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FM ROME 151140Z MAY 82

TO FLASH FCO
TELEGRAM NO. 263 OF 15 MAY 82
INFO IMMEDIATE BRUSSELS (FOR BULLARD) UKREP BRUSSELS, PARIS, BONN,
DUBLIN, ATHENS, COPENHAGEN, THE HAGUE, LUXEMBOURG, UKMIS NEW YORK,
WASHINGTON.

FALKLANDS.

1. THE HEAD OF THE ITALIAN MFA'S LATIN AMERICAN DEPARTMENT TOLD US THIS MORNING THAT AT THIS POINT ITALIAN INSTRUCTIONS FOR POLITICAL DIRECTORS' MEETING WERE NEGATIVE. THE MAIN REASONS WERE DOMESTIC. IT WAS NOT JUST THE SOCIALISTS WHO WERE AGAINST RENEWAL: HE IMPLIED THAT ALL PARTIES WERE. COLOMBO RECOGNISED THAT AN ITALIAN NO COULD SERIOUSLY AFFECT COMMUNITY UNITY. BOTTAI, AND COLOMBO IF THERE WERE A MINISTERIAL MEETING ON SUNDAY, WOULD THEREFORE DO EVERYTHING POSSIBLE TO AVOID SAYING NO, AND HOPED THAT THE COMMUNITY WOULD AGREE TO QUOTE STOP THE CLOCK UNQUOTE FOR A FEW DAYS, IE. MAINTAIN THE EXISTING SANCTIONS IN FORCE FOR ALL PRACTICAL PURPOSES BUT WITHOUT TAKING A DECISION ON RENEWAL ONE WAY OR THE OTHER. THIS WOULD GIVE TIME, THE ITALIANS HOPED, TO CONCLUDE THE NEW YORK NEGOTIATIONS. AT ANY RATE, THE COMMUNITY WOULD BE GUIDED BY DEVELOPMENTS IN NEW YORK WHEN THE TIME CAME TO TAKE A SUBSTANTIVE DECISION.
2. WE PROTESTED THAT THIS COULD ONLY STRENGTHEN ARGENTIN'S NEGOTIATING HAND IN NEW YORK. ONCE THEY RECEIVED CLEAR SIGNALS THAT EC SANCTIONS WERE UNLIKELY TO BE RENEWED, THEY COULD STEP UP THEIR NEGOTIATING DEMANDS AND BLOCK A SETTLEMENT IN THE BELIEF THAT TIME WAS ON THEIR SIDE. OUR MFA SOURCE CONFIRMED THAT THIS WAS WELL UNDERSTOOD, BUT THAT COLOMBO WAS UNDER ACUTE PRESSURE FROM THE COALITION PARTNERS.
3. CONTACTS

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3. CONTACTS OF OURS IN SPADOLINI'S OFFICE CONFIRMED GENERALLY THAT THE PROSPECTS WERE NOT GOOD: THE SOCIALISTS WERE CONTINUING TO PRESS HARD: THE ITALIAN-ARGENTINE DELEGATION NOW IN ROME WAS BUSY SEEING ALL THE PARTIES: AND THE ITALIAN HOPE WAS THAT A DECISION COULD BE POSTPONED. BUT SPADOLINI WANTS TO PRESERVE COMMUNITY UNITY AT ALL COSTS.

4. I TOOK THIS UP WITH VANNI D'ARCHIRAFI (HEAD OF COLOMBO'S PRIVATE OFFICE). I SAID WE HAD HEARD SOME RUMOURS OF A PLOY TO PUT OFF A DECISION ON SANCTIONS. VANNI WAS VAGUE. HE SAID HE THOUGHT OTHER COUNTRIES MIGHT SUGGEST SUCH A PLOY. I SAID THAT THE FRENCH AND GERMANS WERE ROBUST ON THE SUBJECT AND THEREFORE OTHERS WOULD NO DOUBT FOLLOW THEM. HE QUESTIONED THIS IN RESPECT OF THE GERMANS. HE THEN SAID IT WOULD BE DIFFICULT FOR OFFICIALS TO REACH ANY DECISION TODAY. I SAID IN THAT CASE THE MINISTERS' MEETING WOULD HAVE TO BE CONVENED. I REHEARSED THE MAIN ARGUMENTS AGAINST DEFERRING A DECISION. IT WOULD WEAKEN OUR NEGOTIATING POSITION IN NEW YORK AND IT WOULD HAVE A DEPLORABLE EFFECT ON BRITISH PUBLIC OPINION WHICH HAD APPLAUDED THE ORIGINAL EC DECISION. VANNI TOOK THESE POINTS AND UNDERTOOK TO COMMUNICATE THEM IMMEDIATELY TO COLOMBO.

ARCULUS

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