

PS (6)
/LADY YOUNG
/MR RENTON
PS/MR RIFKIND
PS/PUS
A DEREK THOMAS
J FREELAND
SIR W HARDING
MR GOODALL
MR ~~G. NEVILLE~~ RENWICK
SIR ~~C. NICHOLS~~
MR D C THOMAS
MR WESTON
MR ~~B. BRIDGEMAN~~
ED/PUSD
ED/SAMD
ED/FID
ED/NEWS DEPT
ED/EED
ED/ECD (E)
ED/UND

PS/NO 10 DOWNING ST
PS/S OF S FOR DEFENCE
MR ~~P. NICHOLS~~, ADED STAFF, MOD
NH

PS/CHANCELLOR)
MISS M E CUND) TREASURY
MR LITTLER)
SIR R ARMSTRONG)
MR ~~D S GOOBAIL~~) CABINET
DIO *(a hedge)*) OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

[RESIDENT CLERK]

(2)

CONFIDENTIAL

DESKBY FCO 271900Z

DESKBY ATHENS 290800Z

DESKBY PARIS 290800Z.

FM ROME

TO IMMEDIATE FCO

TELNO 734

OF 271830Z OCT 84

AND TO IMMEDIATE RAF AKROTIRI (FOR SECRETARY OF STATE'S PARTY)

INFO IMMEDIATE UKMIS NEW YORK, ATHENS, PARIS,

INFO PRIORITY OTHER EC POSTS, BERNE, WASHINGTON.

INFO SAVING HOLY SEE (ACTIONED)

MY TELNO 725: FALKLANDS: ALFONSHIN'S VISIT TO ITALY.

1 HEAD OF CHANCERY CALLED ON BADINI (CRAXI'S DIPLOMATIC ADVISER) THIS AFTERNOON. BADINI MADE IT CLEAR THROUGHOUT THAT HE WAS SPEAKING FOR CRAXI.

2. HE SAID THAT ALFONSHIN HAD PUT GREAT PRESSURE ON CRAXI TO VOTE FOR THE ARGENTINE RESOLUTION, AND THAT HIS APPROACH HAD BEEN MUCH CLEVERER THAN THAT OF HIS DEPUTY FOREIGN MINISTER SABATO WHO ACCOMPANIED ALFONSHIN TO ROME AND WHO HAD MADE A BAD IMPRESSION AT THE PALAZZO CHIGI, BADINI DESCRIBING HIM AS "MAD AND CLUMSY". ALFONSHIN TOLD CRAXI THAT HE HIMSELF HAD CONDEMNED THE INVASION. UNFORTUNATELY ARGENTINE PUBLIC OPINION CONSIDERED THE FALKLANDS ISSUE VERY IMPORTANT, AND IT COULD BE USED AGAINST HIM. ALFONSHIN CLAIMED THAT HE ONLY WORRIED ABOUT THE FALKLANDS IN SO FAR AS IT AFFECTED ARGENTINE DOMESTIC POLITICS.

3. IN REPLY, CRAXI EXPRESSED UNDERSTANDING? BUT NOTED THAT THE FALKLANDS WAS NOT AN URGENT OR VITAL PROBLEM FOR ARGENTINA TODAY. OF ALL EC COUNTRIES, ITALY FELT CLOSE TO ARGENTINA. ALFONSHIN SHOULD NOT THEREFORE MEASURE ITALY'S SOLIDARITY BY HIS VOTE AT THE UN, WHERE "OTHER REASONS CAME INTO THE BALANCE".

4. BADINI SAID THAT ALFONSHIN HAD UNDERSTOOD WHAT CRAXI WAS SAYING, AND HAD NOT INSISTED SO MUCH ON THE UN VOTE AS ON FINDING WAYS OF

IMMEDIATE
ADVANCE COPY

mf



4. BADINI SAID THAT ALFONSHIN HAD UNDERSTOOD WHAT CRAXII WAS SAYING, AND HAD NOT INSISTED SO MUCH ON THE UN VOTE AS ON FINDING WAYS OF PUTTING THE PROBLEM TO ONE SIDE. CRAXII REPLIED THAT BRITAIN AND ARGENTINA NEEDED TO CREATE A MORE TRUSTING CLIMATE BEFORE PROGRESS COULD BE MADE.

5. BADINI SAID THAT ALFONSHIN'S VISIT, OF WHICH ITALY HAD HAD ONLY TWO WEEKS' NOTICE, HAD CAUSED GREAT EMBARRASSEMENT FOR CRAXII. THE CHIEF HAD WORKED HARD TO RELEGATE THE FALKLANDS QUESTION INTO SECOND PLACE, AND TO DREAM UP OTHER INITIATIVES (PARA 3 OF MY TUR) THAT WOULD GIVE ALFONSHIN SOMETHING TO GO AWAY WITH. THE ITALIANS HAD, FOR EXAMPLE, AGREED TO FINANCE A NEW DAM WITHOUT CONSULTING THE TREASURY. FIRST INDICATIONS FROM BUENOS AIRES NEWSPAPERS WERE THAT THE ITALIANS HAD SUCCEEDED IN SAVING ALFONSHIN'S FACE. THE ITALIANS WERE CONVINCED THAT IF ALFONSHIN FELT THAT WOULD BE THE END OF DEMOCRACY IN ARGENTINA FOR THE FORESEEABLE FUTURE.

6. BADINI SAID THAT IT WAS IMPORTANT TO CRAXII PERSONALLY THAT THE ITALIAN PRESIDENCY SHOULD CREATE THE CONDITIONS FOR BETTER EC/ARGENTINE RELATIONS, WHICH CRAXII HAD PROMISED TO ALFONSHIN THAT HE WOULD SEEK. BADINI ASKED WHETHER WE WOULD SEE PROBLEMS IN SUCH AN APPROACH. WE SAID THAT WE HAD NO FRESH INSTRUCTIONS BUT THAT: (II) BADINI WOULD BE AWARE THAT WE HAD BEEN UPSET AT THE FACT THAT ALFONSHIN HAD ADDRESSED THE EUROPEAN PARLIAMENT WHEN ONE MEMBER STATE HAD NO DIPLOMATIC RELATIONS WITH ARGENTINA AND ARGENTINA HAD REFUSED TO DECLARE A FORMAL CESSATION OF HOSTILITIES AGAINST THAT MEMBER STATE.

(III) WE HAD ASKED THE COMMUNITY A LONG TIME AGO TO ASSIST IN NEGOTIATING THE REMOVAL OF ARGENTINA'S REMAINING COMMERCIAL AND ECONOMIC RESTRICTIONS AGAINST US, SO FAR WITHOUT EFFECT.

(IV) THE ITALIANS SHOULD BEAR IN MIND THAT THE FALKLAND ISLANDS WERE LISTED AS A UK DEPENDENCY WITHIN THE FRAMEWORK OF OUR TREATY OF ACCESSION.

7. BADINI SAID THAT HE HAD SUMMONED THE GREEK AMBASSADOR AND ASKED HIM TO TELL PAPANDREOU, IN CRAXII'S NAME, THAT THE ITALIANS WOULD TAKE IT GREATLY AMISS IF THE GREEKS VOTED FOR THE ARGENTINE TEXT. IN REPLY TO OUR QUESTION, HE SAID HE BELIEVED THAT THE ITALIAN MISSION IN NEW YORK HAD ALREADY RECEIVED INSTRUCTIONS TO ABSTAIN. HE REMAINED CONCERNED ABOUT THE FRENCH ATTITUDE, AND AND HEARD NOTHING FROM LONDON ABOUT THE OUTCOME OF THE MITTERRAND VISIT. BUT HIS ATTITUDE WAS THAT IF ITALY, WITH ITS TIES OF BLOOD WITH ARGENTINA, HAD DECIDED TO ABSTAIN, IT WOULD BE QUITE WRONG FOR ANY OTHER COMMUNITY COUNTRY TO BREAK RANKS.

8. IF IT IS NOT TOO LATE, PERHAPS THE PRIME MINISTER'S MESSAGE TO CRAXII (FCO TELNO 337 TO ATHENS) COULD BE AMENDED IF NECESSARY TO TAKE ACCOUNT OF THE FOREGOING.

9. RESIDENT CLERK PLEASE PASS TO NUMBER TEN AND CONVEY GIST TO DAVID THOMAS AND HEAD OF FID.

BRIDGES
BT

(no need)