

PALKLAND ISLANDS GENERAL

PS
 PS/LADY YOUNG
 PS/MR RENTON
 PS/MR RIFKIND
 PS/PUS
 MR DEREK THOMAS
 LT FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
 SIR C TICKELL
 MR D C THOMAS
 MR WESTON
 MR BARRINGTON
 HD/PUSD
 HD/SAMD
 HD/FID
 HD/NEWS DEPT
 HD/EED
 HD/ECD (E)
 HD/UND

PS/NO 10 DOWNING ST
 PS/S OF S FOR DEFENCE
 MR R NICHOLLS, AUSD STAFF, MOD
 NH

PS/CHANCELLOR)
 MISS M E CUND) TREASURY
 MR LITTLER)

SIR R ARMSTRONG)
 MR A D S GOBBALL) CABINET
 DIO *Car Hedge*) OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

RESIDENT CLERK

(2)

IMMEDIATE

UNCLASSIFIED

(FM BERNE 251552)

FM BISBA

TO IMMEDIATE FCO

TELNO 635 OF 24 SEPTEMBER 1984

INFO PRIORITY MOD (SIC A3A), CBFFI BANK OF ENGLAND ASUNCION BRASILIA
 CARACAS MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK
 WASHINGTON PORT STANLEY

PRESS SUMMARY

1. PRESIDENT ALFONSIN'S NEW YORK VISIT AND THE IMF MEETING IN WASHINGTON TAKE MOST OF THE WEEKEND HEADLINES.
2. BEFORE HIS DEPARTURE, ALFONSIN DECLARED THAT QUOTE UNDER NO CIRCUMSTANCES SHOULD CREDITOR NATIONS BE SUBJECTED TO HEAVY, ABSURD BURDENS, WITH USURIOUS INTEREST RATES GOING TO PAY THEIR FOREIGN DEBTS, BECAUSE THIS ONLY LEADS TO SOCIAL CONFLICT, TENSION, AND THE SERIOUS PROBLEMS ENDANGERING WORLD PEACE UNQUOTE.
3. MONDAY'S PAPERS ALL REPORT THAT IN HIS INTERVIEW WITH PRESIDENT REAGAN, ALFONSIN RECEIVED A POSITIVE REPLY TO HIS CALL FOR A POLITICAL DIALOGUE BETWEEN INDUSTRIALISED AND LATIN AMERICAN COUNTRIES ON THE REGION'S FOREIGN DEBT, ALTHOUGH US TREASURY SECRETARY DONALD REGAN IS CITED AS SAYING THAT THE IBRD AND IMF DEVELOPMENT COMMITTEE SHOULD NOT BE TURNED INTO A POLITICAL FORUM.
4. SPEAKING IN WASHINGTON ON SATURDAY, ECONOMY MINISTER BERNARDO GRINSPUN ECHOED ALFONSIN IN STRESSING THE THREAT TO DEMOCRACY IN DEVELOPING COUNTRIES POSED BY THE ECONOMIC CRISIS. HE DEMANDED A REDUCTION IN INTEREST RATES AND REPEATED A PROPOSAL THAT THE FOREIGN DEBT PROBLEM BE TREATED WITH A MORATORIUM ON BOTH INTEREST AND CAPITAL UNTIL A LONG-TERM SOLUTION COULD BE FOUND.
5. ON FRIDAY THE CENTRAL BANK DEVALUED THE PESO BY 3.19 PER CENT BRINGING THE TOTAL DEVALUATION OF THE OFFICIAL RATE TO 26.1 PER CENT SINCE THE BEGINNING OF THE MONTH. THE BANK'S PRESIDENT, ENRIQUE GARCIA VAZQUEZ, HAS INDICATED THAT A TIGHT MONETARY POLICY WILL BE APPLIED UNTIL THE END OF THE YEAR.
6. BEFORE LEAVING FOR NEW YORK, FOREIGN MINISTER DANTE CAPUTO

6. BEFORE LEAVING FOR NEW YORK, FOREIGN MINISTER DANTE CAPUTO ASSERTED THAT THE UK SHOULD BE WORRIED BY THE DEGREE OF SUPPORT FOR ARGENTINA AT THE UN OVER THE FALKLANDS ISSUE AND AGAIN REFERRED TO OUR QUOTE INTRANSIGENCE UNQUOTE WHICH WOULD ALLEGEDLY COST US POLITICAL CAPITAL IN THE INTERNATIONAL COMMUNITY. ALFONSIN WAS EXPECTED TO ADDRESS THE UN ON THE FALKLANDS TODAY, BUT HE AND CAPUTO BOTH RULED OUT BILATERAL TALKS WITH THE UK DURING THEIR PRESENT TRIP.

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7. ON MONDAY MOST PAPERS CARRIED AN EFE AGENCY STORY THAT WE ARE NERVOUS ABOUT A POSSIBLE CHANGE OF VOTE BY FRANCE, ITALY AND GREECE, AND THEY NOTE THE PUBLICATION BY THE OBSERVER OF A SUPPOSEDLY CONFIDENTIAL DOCUMENT ON THE FALKLANDS SENT BY THE BRITISH TO OTHER GOVERNMENTS.

8. WHILE POLITICIANS AND HUMAN RIGHTS GROUPS CRITICIZED THE REPORT FROM THE NATIONAL COMMISSION ON THE DISAPPEARANCE OF PERSONS (DCONADEP) FOR NOT LISTING THE NAMES OF THOSE GUILTY OF EXCESSES DURING THE DIRTY WAR, THE GOVERNMENT HAS ANNOUNCED THE CREATION OF A NEW INTERIOR MINISTRY UNDER-SECRETARIAT TO CONTINUE THE COMMISSION'S WORK.

9. THE SUPREME COURT HAS MEANWHILE REFUSED TO TRY A CASE INVOLVING FORMER PRESIDENT JORGE VIDELA AND OTHER HIGH-RANKING RETIRED OFFICERS AND HAS TRANSFERRED IT TO THE ARMED FORCES SUPRME COUNCIL. THE COUNCIL IS IN TURN EXPECTED TO INFORM THE FEDERAL CRIMINAL APPEALS COURT TOMORROW THAT IT IS STILL UNABLE TO REACH A VERDICT IN COURT MARTIALS OF FORMER MEMBERS OF THE MILITARY JUNTAS FOR HUMAN RIGHTS ABUSES, AND JUSTICE MINISTER CARLOS ALCONADA ARAMBURU HAS STATED THAT MANY CRIMES ARE LIKELY TO GO UNPUNISHED FOR LACK OF EVIDENCE.

10. DANIELLE MITTERRAND, WIFE OF THE FRENCH PRESIDENT, ARRIVED IN BUENOS AIRES ON AN OFFICIAL VISIT ON SATURDAY. INVITED BY SENORA ALFONSIN, SHE WILL MEET RELATIVES OF FRENCH CITIZENS WHO DISAPPEARED UNDER THE MILITARY REGIME.

11. THE ARMY APPARENTLY OWES ITS SUPPLIERS BETWEEN 1.2 AND 1.5 BILLION PESOS, AND ITS COST-CUTTING EFFORTS INCLUDE A REDUCTION IN THE QUANTITY OF FOOD PURCHASED FOR ITS CONSCRIPTS.

12. A REPORT BY THE BUENOS AIRES-BASED CENTRE FOR DEFENCE STUDIES AND RESEARCH (CIED) CLAIMS THAT ARGENTINA CANNOT SIGNIFICANTLY REDUCE HER ARMED FORCES UNLESS HER PRINCIPAL NEIGHBOURS, CHILE AND BRAZIL, AGREE TO DO THE SAME. IN LISTING THE MILITARY EQUIPMENT AVAILABLE TO THE THREE ARGENTINE SERVICES, THE ORGANIZATION CONTENTS THAT THE NAVY POSSESSES 20 EXOCET MISSILES.

13. ENERGY SECRETARY CONRADO STORANI HAS DEFENDED AN OIL EXPLORATION CONTRACT SIGNED BY YPF WITH SHELL AGAINST STRONG CRITICISM THAT IT IS DISADVANTAGEOUS TO ARGENTINA.

14. PERONIST DEPUTIES SEEM SET TO PROVOKE A POSTPONEMENT OF TODAY'S SCHEDULED DEBATE ON THE 1984 BUDGET, ALTHOUGH THERE ARE SIGS AMONG THEIR RANKS OF GROWING FACTIONALISM AND DISSATISFACTION WITH THE CURRENT PARTY LEADERSHIP.

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