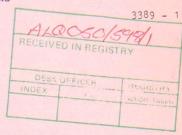
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TO ROUTINE ROME
TELEGRAM NUMBER 96 OF 4 MAY
INFO SAVING UKREP BRUSSELS

4 MAY



1. 'COURTESY' CALL ON MR ONSLOW WAS TAKEN UP ENTIRELY WITH DISCUSSION OF FALKLANDS.

FALKLANDS : CALL ON MINISTER OF STATE BY ITALIAN AMBASSADOR,

- 2. CAGIATI REFERRED TO COLOMBO'S RECENT MESSAGE TO ME
 EXPRESSING CONCERN ABOUT THE LONG-TERM IMPLICATIONS OF A
 CONTINUING CONFLICT IN THE SOUTH ATLANTIC. HE SAID THE
 LATEST ESCALATION (EG SINKING OF ARGENTINE CRUISER) INCREASED
 THE CONCERN OF ITALY AND SOME EC PARTNERS. IT WAS A PITY
 THE SINKING HAD TAKEN PLACE OUTSIDE THE TEZ. HE FEARED
 THAT ANTI-BRITISH AND ANTI-EUROPEAN FEELING MIGHT DEVELOP IN
 ARGENTINA. THIS CONCERNED ITALY PARTICULARLY BECAUSE OF
 HER LINKS WITH AND COMMUNITY IN ARGENTINA. THE ITALIANS
 WOULD BE CONCERNED IF FURTHER ESCALATION, EG LANDINGS ON
 THE FALKLANDS THEMSELVES, TOOK PLACE.
- 3. CAGIATI SAID HE HAD BEEN PARTICULARLY GLAD TO SEE THE POSITIVE REACTION OF UK PUBLIC OPINION TO EC SUPPORT FOR BRITAIN. BUT HE FEARED THINGS COULD CHANGE WHEN EC ECONOMIC MEASURES WERE REVIEWED ON 17 MAY IF MILITARY ACTIVITIES HAD INCREASED WITHOUT ANY PROGRESS ON THE DIPLOMATIC FRONT. IT WAS THEREFORE IMPORTANT THAT THERE SHOULD BE POSITIVE DEVELOPMENTS BEFORE 17 MAY.
- 4. MR ONSLOW SAID THAT OF COURSE WE WOULD PREFER A DIPLOMATIC SETTLEMENT. HE HOPED THE ITALIANS MIGHT BE ABLE TO USE SOME INFLUENCE IN ARGENTINA IN FAVOUR OF A SENSIBLE SOLUTION. HE WELL UNDERSTOOD THOSE WHO DID NOT WANT THE PROBLEM TO BE A FESTERING SORE. BUT THE REMEDY LAY WITH ARGENTINA. THE WITHDRAWAL OF ARGENTINE TROOPS WAS A NECESSARY PREREQUISITE FOR SUBSTANTIAL NEGOTIATIONS: WE COULD NOT ENTER SUCH

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NEGOTIATIONS IF THEY WERE PREMISED ON ARGENTINE SOVEREIGNTY.

5. COMMENT: CAGIATI-DID NOT (REPEAT NOT) APPEAR TO BE
SPEAKING ON SPECIFIC INSTRUCTIONS. BUT HE DID SEEM TO BE
REFLECTING GENERAL ITALIAN CONCERN, WITHOUT BEING ABLE TO
MAKE ANY POSITIVE SUGGESTION AS TO HOW THE DIPLOMATIC PROCESS
MIGHT BE ADVANCED.

6. WHEN CALLING ON MR RIFKIND, CAGIATI TOOK A SIMILAR LINE.

PYM

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