

FALKLAND ISLANDS GENERAL

PS
 PS/LADY YOUNG
 PS/MR RENTON
 PS/MR RIFKIND
 PS/PUS
 MR DEREK THOMAS
 MR J FREELAND
 SIR W HARDING
 MR GOODALL
 MR O'NEILL
 MR C THOMAS
 MR D C THOMAS
 MR WESTON
 MR BIRKINGTON
 ED/PUSD
 ED/SAMD
 ED/FID
 ED/NEWS DEPT
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 MR PS NICHOLLS, AUSD STAFF, MOD
 NH

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

SIR R ARMSTRONG)
 MR D S COBBALL) CABINET
 DIO (Cartledge)) OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT
 RESIDENT CLERK

CONFIDENTIAL

(FM BERNE 191445Z)

FM BISBA

TO IMMEDIATE FCO

TELNO 685 OF 18 OCTOBER 1984

AND TO IMMEDIATE WASHINGTON, UKMIS NEW YORK, PARIS.

ARGENTINA : ECONOMIC RESTRICTIONS

YOUR TELNO 151 OF 16 OCTOBER

1. OUR ANSWERS TO THE QUESTIONS IN PARA 2 OF YOUR TUR ARE AS FOLLOWS :

(A) THE "AMBITO FINANCIERO" REPORTS OF 11 OCTOBER BY JUAN FERROTTI OF THEIR EDITORIAL STAFF QUOTED NO SOURCES BUT WAS SUFFICIENTLY DETAILED AND WELL-RESEARCHED AS TO MERIT SERIOUS ATTENTION. IT WAS FOLLOWED UHN 12 OCTOBER BY A REPORT IN THE "BUENOS AIRES HERALD" QUOTING "NOTICIAS ARGENTINAS" QUOTE RELIABLE SOURCES UNQUOTE. "LA NACION" CARRIED AN AP REPORT FROM LONDON ON 15 OCTOBER QUOTING A SUNDAY TIMES ARTICLE SAYING BRITISH ASSETS WOULD BE UNFROZEN AND THAT ALFONSO WOULD ANNOUNCE THIS DURING HIS VISIT TO FRANCE NEXT WEEK. THE PAPER REPEATED THE NEWS IN MORE DETAIL ON 17 OCTOBER, REFERRING TO SUSPENSION OF LAW 22591 QUOTING "OFICIAL SOURCES" WHICH, IT SAID, REFUSED TO INDICATE WHETHER THE ANNOUNCEMENT WOULD BE MADE IN FRANCE. FROM THESE REPORTS I JUDGE THAT CONSIDERABLE WEIGHT SHOULD BE DETACHED TO THE INITIAL VERSION IN "AMBITO". GIADONE, CHAIRMAN OF THE NATIONAL SUPERVISORY COMMISSION OF BRITISH ASSETS INDICATED SOME WEEKS AGO THE WISH IN OFFICIAL CIRCLES FOR THE LAW TO BE SUSPENDED. THE MOVE CHIMES WELL WITH EVOLVING ARGENTINE TACTICS FOR THE UN AND CLUB OF PARIS TO PRESENT AN INCREASINGLY REASONABLE IMAGE.

EVOLVING ARGENTINE TACTICS FOR THE ON AND OFF OF PARTS TO
PRESENT AN INCREASINGLY REASONABLE IMAGE.

(B) THE REPORTS INDICATE THAT ACTION WOULD BE LIMITED TO THE
SUSPENSION OF THE ASSETS FREEZE AND "LA NACION" REPORTS
SPECIFICALLY (15 OCTOBER) THAT ARGENTINA WOULD MAINTAIN THE
TRADE EMBARGO.

(C) THERE HAS BEEN NO CRITICAL REACTION IN THE ARGENTINE MEDIA.

(D) THE LAWS WILL NOT REPEAT NOT BE REPEALED, WHICH WOULD REQUIRE
REFERENCE TO CONGRESS, BUT MERELY SUSPENDED BY PRESIDENTIAL
DECREE ON THE RECOMMENDATION OF THE NATIONAL SUPERVISORY COMMISSION
ITSELF. THE SWORD OF DAMOCLES WOULD REMAIN.

2. CONSULTED BY ME PERSONALLY ON THIS QUESTION RECENTLY (AT HIS
DAUGHTER'S WEDDING), GIADONE SAID QUOTE THERE IS NO NEWS AT
PRESENT BUT THERE WILL BE NEWS QUOTE SOON UNQUOTE.

3E FCO PLEASE REPEAT FOR LADY YOUNG.

JOY
UNQUOTE

POWELL-JONES

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