

FRENCH ISLANDS GENERAL (ADVANCES)

58

PS
 PS/LADY YOUNG
 PS/MS WHITNEY
 PS/MS RIFKIND
 PS/PCS
 SIR J SULLIVAN
~~SIR I GRIFFITHS~~ MR. FREELAND
 SIR W HARDING
 MR TRIGET
 MR ADAMS
~~LORD N GORDON LENOX~~
 SIR C TICKELL
~~MR E THOMAS~~

MR ~~WILLIAM~~ WESTON
 MR ~~WILES~~ MR. WACHNES.

D/PSD (2)
 D/SAID
 D/ED

~~SECRETARY~~
 D/NEES DEPT
 D/ED
 D/ED(3)
 D/ED
 D/PLANNING STAFF

PS/NO 10 DOWNING ST (3)

PS/S OF S FOR DEFENCE
 MR ~~J BROWN~~ AUSD STAFF MOD
 MR RD Nicholls

PS/CHANCELLOR)
 MISS M E CURD) TREASURY
 MR LITTLE)

SIR R ARMSTRONG)
 MR A D S GOODALL) CABINET OF
 DIO)

~~MR M A PATTISON, FID, ODA~~
 MR POWER, SAD, ODA

MR A FORTNAM IAT/ D. TRANSPORT

~~PRESIDENT CLERK~~



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GRS 800

UNCLASSIFIED

(FM BERNE 121550Z)

FM BIS BUENOS AIRES

TO IMMEDIATE FCO
 TELNO 386 OF 11 JUNE

ADVANCE COPY

IMMEDIATE

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 MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK WASHINGTON
 CC STANLEY MADRID

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PRESS SUMMARY

1. THE WEEKEND'S HEADLINES WERE DIVIDED BETWEEN PRESIDENT ALFONSIN'S VISIT TO SPAIN, THE FOREIGN DEBT AND THE DISCOVERY OF A BOMB IN AN AIRFRACHT WHICH WAS TO TAKE EXPRESIDENT ISABEL PERON BACK TO SPAIN.
2. ALFONSIN ARRIVES IN SPAIN TODAY FOR A SIX DAY OFFICIAL VISIT INCLUDING MEETINGS WITH KING JUAN CARLOS AND PRIME MINISTER FELIPE GONZALEZ. HE IS ACCOMPANIED BY 23 OFFICIALS INCLUDING FOREIGN

INCLUDING MEETINGS WITH KING JUAN CARLOS AND PRIME MINISTER FELIPE GONZALEZ. HE IS ACCOMPANIED BY 28 OFFICIALS INCLUDING FOREIGN MINISTER DANTE CAPUTO, DEFENCE MINISTER RAUL BORRAS, PRESIDENTIAL SECRETARY GERMAN LOPEZ, LOWER HOUSE SPEAKER JUAN CARLOS PUGLIESE AND ARMED FORCES CHIEF-OF-STAFF JULIO FERNANDEZ TORRES. IN STATEMENTS TO SPAIN'S 'RADIO NACIONAL' WHICH WERE REBROADCAST HERE, ALFONSIN SAID THAT DURING HIS TRIP SPAIN AND ARGENTINA QUOTE WILL JOIN EFFORTS TO FIGHT THE SEQUALS OF COLONIALISM UNQUOTE IN AN ALLUSION TO THE FALKLANDS AND GIBRALTAR. HE IS ALSO REPORTED TO HAVE SAID THAT NEGOTIATIONS OVER THE FALKLANDS WERE GOING QUOTE VERY BADLY UNQUOTE BECAUSE OF THE QUOTE EXTRAORDINARY ARROGANCE UNQUOTE OF THE BRITISH GOVERNMENT. HE ADDED THAT TO CONVERT THE ISLANDS INTO A FORTRESS COULD TURN THE SOUTH ATLANTIC INTO A NEW INDIAN OCEAN WITH THE CONSEQUENT DANGERS FOR THE CONTINENT.

3. THE ARGENTINE LETTER OF INTENT TO THE IMF WAS APPROVED BY ALFONSIN AND HIS CABINET ON SATURDAY NIGHT AND WILL BE SENT TO THE IMF TODAY. THE LETTER WILL NOT BE MADE PUBLIC UNTIL TONIGHT BUT WILL BE SHOWN TO CONGRESSMEN AND POLITICAL PARTIES. ACCORDING TO SOME REPORTS THE LETTER HAS NOT BEEN AGREED WITH THE VISITING IMF TEAM AND IS UNLIKELY TO FIND FAVOUR WITH THE IMF OR LEAD TO FURTHER LOANS. TRANSLATION OF AN OFFICIAL STATEMENT ON THE LETTER IS IN MIFT

4. THE US EMBASSY HERE HAVE DENIED REPORTS FROM LONDON THAT THE US GOVERNMENT HAD ISSUED AN ULTIMATUM TO ARGENTINA TO SIGN AN AGREEMENT WITH THE IMF BEFORE 15 JUNE AS A FIRST STEP TOWARDS FOREIGN DEBT RENEGOTIATION.

5. THE LONDON ECONOMIC SUMMIT WAS PROMINENTLY REPORTED HERE WITH THE INITIATIVE ON THE THIRD WORLD DEBT BEING FRONT PAGED IN SEVERAL PAPERS. 'LA VOZ' NOTED THAT THE 'OBSERVER' HAD CALLED THE SUMMIT A SUCCESS OF PRESENTATION BUT A HISTORIC DISASTER.

6. A BOMB MADE OF HALF A KILO OF TROTYL PLASTIC EXPLOSIVE WITH A SOPHISTICATED AIR PRESSURE DETONATOR WAS DISCOVERED IN THE NOSE CONE OF THE AEROLINEAS ARGENTINAS JUMBO WHICH WAS TO TAKE ISABEL PERON, LABOUR MINISTER JUAN CASELLA, PRESIDENTIAL DELEGATE FOR UNION NORMALISATION HUGO BARRIONUEVO AND SOME 300 OTHER PASSENGERS TO SPAIN ON FRIDAY. THE DEVICE WAS REMOVED AND DETONATED BY POLICE AND ALL PASSENGERS WERE SWITCHED TO ANOTHER AIRCRAFT WHICH FINALLY LEFT 45 MINUTES BEHIND SCHEDULE. A 'HERALD' EDITORIAL HEADED 'TERRORISM IS BACK' CLAIMED THAT QUOTE TERRORISM MERCIFULLY ALL BUT ABSENT FOR THE LAST FEW YEARS HAS RETURNED WITH A VENGEANCE AND FROM NOW ON NOTHING WILL BE QUOTE THE SAME UNQUOTE. HOWEVER INTERIOR MINISTER TROCCOLI DESCRIBED THE BOMB ATTEMPT AS A QUOTE ISOLATED ACT UNQUOTE. THE INCIDENT RECEIVED WIDESPREAD CONDEMNATION ALL POLITICAL FRONTS.

7. A FEW HOURS BEFORE MRS PERON'S DEPARTURE HER SPOKESMAN ANNOUNCED SHE HAS SET UP A 'HIGH COMMAND' OF THE JUSTICIALIST PARTY TO BE

SHE HAS SET UP A 'HIGH COMMAND' OF THE JUSTICIALIST PARTY TO BE RESPONSIBLE FOR THE LEADERSHIP OF THE PARTY DURING HER ABSENCES AND FOR RELATIONS WITH THE GOVERNMENT. THE 'HIGH COMMAND' CONSISTS OF THE 16 MEMBERS OF HER LIAISON COMMITTEE PLUS CGT SECRETARIES GENERAL SAUL UBALDINI AND JORGE TRIACA AND WILL HAVE THE SUPPORT OF 12 ADVISORY COMMITTEES. ONE NOTABLE ABSENTEE IS JUSTICIALIST PARTY VICE-PRESIDENT LORENZO MIGUEL. MRS PERON LATER ANNOUNCED SHE HOPED TO RETURN TO ARGENTINA IN A MONTH AND WAS ASSUMING FULL LEADERSHIP OF THE JUSTICIALIST PARTY.

8. DURING A CEREMONY AT THE FIRST ARMY CORP HEADQUARTERS TO MARK YESTERDAY'S 'DAY OF ASSERTION OF ARGENTINE RIGHTS OVER THE MALVINAS', DEFENCE MINISTER BORRAS READ A STATEMENT ON BEHALF OF ALFONSIN WHICH PLEDGED NOT TO BACK DOWN IN DEMANDING ARGENTINE SOVEREIGNTY AND CRITICISED QUOTE BRITISH INFLEXIBILITY UNQUOTE AND QUOTE LACK OF NEGOTIATING WILL UNQUOTE. UNOFFICIAL TRANSLATION OF THE STATEMENT IN MY SECOND IFT. BORRAS LATER PRESENTED AWARDS TO EX-FALKLANDS VETERANS. THE PRESIDENT'S SPEECH WAS ALSO READ AT SIMILAR CEREMONIES HELD AT NAVY AND AIR FORCE HEADQUARTERS.

9. MOST PAPERS REPORT STATEMENTS DURING THE HOUSE OF COMMONS SOUTH ATLANTIC DEBATE BY MP ROBERT RHODES JAMES THAT A NEW FALKLANDGA CONFLICT COULD ARIIE UNLESS ARGENTINA AND BRITAIN SEEK QUOTE MUTUAL UNDERSTANDING UNQUOTE. MR RAY WHITNEY IS REPORTED TO HAVE REFERRED TO CONTACTS THROUGH BRAZILIAN AND SWISS INTERMEDIARIES AND TO HAVE SAID THAT QUOTE WE HAVE INITIATED NEGOTIATIONS AND THEY ARE CONTINUING UNQUOTE AND THAT THE EXCHANGES MUST BE CONFIDENTIAL.

10. PRESIDENT OF THE SENATE FOREIGN AFFAIRS COMMITTEE, ADOLFO GASS, IS REPORTED TO HAVE CONFIRMED THAT BRITISH PARLIAMENTARIANS GEORGE FOULKES, JAMES LISTER, CYRIL TOWNSEND AND LORD KENNET WILL VISIT ARGENTINA THIS MONTH TO DISCUSS THE FALKLANDS ISSUE WITH THEIR ARGENTINE COUNTERPARTS. SOME PAPERS REPORT A MOTION BY 30 CONSERVATIVE MPS CALLING FOR RENEWAL OF DIPLOMATIC AND COMMERCIAL LINKS WITH ARGENTINA.

JOY

POWELL-JONES

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SENT AT RECD AT 121620Z TWPM