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FM BIS BUENOS AIRES

TO IMMEDIATE FCO

TELNO 70 OF 17 FEBRUARY

IFNO PRIORITY MONTEVIDEO SANTIAGO BRASILIA CARACAS WASHINGTON PANAMA UKMIS NEW YORK CIVIL COMMISSIONER PORT STANLEY MEXICO CTY MOD

PRESS SUMMARY

- 1. SEVERAL STORIES VIE FOR THE HEADLINES IN TODAY'S PRESS.
- 2. "LA PRENSA" AND "LA NACION" BOTH HIGHLIGHT PRESIDENT BIGNONE'S REMARKS AIMED AT REBUTTING RECURRENT RUMOURS OF A RIFT BETWEEN THE GOVERNMENT AND THE JUNTA. HE ASSERTED THERE WAS COMPLETE AGREEMENT BETWEEN THE TWO SIDES.
- GENEROUS COVERAGE. SPEAKING IN MENDOZA YESTERDAY, HE SERIOUSLY DOUBTED THAT A COUP WOULD BE MOUNTED, ALTHOUGH HE DID NOT COMPLETELY DISCOUNT THE POSSIBILITY. HE ADMITTED THE EXISTENCE OF TENSIONS WITHIN THE ARMED FORCES AND SAID THAT SINCE ASSUMING COMMAND OF THE ARMY HE HAD BEEN INFORMED OF SOME THIRTY-TWO PLOTS. HE FURTHER WARNED AGAINST MALICIOUS DEFAMATION OF THE MILITARY ESTABLISHMENT.
- 4. ALL NEWSPAPERS REPORT INITIATION OF THE DIALOGUE BETWEEN
 BIGNONE AND LEADING POLITICIANS. THE RADICALS WILL MEET HIM
 TODAY, THE FEDERALISTS TOMORROW, THE DEVELOPMENTALISTS ON
 MONDAY AND THE CHRISTIAN DEMOCRATS NEXT WEDNESDAY. THE
 JUSTICIALISTS ALLEGEDLY WANT A POSTPONEMENT OF THEIR APPOINTMENT
 SO THAT ALL SECTORS OF THE PARTY CAN BE CONSULTED ABOUT
 ACCEPTANCE OF THE INVITATION. THE EXACT SCOPE OF THE PROPOSED
 TALKS REMAINS UNCLEAR.

JORGE ILLUECA OF THE UK'S REFUSAL TO NEGOTIATE ON THE FALKLANDS
AND OUR QUOTE USURPATION UNQUOTE OF THE ISLANDS. ILLUECA, WHO
ARRIVED YESTERDAY ON A FIVE-DAY VISIT, SUPPORTED ARGENTINA'S
DECISION TO INVADE LAST YEAR AND REAFFIRMED PANAMANIAN SOLIDARITY.

ADMIRAL ROBERTO MOYA, CLAIMED THAT THE CARRIER 'INVINCIBLE' HAD BEEN HIT BY AN EXOCET MISSILE DURING THE FALKLANDS FIGHTING AND LAMENTED HIS COMPATRIOTS' LACK OF PRIDE AT THEIR ACHIEVEMENTS DURING THE CAMPAIGN. HE AGAIN STRESSED THE COST TO THE UK OF MAINTAINING OUR GARRISON AND DECLARED THAT HIS PILOTS WERE READY TO REPEAT THEIR HEROIC FEATS. (TEXT AND TRANSLATION BY BAG TO FCO)



7. FOREIGN MINISTER AGUIRRE LANARI YESTERDAY SAID THAT THE GOVERNMENT HAD NOT RULED OUT EXPROPRIATION OF BRITISH ASSETS HERE IF THE UK CONFISCATED ARGENTINE HOLDINGS IN THE FALKLANDS.

8. "CLARIN" RECORDS CRITICISM FROM MEXICAN POLITICIANS OF
HM THE QUEEN'S VISIT TO MEXICO AS AN AFFRONT TO LOCAL FEELINGS
OF SOLIDARITY WITH ARGENTINA.

JOY POWELL- JONES

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FAIKLAND ISLANDS

TO PRIORITY FCO TELNO 68 OF 16 FEBRUARY IFNO PRIORITY MONTEVIDEO SANTIAGO CARACAS BRASILIA WASHINGTON UKMIS NEW YORK CIVIL COMMISSIONER PORT STANLEY

PRESS SUMMARY

- 1. THE PROPOSED TALKS BETWEEN LEADING POLITICIANS AND PRESIDENT BIGNONE FIGURE PROMINENTLY IN TODAY'S MIXED BAG OF HEADLINES. THE MAJOR PARTIES SAID YESTERDAY THAT THEY WOULD MAKE NO AGREEMENT WITH THE CURRENT REGIME THAT MIGHT LIMIT THE NEXT ELECTED GOVERNMENT'S FREEDOM OF ACTION. THE RADICALS HOWEVER, ACCPETED AN INVITATION TO GENERAL DISCUSSIONS ON 17 FEBRUARY, BUT DESPITE EARLIER POSITIVE INDICATIONS, THE JUSTICIALISTS HAVE NOT YET DECIDED ON PARTICIPATION. THERE IS SIMILAR CONFUSION AMONGST THE CHRISTIAN DEMOCRASTS, AND WHILE THE FEDERALISTS WILL JOIN THE DIALOGUE, THE INTRANSIGENT PARTY WILL NOT.
- 2. FURTHER REPORTS OF THE PRESIDENT'S MEETING WITH THE JUNTA ON MONDAY SUGGEST THAT HE HAD TO DEFEND THE GOVERNMENT'S ECONOMIC POLICY AGAINST SHARP CRITICISM FROM THE MILITARY. THE FALKLANDS ISSUE WAS ALSO RAISED AND, ACCORDING TO AN AIR FORCE SOURCE QUOTED BY ''LA NACION'', IT WAS AGREED THAT ARGENTINA WOULD CONTINUE TO INSIST ON ITS SOVEREIGNTY CLAIMS IN ALL INTERNATIONAL FORA AND WOULD ENSURE THAT QUOTE THE BRITISH GOVERNMENT FINDS IT EVER MORE EXPENSIVE TO MAINTAIN ITS OCCUPATION OF THE ISLANDS UNQUOTE.
- 3. THE POPULAR DAILY ''CRONICA'' REFERS TO THE INTERCEPTION BY BRITISH QUOTE PIRATES UNQUOTE OF 2 BRAZILIAN SHIPS OFF THE FALKLANDS AND SOUTH GEORGIA TWO DAYS AGO. "CONVICCION" CARRIES A SIMILAR STORY.
- 4. IN A SPEECH TO OFFICERS IN MENDOZA YESTERDAY, ARMY COMMANDER CRISTING NICOLAIDES LOOKED FORWARD TO A FULL INVESTIGATION OF ARGENTINA'S CONDUCT OF THE FALKLANDS CAMPAIGN, BUT AVOIDED BELLICOSE COMMENTS. HE ALSO REAFFIRMED SUPPORT FOR THE DEMOCRATIZATION PROCESS AND URGED POLITICIANS TO TONE DOWN THEIR STERILE CRITICISM OF THE ARMED FORCES.
- 5. MOST PAPERS HIGHLIGHT CENTRAL BANK PRESIDENT JULIO GONZALEZ DEL SOLAR'S STATEMENT THAT ARGENTINA'S EXTERNAL DEBT IS NOW 37 BILLION DOLLARS AND THAT 1.5 BILLION DOLLAR LOAN IS BEING ARRANGED WITH A CONSORTIUM OF FOREIGN BANKS.

6. THE ''BUENOS AIRES HERALD'' RECORDS THAT ON MONDAY A MONTONERO TERRORIST GROUP INTERRUPTED A RADIO PROGRAMME IN MAR DEL PLATA TO BROADCAST A 10 MINUTES HARANGUE AGAINST THE MILITARY REGIME. JOY POWELL-JONES [COPIES SENT TO NO 10 DOWNING STREET] FALKLAND ISLANDS GENERAL ADDITIONAL DISTRIBUTION FCO FID SAMD CABINET OFFICE FALKLAND ISLANDS 2 7 1 1