

ARGENTINA  
Press Summary

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MR P NICHOLLS, AUSD STAFF, HOD  
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PRESS SUMMARY

1. SUMMARY

HEADLINES OVER THE WEEKEND CONCENTRATE ON THE FORTHCOMING US/USSR NEGOTIATIONS IN GENEVA, THE ARGENTINE GOVERNMENT'S ECONOMIC PLAN AND EFFORTS TO PROMOTE CONSULTATIONS BETWEEN BUSINESS, LABOUR AND GOVERNMENT OFFICIALS TO DISCUSS THE ECONOMY IN 1985.

2. POLITICAL INTERNAL

ELECTIONS TO ELECT HALF OF THE NATIONAL CONGRESS WILL BE HELD ON 3 NOVEMBER BY DECISION OF THE GOVERNMENT. IF PROVINCIAL LEGISLATURES WISH TO COMBINE THEIR LOCAL ELECTIONS WITH THE NATIONAL ELECTION THEY MAY DO SO (LA NACION SUNDAY P1).

AGREEMENT WAS REACHED BETWEEN REPRESENTATIVES OF THE FEDERAL GOVERNMENT AND THOSE FROM NON-RADICAL PARTY RULED PROVINCES ON THE SHARE OF TAX REVENUE TO BE RECEIVED BY THE LATTER DURING 1985. HOWEVER THERE WAS NO AGREEMENT ON THE BASIC BUDGET FIGURE



1985. HOWEVER THERE WAS NO AGREEMENT ON THE BASIC BUDGET FIGURE TO WHICH THE CALCULATION SHOULD BE APPLIED. PROVINCIAL MINISTERS WANTED THIS TO BE 193 BILLION PESOS - FIGURE INCLUDED IN LAST YEAR'S BUDGET. THE FEDERAL GOVERNMENT DOES NOT WISH TO EXCEED LAST YEAR'S REFUND OF 145 BILLION PESOS.

### 3. FALKLANDS

ARGENTINE MFA SOURCES SUGGESTED THAT THEY WERE CONSIDERING SENDING A NOTE TO THE UN AND TO THE SWISS EMBASSY IN BUENOS AIRES PROTESTING ABOUT THE GRANTING OF LICENCES FOR OIL EXPLORATION IN THE FALKLANDS (CLARIN SUNDAY P10).

CONGRESSMAN AGOSTO CONTE (CHRISTIAN DEMOCRATS) RECOMMENDED THE EXPROPRIATION OF BRITISH PROPERTY IN ARGENTINA TO THE VALUE OF ANY PETROLEUM EXTRACTED FROM THE FALKLANDS FOLLOWING THE LICENCING OF FIRSTLAND OIL AND GAS COMPANY TO EXPLORE AND EXPLOIT HYDROCARBON IN THE AREA. SENATOR LUIS LEON ALSO RECOMMENDED THE EXPROPRIATION OF KNOWN OR HIDDEN BRITISH PROPERTY IN ARGENTINA (CLARIN SATURDAY P10-11).

THE BA HERALD IN AN EXTENSIVE ARTICLE REPORTED IN GREATER DETAIL THAN OTHER PAPERS THE TERMS OF THE LICENCE AND SUGGESTED THAT THE ARGENTINE MFA WAS MAKING DELIBERATELY A FUSS ABOUT NOTHING. THE NATIONALISTIC PAPER LA NACION REPRODUCED MUCH OF THE HERALD COMMENT (HERALD P3, NACION P7 - SUNDAY).

OIL EXPLORATION CONCESSIONS BY GREAT BRITAIN IN THE FALKLANDS ARE SEEN BY LATIN AMERICAN DIPLOMATIC OBSERVERS IN BUENOS AIRES AS EVIDENCE OF A HARDER BRITISH LINE IN ITS DIFFERENCES WITH ARGENTINA (TIEMPO MONDAY P6).

### 4. NEGOTIATIONS

THE SERIOUS AND RESPECTED FINANCIAL PAPER AMBITO FINANCIERO PUBLISHED THE TEXT OF A PROPOSAL FOR AN ARGENTINE STRATEGY TO RECOVER PEACEFULLY THE FALKLAND ISLANDS. THE DOCUMENT, STATED TO HAVE BEEN PREPARED BY A SENIOR ARGENTINE DIPLOMAT NOW SERVING ABROAD, IS SAID TO HAVE HAD A STRONG IMPACT IN OFFICIAL CIRCLES. THE PROPOSAL POINTS OUT ACTION IN THE UN IS INSUFFICIENT TO PRESSURE BRITAIN AND THAT IN TIME UN SUPPORT FOR ARGENTINA COULD WEAKEN. THE PROPOSED ALTERNATIVE STRATEGY SHOULD BE PRESENTED TO THE UN SECRETARY GENERAL AND MEMBER COUNTRIES WITH PARTICULAR ATTENTION TO SPECIFIC BLOCKS SUCH AS THE EUROPEAN COMMUNITY, THE BRITISH COMMONWEALTH AND NON-ALIGNED NATIONS. BASICALLY THE PROPOSAL SUGGESTS A FOUR-STAGE STRATEGY, WITH FAILURE IN THE NEGOTIATION FREEING BOTH PARTIES FROM ANY AGREEMENT REACHED UP TO THAT STAGE. THERE IS NO MENTION OF "LINKAGE"

THE FOUR STAGES PROPOSED ARE:

- A. THE CREATION OF FAVOURABLE CONDITIONS THROUGH THE REMOVAL BY BOTH PARTIES OF FACTORS WHICH MIGHT IMPEDE SUBSEQUENT STAGES IN THE NEGOTIATIONS.
- B. EXPLORATION OF THE VARIOUS PROBLEMS TO BE NEGOTIATED, THE PERIOD OF NEGOTIATION AND THE WILLINGNESS OF BOTH SIDES TO NEGOTIATE. THE AIM WOULD BE TO FACILITATE A FINAL AND FRIENDLY AGREEMENT BY BOTH SIDES ON SOVEREIGNTY. THE PERIOD ENVISAGED FOR THIS STAGE IS SIX MONTHS TO ONE YEAR AND DIPLOMATIC RELATIONS WOULD BE RESTORED AS AN INTEGRAL PART OF IT. THIS EXPLORATION WOULD BE CARRIED OUT WITH THE COOPERATION OF THE UN SECRETARY GENERAL AND TWO COUNTRIES EXERCISING THEIR GOOD OFFICES, ONE FOR EACH SIDE.
- C. FORMAL NEGOTIATIONS WHICH WOULD TAKE AN ENVISAGED 2-5 YEARS



C. FORMAL NEGOTIATIONS WHICH WOULD TAKE AN ENVISAGED 2-5 YEARS DURING WHICH THE POINTS SUGGESTED IN B, ABOVE WOULD BE NEGOTIATED. THE END OF THIS STAGE WOULD INVOLVE RECOGNITION OF ARGENTINE SOVEREIGNTY AND THE TRANSFER OF THE ADMINISTRATION OF THE ISLANDS TO THE UN AND THE QUOTE GOOD OFFICES UNQUOTE COUNTRIES.

D. A PERIOD OF 10 YEARS DURING WHICH THE INTERNAL ADMINISTRATION OF THE ISLANDS WOULD BE CARRIED OUT AS ABOVE WITH THE CREATION OF CONFIDENCE BUILDING BETWEEN THE ISLANDS AND MAINLAND AND THE ELECTION OF A LOCAL ASSEMBLY, GUARANTEED BY THE UN. THE CONCLUSION OF THE PAPER IS THAT WHETHER SUCCESSFUL OR NOT, THIS PLAN WOULD HAVE A POSITIVE EFFECT IN CHANGING THE IMAGE OF ARGENTINA OVERSEAS, IMPROVING ITS INTERNATIONAL SUPPORT AND FURTHER ISOLATING THE UK IF IT REFUSED SUCH NEGOTIATIONS (AMBITO FINANCIERO MONDAY P9 - SEPARATE TELEGRAM AND TRANSLATION OF ARTICLE TO FOLLOW).

5. BELGRANO

SEVERAL PAPERS CARY AN ANSA REPORT THAT ARGENTINE NAVY MESSAGES DECPHERED BY GCHQ REVEALED THAT THE CRUISER BELGRANO WAS NOT PART OF THE 'PINCER' MOVEMENT IN WHICH THE AIRCRAFT CARRIER 25 DE MAYO PARTICIPATED.

6. ECONOMY

INTRANSIGENT PARTY LEADER OSCAR ALENDE YESTERDAY SAID THAT TOO MUCH MONEY WAS GOING INTO PAYING OFF ARGENTINA'S FOREIGN DEBT, POINTING OUT THAT 60 PER CENT OF EXPORTS AND 40 PER CENT OF GDP WERE USED FOR THIS PURPOSE (HERALD MONDAY P5).

7. PARLIAMENTARIANS

JULIO AMOEDO, PRESIDENT OF THE SENATE COMMISSION FOR INTER-PARLIAMENTARY RELATIONS, WILL PARTICIPATE IN A SEMINAR ON THE FALKLANDS FROM 17-21 JANUARY AT THE UNIVERSITY OF MARYLAND. BRITISH PARLIAMENTARIANS WILL BE PRESENT. THIS WILL BE THE FOURTH SUCH MEETING, PREVIOUS ONES TAKING PLACE IN GENEVA (MARCH 1984), BUENOS AIRES (JUNE 1984 WITH TOWNSEND AND KENNET) AND BUENOS AIRES (SEPTEMBER 1984 WITH ANDERSON) (LA RAZON SUNDAY P9).

8. VISITORS

VICE PRESIDENT VICTOR MARTINEZ WILL HEAD THE OFFICIAL ARGENTINE DELEGATION TO THE INAUGURATION OF NICARAGUA'S PRESIDENT DANIEL ORTEGA. HE WILL BE ACCOMPANIED BY THE MFA'S SECRETARY FOR INTERNATIONAL RELATIONS, MRS ELSA KELLY (CLARIN USNDAY P11)..

SHARKEY

POWELL-JONES

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