

S
 PS/MR HURD
 PS/MR ONSLOW
 PS/PUS
 MR BULLARD
 SIR I SINCLAIR
 MR GIFFARD
 MR WRIGHT
 MR ADAMS
 LORD N G LENNOX
 LORD BRIDGES
 MR URE
 MR GILLMORE
 HD/PUSD
 HD/S AM D
 HD/DEF DEPT
 HD/NEWS DEPT
 HD/ERD
 HD/ECD(E)
 HD/UND
 HD/PLANNING STAFF
 MR ANTHONY WILLIAMS W60
~~EMERGENCY ROOM SENT~~
~~RESIDENT CLERK~~

~~PS/NO 10 DOWNING ST (2)~~

PS/S OF S FOR DEFENCE

MR J STEWART AUSD STAFF MOD

PS/CHANCELLOR)

~~SIR K COUZENS~~) TREASURY

MR LITTLER)

SIR R ARMSTRONG)

SIR M PALLISER) CABINET

MR WADE-GERY) OFFICE

MR FULLER SAPU/DIO)

DIO)

MYLETT

IMMEDIATE

UNCLASSIFIED

(FM BERNE 120741Z)

FM BRITISH INTERESTS SECTION SWISS EMBASSY BUENOS AIRES

TO IMMEDIATE FCO

TELNO 86 OF 11 MAY

INFO IMMEDIATE MONTEVIDEO WASHINGTON BRASILIA SANTIAGO

UKDEL NEW YORK

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PRESS SUMMARY

1. THIS MORNING'S HEADLINES ARE A MIXED BAG, REFLECTING UNCERTAINTY AMONGST EDITORS ABOUT THE MOST SIGNIFICANT NEWS. THEY VARY FROM THE MOST POPULAR QUOTE MORE BRITISH ATTACKS ON THE ISLANDS UNQUOTE AND QUOTE UK KEEPS UP HOSTILITIES UNQUOTE TO QUOTE SLOW PROGRESS IN UN NEGOTIATIONS UNQUOTE AND COSTA MENDEZ'S COMMENT AT A PRESS CONFERENCE AT THE MFA THAT THERE WAS QUOTE A MODERATE AND REASONABLE HOPE FOR A NEGOTIATED SOLUTION UNQUOTE.

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2. THERE ARE A FEW FAINT INDICATIONS OF GIVE SUCH AS MFA CHIEF OF CABINET'S RADIO COMMENT THAT QUOTE WE WANT TO MAKE IT EASIER FOR MRS THATCHER TO SIT DOWN AND NEGOTIATE WITHOUT HAVING TO SAY THAT SOVEREIGNTY BELONGS TO ARGENTINA BEFORE NEGOTIATIONS BEGIN UNQUOTE.

3. BUT THERE ARE ALSO DOUBTS (''AMBITO FINANCIERO'') WHETHER ARGENTINA CAN POSSIBLY AGREE TO A UN FLAG OVER THE ISLANDS WITH SO MANY ARGENTINE CASUALTIES. (THIS COINCIDES WITH PUBLICATION OF 10 DEAD, 18 WOUNDED AND 4 MISSING IN THE CONFLICT SO FAR).

4. THERE IS CONTINUING CRITICISM IN ''LA PRENSA'', BY IGELESIAS ROUCO HIMSELF, OF THE PAUCITY OF OFFICIAL ARGENTINE INFORMATION ABOUT THE CONFLICT WHICH ONLY RESULTS IN INCREASED RUMOURS, DOUBTS AND GENERAL UNEASE.

5. ON THE HOME FRONT ONLY THE ''B A HERALD'' RECORDS THAT THE MINISTRY OF THE INTERIOR HAS FAILED TO MEET ITS OWN DEADLINE SET TWO MONTHS AGO TO PROVIDE INFORMATION ON MISSING PERSONS (LOS DESAPARECIDOS) TO THEIR RELATIVES, POINTING OUT THAT OVER 300 PEOPLE INVITED TO BRIEFINGS YESTERDAY WERE TURNED AWAY EMPTYHANDED.

6. PRELIMINARY GDP FIGURES RELEASED YESTERDAY BY THE CENTRAL BANK INDICATE A DECLINE OF 4.3 PER CENT IN FIRST QUARTER ECONOMIC ACTIVITY: THE BIGGEST FALL FOR JANUARY/MARCH IN THE LAST TEN YEARS WITH MANUFACTURING MOST SERIOUSLY AFFECTED (9.00 PER CENT FALL) AND ONLY AGRICULTURE RISING. THE CENTRAL BANK RESERVES FOR THE FIRST WEEK OF MAY ROSE BY 117.3 MILLION DOLLARS AFTER EIGHT CONSECUTIVE WEEKS OF DECLINE AND APRIL CAR SALES ROSE BY 30 PER CENT OVER MARCH, ATTRIBUTED TO HIGHER INFLATION FEARS AND EXPECTED HIGHER COSTS DUE TO GOVERNMENT EMERGENCY MEASURES.

JOY 11.5.

UNQUOTE

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