

Private Secretary

cc: Mr Bullard

ALQ 50/598/1		
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1. Mr Whitmore telephoned this afternoon to give the following account of the Prime Minister's conversation today with Signor Colombo. Mr Whitmore said he understood that Mr Haig would be seeing Colombo immediately he had seen the Secretary of State and he asked that the Secretary of State should see the record of the Prime Minister's conversation with Colombo before his meeting with Mr Haig, since he might wish to use Mr Haig as a channel of communication with Colombo.
2. Mr Whitmore said that Colombo had said that he saw the full significance of the Prime Minister's arguments for the renewal of sanctions. He made play of Italian support for Britain so far, but went on to warn the Prime Minister that this had given rise to opposition not only within the Italian opposition but within the Government as well. He mentioned the "millions" of people of Italian origin in Argentina who were influencing Italian opinion and through that influencing the Government.
3. Colombo had to say with great regret that if he were to say yes to the continuation of sanctions against Argentina, it would risk a Government crisis in Italy. This conclusion followed a long discussion he had had yesterday with Spadolini. He said that there was much goodwill towards Britain within the Italian Government but also great pressure on it. He did not know if the matter could be resolved "today or tomorrow".
4. Colombo undertook to speak to Spadolini and to relate the Prime Minister's arguments to him in full. But he could not guarantee success.
5. The Prime Minister went through the arguments again with Colombo. She said she had tried to speak to Spadolini today but had failed. Colombo said he himself had failed to get in touch with Spadolini earlier in the day because he was travelling (Mr Whitmore commented that it was therefore unclear how Colombo would succeed in putting the Prime Minister's arguments in full to Spadolini immediately, as he had promised).
6. Colombo asked the Prime Minister about progress in the negotiations in New York and when they were likely to be concluded. The Prime Minister said she had had a three and a half hour meeting this morning with Sir Antony Parsons. He would be going back to New York with instructions "to go on trying very hard for a settlement". It was clear that this week was critical for the negotiations. "If a settlement is possible at all we ought to be able to get it very soon". There would need to be a great effort to get a settlement

this week. The Prime Minister said she hoped this would help Colombo in his conversation with Spadolini.

7. Colombo said he would get in touch with the Secretary of State as soon as he could in Luxembourg.

8. Mr Whitmore added that the Prime Minister had decided not to speak to Mr Haughey.

M H Jay

M H Jay

16 May 1982

Mr Fean o.a.
Pl. P. R.

(304)

TELEPHONE CALL - PRIME MINISTER/SR COLOMBO, 16 MAY

1. Mark Pellew, who acted as interpreter for the Prime Minister, telephoned at 1450 hours to give us the gist of the substance of the call.
2. Sr Colombo said that the Italian Cabinet had discussed the question of extending sanctions at length on 15 May. Regretfully they had decided against renewal. It was now a political issue in Italy - the Government were under immense pressure from Opposition Parties and a decision to renew could lead to a major Government crisis. There were literally 'millions of Argentines' of Italian descent who had been active in lobbying support for the Argentine cause in Italian political parties.
3. Personally, Sr Colombo expressed his support for our position and said that he would do his best to change the Cabinet's decision. To that end, he would attempt to contact Sr Spadolini during the course of today.

This account is entirely unofficial and cannot be used for briefing of Luxembourg. But I have spoken to Anne Mitmore at Cheques who has undertaken to report to PS in Luxembourg as soon as possible.

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~~Mr. Fegan~~

CONFIDENTIAL

PS/PUS (303)

She spoke to Colombo

*Scheduled for 14.30
today 16/5

THE PRIME MINISTER'S TELEPHONE CALL TO SIGNOR SPADOLINI *

BACKGROUND

1. The Italian Government faces many difficulties. The Socialists in particular have come out strongly against sanctions. The Liberals too are against them and even certain factions of the Christian Democrats, witness the recent Congress, are against renewal. Spadolini is trying to hold together a fragile Coalition. The matter of sanctions has been discussed extensively in the Italian Parliament.
2. It is believed that there are about one million Italian passport holders in the Argentine and up to half of the population is of Italian origin. This considerable Italo-Argentine community clearly does not vote in Italy but nonetheless they have, through their families and connections, much influence in Italy. They do not see themselves as being in danger in Argentina and are largely in full agreement with the régime. They have much to lose tradewise.
3. Italy, after Germany, of the Community countries has the largest trade with Argentina. Very large-scale contracts are involved.
4. Italy is naturally very anxious to minimise the possibility of bloodshed and any increases in the likelihood of this occurring is something which plays heavily on Italian sentiments.
5. Italy, which has large connections not only with Argentina, but throughout Central and Southern America, is naturally very preoccupied with the long-term effects of a sanctions policy.

CONFIDENTIAL

POINTS TO MAKE BY THE PRIME MINISTER TO SIGNOR SPADOLINI

1. I well sympathise with your difficult position (particularly of the hardline taken by the Socialists). I am very grateful for all you have done so far to support me; I was particularly heartened to receive your message last month. It is important that we have been able to present to the Argentines a united Community front.
2. I fear that to divide the Community now - which is exactly what the Argentines wish to achieve - would have a disastrous effect on the negotiations at this stage. It could only lead to increased Argentine demands which themselves would only increase the possibility of more bloodshed and I know that this is something which your country naturally wishes to prevent. Likewise any process of 'stopping the clock' would have the same effect since it could only be interpreted as a sign of Community weakness. Conversely, if the Argentine ploy of division fails, it will have a marked effect on them.
3. President Schmidt and President Mitterrand in Hamburg have publicly come out strongly in favour of the renewal of sanctions.
4. The United States and the vast majority of the Third World is behind my country in our stand against aggression. It is essential at this stage, therefore, to preserve Community solidarity too. The United States alone can't solve this problem.

