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PS TO PM, NO. 10, DOWNING ST.

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TO IMMEDIATE FCO

TELNO 654 OF 4 OCTOBER 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. THE ECONOMY DOMINATES THE HEADLINES. THE CGT AND EMPLOYERS REPRESENTATIVES ARE EXPECTED TO DISCUSS WITH ALFONSIN NEXT MONDAY THEIR CONCERN ABOUT THE GOVERNMENT'S POLICIES FOLLOWING THE AGREEMENT WITH THE IMF. THE CGT WILL ALSO TODAY DEMAND AN EMERGENCY PAY RISE FOR WORKERS.
2. BERNARDO GRINSPUN HAS DENIED THAT THE UNDERSTANDING WITH THE IMF WILL HAVE A RECESSIVE IMPACT AND MAINTAINED THAT DURING THE LAST QUARTER OF THE YEAR QUOTE SALARIES CANNOT BE THE ADJUSTABLE VARIABLE, BUT RATHER EMPLOYERS WILL HAVE TO MAKE A SACRIFICE UNQUOTE. TRADE SECRETARY RICARDO CAMPERO HAS ANNOUNCED THAT OCTOBER PRICE INCREASES WILL BE RESTRICTED TO 14 PER CENT.
3. 'CLARIN' REPORTS THAT PRESIDENT ALFONSIN WILL QUOTE SUMMON UNQUOTE A MEETING OF THE CLUB DE PARIS WHEN HE VISITS FRANCE ON 22 AND 23 OCTOBER. ARGENTINA WILL ALLEGEDLY SEEK TO RESCHEDUL 2.5 BILLION DOLLARS IN LOANS FROM CLUB MEMBERS AND REQUEST ADDITIONAL CREDIT OF 1.3 BILLION DOLLARS. THE PAPER NOTES THAT PRIOR TO ANY SUCH AGREEMENT ARGENTINA MUST LIFT HER FINANCIAL AND COMMERCIAL RESTRICTIONS CURRENTLY IN FORCE AGAINST THE UK.
4. ACCORDING TO US DEPARTMENT OF AGRICULTURE ESTIMATES THE 1984-85 ARGENTINE GRAIN HARVEST WILL REACH 38.5 MILLION TONS, 3.7 PER CENT DOWN ON LAST YEAR.
5. SPECULATION CONTINUES ABOUT THE IMMINENCE OF A BEAGLE SETTLEMENT WITH CHILE AND THE TIMING OF THE RELATED NATIONAL PLEBISCITE. DIFFERENCES BETWEEN THE TWO COUNTRIES ARE HOWEVER SAID TO REMAIN, INCLUDING A CHILEAN DEMAND FOR AN ANCHORAGE ON THE STATES ISLANDS.
6. WIDE COVERAGE IS GIVEN ON THE INSIDE PAGES TO THE VISIT OF THE SWISS FOREIGN MINISTER PIERRA AUBERT. HE YESTERDAY DENIED THAT THERE HAD BEEN ANY MOVES TO STAGE ANOTHER MEETING BETWEEN ARGENTINA AND THE UK BUT ADDED THAT SWITZERLAND REMAINED AT THE DISPOSAL OF BOTH PARTIES IF THEY WISHED TO ARRANGE FURTHER CONTACTS. HIS ARGENTINE COUNTERPART, DANTE CAPUTO, INDICATED THAT THE FALKLANDS WOULD BE ONE OF THE TOPICS FOR DISCUSSION DURING AUBERT'S TWO DAY VISIT.

APR 20 1984

Re: [unclear]

7. WILLY BRANDT ALSO ARRIVED IN BUENOS AIRES YESTERDAY AND, IN RESPONSE TO JOURNALISTS' QUESTIONS, REFERRED TO THE COMMUNIQUE AFTER THE SOCIALIST INTERNATIONAL'S MEETING IN RIO DE JANEIRO WHICH SUPPORTED A NEGOTIATED SOLUTION TO THE FALKLANDS DISPUTE.
8. FORMER US PRESIDENT JIMMY CARTER WILL VISIT ARGENTINA NEXT MONDAY.
9. ALL PAPERS HEADLINE THE NEWS THAT ALFONSIN IS ONE OF THE NOMINEES FOR THIS YEAR'S NOBEL PEACE PRIZE.

JOY

UNQUOTE
POWELL-JONES

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