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FM BIS BUENOS AIRES

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TO IMMEDIATE DESKBY FCO
TELNO 451 OF 06 JULY

LUNCH CONVERSATION WITH DANTE GIADONE, UNDER SECRETARY IN THE
PRESIDENCY

1. AS PREVIOUSLY AGREED, I ACCEPTED AN INVITATION FROM GUILLERMO MURCHISON TO LUNCH TODAY WITH HIM AND DANTE GIADONE AT THE JOCKEY CLUB, HAVING PREVIOUSLY CLEARED THIS WITH THE SWISS AMBASSADOR. GIADONE IS UNDER SECRETARY TO THE SECRETARY-GENERAL FOR THE PRESIDENCY, GERMAN LOPEZ, PRESIDENT OF THE NATIONAL SUPERVISORY COMMISSION OVER BRITISH ASSETS AND A CLOSE FRIEND AND PLITICAL COLLEAGUE OF ALFONSIN HIMSELF. HE WAS FRANK, VERY FRIENDLY, COMPLETELY AT EASE AND ADMITTED TO BEING A SOMEWHAT UNORTHODOX POLITICIAN. HE VOICED BOTH ADMIRATION AND CRITICISM OF ALFONSIN IN HIS APPROACH BOTH TO THE MILITARY AND TO RELATIONS WITH BRITAIN.

2. GIADONE SAID IN ANSWER TO MY QUESTION THAT THE PRESIDENT HAD WANTED TO SUSPEND THE SANCTIONS LAW NO 22591, HAD BEEN ON THE POINT OF DOING SO, BUT HAD BEEN PUT OFF BY WHAT ALFONSIN HIMSELF HAD DESCRIBED AS THE 'THOUGH' ATTITUDE DISPLAYED IN HMG'S LAST MESSAGE. GIADONE HAD NOT HIMSELF SEEN THE TEXT AND COULD NOT THEREFORE BE MORE PRECISE ABOUT ALFONSIN'S REACTION. HIS OWN VIEW HOWEVER WAS THAT LAW 22591 OUGHT TO BE SCRAPPED AS IT SERVED NO USEFUL PURPOSE. THE COMMISSION MEANWHILE, UNDER HIS PRESIDENCY, WAS DEALING AS EXPEDITIOUSLY AS POSSIBLE WITH ITS BUSINESS TO MINIMISE INCONVENIENCE FOR BRITISH COMPANIES.

3. IN ANSWER TO ANOTHER QUESTION, GIADONE SAID THAT ALFONSIN WANTED PERSONALLY TO PROGRESS RAPIDLY OVER NORMALISING RELATIONS WITH BRITAIN, AS DID BOTH CAPUTO AND JORGE SABKTO IN THE FOREIGN MINISTRY. THERE WERE BEING HELD BACK BY ALFONSIN'S OWN BASICALLY TIMOROUS ATTITUDE TOWARDS POSSIBLE LOCAL REACTIONS TO ANY GESTURE SEEMING TO BE A CONCESSION TO BRITAIN. ALFONSIN WAS AFRAID NOT SO MUCH OF THE CONGRESS, ALTHOUGH THE PERONISTS COULD BE A PROBLEM THERE, PARTICULARLY THE NATIONALIST VICENTE SAADI, AS OF THE MILITARY, OF WHOM HE WAS NATURALLY AND INEVITABLY VERY WARY. GIADONE CAME OVER AS VERY ANGLOPHILE, WITH A REASONABLE BUT RUSTY COMMAND OF ENGLISH, ALTHOUGH WE CONVERSED MAINLY IN SPANISH. HE BELIEVES MANY OF HIS COUNTRYMEN HOLD THE SAME VIEW OF THE BRITISH AND THAT ARGENTINA MUST NORMALISE FIRST AND WORRY LATER ABOUT THE PROBLEM OF THE ISLANDS, INCLUDING SOVEREIGNTY, IE: BEGIN WITH PRACTICAL MATTERS THAT CAN HELP TO RESTORE NORMAL RELATIONS. (HE SOUNDED CLOSE TO OUR OWN POSITION.)

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4. HE CLAIMED CLOSE RELATIONS WITH ALFONSIN WHOM HE SAID HE HAD CRITICISED TO HIS FACE FOR HIS FEARS OF THE MILITARY, AS WELL AS HIS RELUCTANCE TO DELEGATE AND THE DISORDERLINESS OF HIS ADMINISTRATIVE HABITS. HE HAD PRESSED THE NEED FOR CLOSER LIAISON WITH CONGRESS AND BEEN GIVEN RESPONSIBILITY FOR THIS ASPECT OF PRESIDENTIAL AFFAIRS. HE HAD URGED AND WOULD CONTINUE TO URGE GREATER AUDACITY UPON ALFONSIN INSOFAR AS RELATIONS WITH THE MILITARY AND RESTORATION OF RELATIONS WITH BRITAIN WERE CONCERNED. HE SAID CAPUTO AND SABATO, WITH WHOM HE WAS ON CLOSE TERMS, SHARED THIS VIEW BUT WERE RESTRAINED BY ALFONSIN WHO WAS NOT YET PREPARED TO TAKE A STRONG POSITION AGAINST THE MILITARY.

5. HE OFFERED FURTHER OPPORTUNITIES FOR INFORMAL DISCUSSION TO TRY TO RESOLVE WHAT HE CALLED QUOTE OUR COMMON PROBLEM UNQUOTE AT ANY TIME, UNDERSTANDING CLEARLY THAT ALL OFFICIAL COMMUNICATIONS MUST PASS THROUGH THE ESTABLISHED CHANNEL OF THE PROTECTING POWAZR.

6. I FOUND THE MEETING MOST REFRESHING AND ENCOURAGING AND HOPE YOU WILL AGREE TO MY TAKING UP HIS OFFER, KEEPING THE SWISS AMBASSADOR ALWAYS IN THE PICTURE.

7. FCO PLEASE REPEAT AS REQUIRED.

JOY

POWELL-JONES

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