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TO IMMEDIATE FCO

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INFO PRIORITY MOD (SIC A3A), CBFF! BANK OF ENGLAND ASUNCION BRASILIA CARACAS MEXICO CITY MONTEVIDEO SANTIAGO UKMIS NEW YORK WASHINGTON PORT STANLEY

## PRESS SUMMARY

- 1. TODAY'S HEADLINES ARE DOMINATED BY THE AWARD OF THE NOBEL PRIZE FOR MEDICINE TO ARGENTINE-BRITISH DUAL NATIONAL DR CESAR MILSTEIN.
- 2. MOST PAPERS ALSO FRONT-PAGE YESTERDAY'S OPENING OF THE NEW CENTRAL MARKET BY PRESIDENT ALFONSIN WHO MADE A SPEECH CALLING FOR AUSTERITY AND GREATER EFFORTS FROM ALLMSECTORS IN ORDER TO PROVIDE FUNDS FOR PRODUCTIVE INVESTMENTS.
- 3. THERE IS CONTINUED SPECULATION OVER THE BEAGLE SETTLEMENT, WITH SOME REPORTS CLAIMING THAT ARGENTINE AND CHILEAN NEGOTIATORS WILL MEET TODAY IN ROME TO DISCUSS TWO OUTSTANDING ISSUES CONCERNING THE EASTERN MOUTH OF THE MAGELLAN STRAIT AND METHODS FOR SETTLING ANY FUTURE TERRITORIAL DISPUTES. ACCORDING TO 'TIEMPO ARGENTINO'', DIPLOMATIC SOURCES HAVE REVEALED THAT PRESIDENTS ALFONSIN AND PINOCHET WILL SIGN THE AGREEMENT IN DECEMBER OR JANUARY IN THE PRESENCE OF THE POPE. THE CEREMONY WILL ALLEGEDLY TAKE PLACE AT THE FOOT OF THE CHRIST STATUE AT THE ARGENTINE-CHILEAN BORDER IN THE ANDES.
- 4. FOLLOWING A MEETING WITH ITALIAN FOREIGN MINISTER GIULIO
  ANDREOTTI, ARGENTINE LABOUR MINISTER JUAN MANUEL CASELLA TOLD
  REPORTERS THAT ANDREOTTI HAD PROMISED THAT ITALY WOULD BE A QUOTE
  BRIDGEHEAD UNQUOTE FOR ARGENTINA TO THE EEC. CASELLA ALSO SAID
  THAT ANDREOTTI WAS ESPECIALLY INTERESTED IN THE FALKLANDS DISPUTE
  AND HAD ANTICIPATED THAT 1985 WOULD BE A DECISIVE YEAR IN OVERCOMING THE PROBLEM. ANDREOTTI WAS SAID TO BE EXTREMELY CONCERNED
  BY THE BREAKDOWN OF THE BERNE TALKS AND TO HAVE DEPLORED THE
  QUOTE EXCESSIVELY RIGID POSITION TAKEN BY THE UK UNQUOTE.
- 5. AGENCY REPORTS CLAIM THAT UN SECRETARY-GENERAL PEREZ DE CUELLAR IS NOW FINALISING THE REPORT HE WILL MAKE TO THE UNGA DURING THE FORTHCOMING FALKLANDS DEBATE. ARGENTINA CAN REPUTEDLY EXPECT ADDITIONAL VOTES THIS YEAR FROM EUROPE AND THE US IS REPORTED ALREADY TO HAVE PROMISED ITS SUPPORT FOR THE LATIN AMERICA RESOLUTION CALLING FOR A RESUMPTION OF NEGOTIATIONS. THE FOREIGN OFFICE IS SAID TO HAVE TERMED SUNDAY'S 'TIEMPO ARGENTINO'' STORY THAT THE SWISS HAVE PROPOSED AMERICAN MEDIATION LEADING TO A RETURN OF THE ISLANDS TO ARGENTINA BY 1990 AS QUOTE ABSOLUTELY UNFOUNDED UNQUOTE.

6. TODAY'S 'TIEMPO ARGENTINO' ALLEGES THAT LIBERAL LEADER DAVID STEELE WILL SEEK A MEETING WITH ALFONSIN TO DISCUSS A SOLUTION TO THE FALKLANDS CONFLICT DUMING THE PRESIDENT'S EUROPEAN TOUR THIS MONTH. THE ARTICLE SUGGESTS THAT THERE HAS BEEN A RECENT IMPROVEMENT IN ANGLO-ARGENTINE RELATIONS, ILLUSTRATED BY THE SPEED WITH WH CH VISAS ARE ISSUED TO UK CITIZENS WISHING TO VISIT ARGENTINA. DIPLOMATIC SOURCES HAVE ALLEGEDLY REVEALED THAT THE ARGENTINE MFA MAY BE STUDYING THE POSSIBILITY OF LIFTING RESTRICTIONS ON BRITISH COMMERCIAL INTERESTS AND SOME OBSERVERS HAVE REMARKED THAT RECENT ADVERTISEMENTS BY A BRITISH SHIPPING COMPANY IN THE ARGENTINE PRESS OFFERING TO TRANSPORT GOODS TO THE UK IS A SIGN OF THE IMPROVING SITUATION (WE HAVE NO KNOWLEDGE OF THESE ADVERTISEMENTS BUT ARE INVESTIGATING). THE SAME ARTICLE ALSO NOTES THAT I AM RETURNING TO ENGLAND TO JOIN A "LATIN AMERICAN DEPARTMENT''. 7. ''LA PRENSA'' CARRIES A LENGTHY ARTICLE PLAYING DOWN THE IMPORTANCE OF THE PONTING CASE AND HEADED QUOTE THE LEAK OF A DOCUMENT WILL NOT BECOME THATCHER'S WATERGATE UNQUOTE. (TEXT AND TRANSLATION BY BAG TO FCO). 3. THE CGT HAS INSTRUCTED ITS MEMBER UNIONS TO DEMAND A 28,000 PESO MINIMUM MONTHLY WAGE BUT HAS NOT YET CALLED FOR STRIKE ACTION SINCE THE ORGANISATION APPARENTLY WISHES TO KEEP ALIVE THE SOCIO-ECONOMIC CONTRACT TALKS WITH THE GOVERNMENT. 9. THE ''BUENOS AIRES HERALD'' CLAIMS THAT DURING ALFONSIN'S VISIT TO FRANCE ON 21 OCTOBER, PRESIDENT MITTERRAND WILL EXPRESS HIS GOVERNMENT'S CONCERN THAT NAVY CAPTAIN ALFREDO ASTIZ IS STILL NOT SUBJECT TO CRIMINAL CHARGES DESPITE HAVING BEEN ACCUSED BY VARIOUS WITNESSES OF BEING RESPONSIBLE FOR THE DISAPPEARANCE OF TWO FRENCH NUNS DURING THE DIRTY WAR. ACCORDING TO THE SAME SOURCES. THE SWEDISH GOVERNMENT WILL ALSO COMPLAIN ABOUT ASTIZ DURING FOREIGN MINISTER PIERRE SCHORI'S VISIT HERE ON NOVEMBER 6 10. ACCORDING TO AGENCY REPORTS THE US HAVE OFFICIALLY PROTESTED THE TREATMENT RECEIVED BY THEIR SHIPS LAST MONTH AT PUERTO MADRYN. THE US EMBASSY HERE HAS NEITHER CONFIRMED NOR DECDIED THE REPORTS. 11. A MIXXX DELEGATION OF ARGENTINE CONGRESSMEN BEGAN A 10 DAY VISIT TO WEST GERMANY YESTERDAY DURING WHICH THEY WILL MEET WITH PARLIAMENTARIANS INCLUDING THE BUNDESTAG FOREIGN AND INTERIOR AFFAIRS COMMITTEES. JUSTICIALIST DEPUTIES MARIO GURIOLO AND HECTOR BASUALDO HAVE BEGUN A SEPARATE TOUR TO BONN, PARIS AND HAMBURG WHERE THEY WILL INSPECT A SUBMARINE CONSTRUCTED UNDER A GERMAN-ARGENTINE AGREEMENT. JOY U NQUOTE POWELL - JONES [COPIES SENT TO NO 10 DOWNING STREET] FAIKLAND ISLANDS GENERAL FCO (PALACE) ADDITIONAL DISTRIBUTION PID FAIKLAND ISLANDS CABINAT OFFICE -2 -