TELEGRAM NO. 244 OF 10 MAY 82 INFO IMMEDIATE WASHINGTON, UKMIS NEW YORK, BONN, PARIS

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YOUR TELEGRAM NO. 359: FALKLANDS: FUTURE POLICY

THAT SPADOLINI AND COLOMBO INSTINCTIVELY TURNED. OUR CONSTRUCTIVE DEALINGS WITH PEREZ DE CUELLAR SHOULD THEREFORE HELP WITH GOVERNMENT AND PUBLIC OPINION IN ITALY AND WE ARE MAKING THE MOST OF YOUR STATEMENT IN THE HOUSE OF Ø7 MAY. BUT WE SHALL STILL HAVE OUR WORK CUT OUT TO COUNTER CRITICISM OF BRITISH ''INTRANSIGENCE'', ESPECIALLY AFTER OUR EXTENSION OF THE EXCLUSION ZONE TO THE 12 MILE LIMIT AND THE FURTHER MILITARY CLASHES REPORTED YESTERDAY. ALL OUR CONTACTS STRESS THE NEED FOR BRITAIN TO KEEP DEMONSTRATING WILLINGNESS TO NEGOTIATE. IF A MILITARY SOLUTION IS IN THE END FORCED ON US, WE SHALL NEED TO SHOW THAT WE CONTINUED TO THE LAST TO MAKE A SERIES OF EFFORTS TO OVERCOME ARGENTINE INTRANSIGENCE TOWARDS A NEGOTIATED SOLUTION.

2. AN INITIATIVE OF THE KIND DESCRIBED IN YOUR TUR WOULD HAVE A POWERFUL EFFECT ON ITALIAN OPINION. THE PRECISE CONTENT (WHICH FEW WOULD UNDERSTAND IN DETAIL) WOULD MATTER LESS THAN THE FACT THAT WE HAD PROPOSED IT. HOWEVER, IF WE WERE TO LAUNCH IT NOW, THE ITALIAN GOVERNMENT WOULD BE LIKELY TO SEE IT AS UNDERCUTTING THE EFFORTS OF PEREZ DE CUELLAR, FOR THE REASONS GIVEN IN UKMIS NEW YORK TELEGRAM NO. 667.

3. I HOPE WE WOULD INFORM OUR EC PARTNERS OF ITS GENERAL LINES
BEFOREHAND. A PERSONAL MESSAGE FROM YOU TO COLOMBO, IN ADVANCE, WOULD HELP ENSURE A POSITIVE AND QUICK PUBLIC RESPONSE FROM
THE ITALIAN GOVERNMENT. WE SHOULD BE OPEN TO CRITICISM HERE IF
SUCH AN INITIATIVE TOOK OUR PARTNERS BY SURPRISE, ESPECIALLY AFTER
OUR PROTEST ABOUT THE IRISH FAILURE TO CONSULT (YOUR TELEGRAM NO.
217 TO PARIS).

4. IT WOULD INCREASE PUBLICITY HERE IF I COULD GIVE A PRESS CON-FERENCE IMMEDIATELY AFTER THE LONDON ANNOUNCEMENT: THIS WOULD HELP HEAD OFF UNHELPFUL INTERPRETATION BY ITALIAN CORRESPONDENTS IN LONDON, SOME OF WHOM AS YOU KNOW ARE UNRELIABLE.

FALKLANDS SELECTIVE COLTED In: LIMITED PS/HOME SECRETARY HD/S AM D PS/S OF S DEFENCE HD/DEF DEPT PS/CHANCELLOR DUCHY OF LANCASTER HD/PLANNING STAFF PS/SIR R ARMSTRONG PS/SIR M PALLISER HD/UND 98 ALQ 050 HD/NEWS DEPT MR WADE GERY CAB OFFICE HD/ERD RECEIVED IN REGISTR MR FULLER HD/PUSD DIO PS MR J M STEWART AUSD STAFF MOD PS/MR HURD SIR P MOORE BUCKINGHAM PALACE PS/MR ONSLOW PS/PUS MR BULLARD SIR I SINCLAIR MR GIFFARD MR WRIGHT [COPIES SENT TO NO 10 DOWNING ST] MR GILLMORE

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