sovereignty of the Malvinas Islands is worsening believes that Italy must actively support whatever international mediation is possible and useful to avoid conflict and to make reason prevail.

The Socialist Secretariat hopes that the Italian government can play an active part in this commitment, aimed at making the method of negotiations prevail among allied nations and friendly peoples.

The Socialist Secretariat invites the government to follow in the immediate future the line of prudence and gradual steps, which the PSI has suggested and which drcumstances render necessary".

In the first half of last week the PSI had their attention distracted from the Falklands by a domestic political crisis; this note, and the Council of Ministers' statement which it provoked, show that they have not lost sight of the issue, and are concerned not just about EC sanctions but also about any possibility of the use of force.

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- 2 -

4. There has so far been no official PSI reaction to the British operation on South Georgia. We shall report by telegram if there is, and are meanwhile lobbying the party at all levels: the Ambassador is trying hard to pin down Craxi, the PSI leader, for a meeting. Any telling points which you or copy recipients can provide about the attitude of other Western socialist parties would be welcome.

Yours and, Alma Curon,

R N Culshaw

cc: R P Osborne Esq, WED, FCO
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