

- PS
- PS/LADY YOUNG
- PS/MS WHITNEY
- PS/MS RIFKIND
- PS/PDS
- SIR J SULLIVAN
- ~~SIR I SINCLAIR~~ MR. FREEMAN
- SIR W HARDING
- MS PRIET
- MS ADAMS
- ~~LOIS H GORDON LENNOX~~
- SIR C TICKELL
- MR D C THOMAS
- MR ~~WESTON~~ WESTON
- MR MILES
- D/PDS (2)
- D/SAD
- D/ED
- ~~SECRETARY~~
- D/NEWS DEPT
- D/ED
- D/EO(E)
- D/ED
- ~~D/PLANNING STAFF~~

PS/NO 10 DOWNING ST. (3)

PS/S OF S FOR DEFENCE
MR ~~SECRETARY~~ AUSTRALIAN STAFF MOD.
MR NICHOLS

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

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

~~MR V A PATTISON, PD, ODA~~
MR POWER, SAD, ODA

MR A FORTNAM IAT/ D. TRANSPORT

PRESIDENT CLERK

RR BANK OF ENGLAND

GRS 90
 UNCLASSIFIED
 FROM MADRID 141005Z JUNE 1984
 TO IMMEDIATE FCO
 TELEGRAM NUMBER 332 OF 14 JUNE
 INFO PRIORITY BIS BUENOS AIRES, BERNE,
 INFO ROUTINE UKREP BRUSSELS, WASHINGTON, PARIS, HM TREASURY,
 BANK OF ENGLAND.

ADVANCE COPY
 IMMEDIATE

MY TEL NO 331 (NOT TO ALL): VISIT OF PRESIDENT ALFONSIN

1. AT THE PRESS CONFERENCE HELD AFTER THE ISSUE OF THE JOINT SPANISH/ARGENTINE DECLARATION REPORTED IN MY TUR, ALFONSIN CONFIRMED THAT ARGENTINA WOULD NOT MAKE A UNILATERAL DECLARATION OF A CESSATION OF HOSTILITIES IN THE FALKLANDS. HE ACCUSED HMG OF CONTINUING TO FORTIFY THE ISLANDS AND OF MAINTAINING THE EXCLUSION ZONE WHICH, HE SAID, COULD BRING THE AREA INTO THE THEATRE OF EAST/WEST CONFRONTATION. THIS WAS OF CONCERN TO ALL COUNTRIES IN THE REGION.

2. AS REGARDS ARGENTINE INDEBTEDNESS, THE SPANISH AUTHORITES HAVE LET IT BE KNOWN THAT THE REFERENCE IN THE DECLARATION TO A RENEWAL OF BILATERAL CREDIT MEANS THE RESTORATION OF THE UNUSED ELEMENT IN A 1979 LINE OF CREDIT TIED TO SPANISH GOODS AND SERVICES VALUED AT 105 M DOLLARS AT CONSENSUS RATES. THE PRESS COMMENTS THAT IT HAS BEEN DONE IN ADVANCE BOTH OF ARGENTINA'S DEBT RESCHEDULEMENT UNDER PARIS CLUB ARRANGEMENTS (AND ALLEGEDLY IN BREACH OF PARIS CLUB RULES) AND OF AGREEMENT WITH THE IMF. AT THE END OF THE PRESS CONFERENCE GONZALEZ UNDERTOOK TO EXPLAIN TO PARIS CLUB MEMBERS THE PARTICULAR DIFFICULTIES SPAIN BELIEVED FACED SUCH COUNTRIES AS ARGENTINA.