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MY TELNO 215 (NOT TO ALL): FALKLANDS: ITALIAN REPORTING ON ARGENTINA

- 1. WE HAVE NOW SEEN FOUR FURTHER REPORTING TELEGRAMS FROM KOCIANCICH DATED 1-4 MAY. THE FIRST THREE TALK OF ARGENTINA'S NEAR-TOTAL ISOLATION AND THE EFFECT THIS IS HAVING ON THE ARGENTINE PEOPLE. THE ARGENTINES CONTINUE TO REPEAT THAT THEY VALUE ITALY'S 'MEDIATING' ROLE, KOCIANCICH EXPRESSES HIS SURPRISE THAT THE ARGENTINES REJECTED THE PERUVIAN PEACE PLAN, SINCE BELAUNDE IS A STAUNCH SUPPORTER OF THE JAUNTA AND WILL NOT APPRECIATE BEING BRANDED AS SIMPLY AN INTERMEDIARY BETWEEN HAIG AND GALTIERI. THERE ARE REFERENCES TO FURTHER DEMONSTRATIONS OF SUPPORT FOR THE ARGENTINE GOVERNMENT, FROM PERONISTS, COMMUNISTS AND OTHERS.
- 2. ON 4 MAY KELLER SARMIENTO (ARGENTINE MFA) GAVE KOCIANCICH A MEMORANDUM ON THE SINKING OF THE BELGRAND. THIS ACCUSES THE UK OF TAKING HOSTILE ACTION OUTSIDE THE TEZ (WE HAVE PUT THE MFA RIGHT ON THAT) AND OF PRACTISING A "CRUEL POLICY OF DESTRUCTION". IT ASKS THE ITALIANS TO DISSUADE US FROM USING FORCE, TO ASK US TO RESPECT THE CEASEFIRE CALLED FOR IN SCR 502, TO MODERATE THEIR SUPPORT FOR THE UK AND TO BACK ANY PEACE MOVEMENT AT THE UN. THE ARGENTINES WERE NATURALLY PLEASED BY COLOMBO'S STATEMENT AT THE DC CONGRESS, WHICH WE ARE REPORTING SEPARATELY.
- 3. KOCIANCICH ALSO REPORTS THAT THE ARGENTINE MFA HAS NOT BEEN INVOLVED IN ANY OF THE NEGOTIATIONS WITH PERU OR PEREZ DE CUELLAR, AND THAT IT THOUGHT THE JAUNTA'S REJECTION OF THE PERUVIAN PROPOSALS ''PRECIPITATE''. HE SAYS THAT THE ARGENTINES NOW REALISE FOR THE FIRST TIME THAT WE INTEND ''TOTAL WAR'' TO RECOVER THE ISLANDS AND NOTES A GROWING HOSTILITY IN ARGENTINA TOWARDS THE US. HE ENDS BY SPECULATING ON ''ALTO ADIGE'' SOLUTIONS, I.E.

SOVEREIGNTY FOR ARGENTINA WITH INTERNATIONAL GUARANTEES FOR THE ISLANDERS. THE MFA HAVE ASKED US TO REMEMBER THAT KOCIANCICH'S REPORTING IS INEVITABLY SLIGHTLY AFFECTED BY LOCAL ATTITUDES.

FCO PLEE PASS TO SAVING ADDRESSEES

[REPEATED AS REQUESTED]

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