

GRS 350

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TO PRIORITY FCO

TELNO 306 OF 2 MAY 1985

INFO ROUTINE MONTEVIDEO, SANTIAGO, BRASILIA, WASHINGTON,
UKMIS NEW YORK, PORT STANLEY, CBFFI.

ARGENTINA - PRESIDENTIAL ADDRESS TO CONGRESS

1. INAUGURATING A NEW LEGISLATIVE SESSION PRESIDENT ALFONSI RENEWED HIS CALL FOR 'A MAJOR EFFORT' BY THE ARGENTINE PEOPLE TO MODERNISE THEIR COUNTRY. WARNING THAT 'POVERTY IS AND WILL BE OUR DAILY COMPANION' HE REFERRED TO THE RIGHT TO STRIKE AS 'THE FINAL SERIOUS RECOURSE' IN A LABOUR CONFLICT AND ANNOUNCED A TARGET OF 12 PER CENT REDUCTION IN PUBLIC SPENDING IN 1985 (FULLER DETAILS IN OUR TELNO 305).
2. IN A REFERENCE TO THE FALKLANDS HE SAID 'OUR POSITION CONTINUES TO BE UNCHANGING; THAT OF NOT RELAXING FOR A MOMENT IN THE EFFORT FOR THEIR FULL RECOVERY AS ALSO FOR THE RECOVERY OF THE SOUTH GEORGIA AND SOUTH SANDWICH ISLANDS. THERE SHOULD THEREFORE BE NO DOUBT THAT WE WILL NOT DEVIATE FROM THIS PATH. WE ALSO REPEAT WITH THE SAME CLARITY AND CERTAINTY THAT THE INTERNATIONAL POLICY OF ARGENTINE DEMOCRACY IS BASED ON THE PRINCIPLE OF THE PEACEFUL SOLUTION OF CONFLICTS BETWEEN NATIONS AND RESPECT IN THIS SPECIFIC INSTANCE FOR THE DECISIONS OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.
3. 'WE CONTINUE TO HOPE IN THIS CONTEXT THAT THE DIFFERENCES WHICH SEPARATE US FROM THE UNITED KINGDOM WILL BE OVERCOME, DESPITE THE INFLEXIBLE INTRANSIGENCE UNTIL NOW DEMONSTRATED BY ITS GOVERNMENT ALTHOUGH ONE OUGHT TO INDICATE WITH HOPE THAT THERE ARE ALREADY LARGE SECTORS OF BRITISH POLITICAL LIFE AND PUBLIC OPINION WHICH ARE BEGINNING TO TAKE INTO ACCOUNT NOT ONLY THE HIGH CONCEPTS WHICH MOTIVATE OUR ACTION AND OUR REAL WISH TO RESOLVE THIS CONFLICT BUT ALSO THE HISTORICAL AND POLITICAL NEED FOR THE UNITED KINGDOM TO FINALLY RECOGNISE THE UNDENIABLE HISTORICAL, GEOGRAPHICAL, CULTURAL AND POLITICAL RIGHTS OF OUR COUNTRY OVER THE ISLANDS, WITH THE RESERVATION OF COURSE OF DUE RESPECT FOR THE INTERESTS OF ITS PRESENT INHABITANTS, SOMETHING WHICH WE ARE DISPOSED TO GUARANTEE ABSOLUTELY'.
4. THE PRESIDENT'S SPEECH FOLLOWED THE GENERAL LINES OF HIS ADDRESS TO THE MASS RALLY ON 26 APRIL (OUR TELNO 295). DESPITE PRAISE FROM HIS OWN SUPPORTERS, MOST POLITICIANS QUERIED THE LACK OF PRECISE MEASURES TO CONFRONT THE ECONOMIC CRISIS. PERONISTS CRITICISED THE PROPOSED REDUCTION IN PUBLIC SPENDING POINTING OUT THAT 30 PER CENT OF EXPENDITURE WENT ON WAGES AND PENSIONS.
5. IN GENERAL. THE ADDRESS WAS SEEN AS PART OF THE PRESIDENT'S CONTINUING POLICY OF PREPARING THE PUBLIC FOR HARSHER TIMES WITHOUT SPELLING OUT TOO MUCH DETAIL IN ADVANCE. IF MEASURES ARE REALLY TAKEN TO IMPLEMENT THE DESIRABLE POLICIES HE HAS BEEN ANNOUNCING IN THE LAST WEEK HE WILL FACE A LOT OF CRITICISM AND LABOUR UNREST.

SHARKEY

RICH

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