

UNCLASSIFIED

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UNCLASSIFIED
FM BUENOS AIRES
TO IMMEDIATE FCO
TELNO 265
OF 141520Z JUL 89

PS TO PRIME MINISTER
NO 10 DOWNING ST

AND TO IMMEDIATE ACTOR ADDRESSEES
INFO PRIORITY WASHINGTON, CBFFI, PORT STANLEY, MONTEVIDEO, BRASILIA
INFO PRIORITY SANTIAGO, UKREP BRUSSELS, UKMIS NEW YORK

UK/ARGENTINA: PRESS COVERAGE

SUMMARY

1. PRESIDENT MENEM SAYS HIS 12 JULY REMARKS DID NOT CONSTITUTE A FORMAL PROPOSAL.

DETAIL

2. THE FALKLANDS RETURNED TO THE INSIDE PAGES AGAIN ON 14 JULY. PAGINA 12, AMBITO FINANCIERO AND THE BUENOS AIRES HERALD REPORT THAT MENEM APPEARS TO HAVE TONED DOWN HIS 'OFFER' TO THE UK. IN DOORSTEP COMMENTS TO THE PRESS, HE SAID THAT HIS STATEMENT ON THE POSSIBILITY OF DECLARING AN END TO HOSTILITIES IN THE SOUTH ATLANTIC WAS 'AN EXPRESSION OF THE GOVERNMENT'S WISHES, NOT A FORMAL PROPOSAL'. MENEM WENT ON TO SAY 'AN EVENTUAL DE JURE DECLARATION OF AN END TO HOSTILITIES COULD BE A POSSIBLE WAY OF ELIMINATING THE MILITARY AND ECONOMIC EXCLUSION ZONE IMPOSED BY BRITAIN AROUND THE 'MALVINAS''. ASKED SPECIFICALLY IF HIS STATEMENT OF 12 JULY CONSTITUTED A PROPOSAL, MENEM SAID 'WE HAVE NOT PROPOSED ANYTHING AT ALL. THE INFORMATION HAS BEEN A LITTLE DISTORTED. THEY WERE SIMPLY EXPRESSIONS OF THE NEED TO MOVE FORWARD IN THE PACIFICATION OF THE SOUTH ATLANTIC. NEITHER BRITAIN NOR ARGENTINA CAN AFFORD TO SUSTAIN INDEFINITELY A STATE OF WAR, OF CONFRONTATION, OR AT LEAST A STATE OF HOSTILITIES. AS I HAVE SAID NUMEROUS TIMES, WE ARE GOING TO PRESERVE THE SOVEREIGNTY ASPECT, BUT WE HAVE TO ADVANCE ON THIS EXCLUSION ZONE, WHICH IS OUR SEA, TO THE EXTENT THAT WE CAN AGREE MEASURES WITH BRITAIN WHICH WILL ENABLE ARGENTINA TO ENTER THE EXCLUSION ZONE. A FORMAL DECLARATION OF HOSTILITIES COULD BE A POSSIBLE WAY OF ELIMINATING THAT EXCLUSION ZONE. THAT IS TO SAY, TO RETURN, TO SOME EXTENT, TO THE SITUATION PREVAILING PRIOR TO THE 1982 CONFLICT. WITHOUT RENOUNCING HER LEGITIMATE RIGHTS ARGENTINA IS DEMONSTRATING TO THE WORLD THAT SHE HAS OPTED FOR PEACE, NOR WAR'. PAGINA 12 SAYS MENEM DID NOT CLARIFY IF HIS PROPOSAL AS ANY DIFFERENT FROM THE ONE MADE BY ALFONSIN IN NOVEMBER 1986.

3. AMBITO REPORTS THAT FOREIGN MINISTER DOMINGO CAVALLO, WHO

TRAVELS TO THE US TO MEET SECRETARY OF STATE JAMES BAKER ON 18 JULY, REFUSED TO COMMENT ON WHETHER THERE ARE DIRECT CONTACTS UNDERWAY WITH BRITAIN. HE SAID 'ONE CANNOT BE PRECISE IN SUCH A DELICATE QUESTION.' CAVALLO'S COLLEAGUES HAD TWO MESSAGES FOR THE PRESS: THE QUESTION WAS HANDLED DIRECTLY BY THE FOREIGN MINISTER AND NOT BY HIS SUBORDINATES, AND THERE WAS NO DISAGREEMENT ON THE ISSUE BETWEEN THE MFA SECRETARIATS HEADED BY ARCHIBALDO LANUS AND MARIO CAMPORA.

4. AMBIO QUOTES A REUTERS REPORT THAT THE PRIME MINISTER TOLD PRESIDENT SANGUINETTI IN PARIS ON 13 JULY THAT THE UK WISHED TO RESTORE GOOD COMMERCIAL AND DIPLOMATIC RELATIONS WITH ARGENTINA, BUT THAT BRITAIN WOULD NOT DISCUSS SOVEREIGNTY.

5. SEVERAL PAPERS QUOTE AMBASSADOR-DESIGNATE TO THE UNITED STATES, GUIDO DI TELLA, AS FOLLOWS: 'WASHINGTON CANNOT BE ABSENT IN QUESTIONS BEARING ON RELATIONS WITH THE UNITED KINGDOM. WASHINGTON'S WORDS AND OPINIONS WILL CARRY A CERTAIN WEIGHT IN EVENTUAL DISCUSSIONS WITH BRITAIN.' AMBITO COMMENTS THAT THE IMPLICATIONS OF HIS REMARK ARE UNCLEAR.

6. LA NACION CARRIES AN INTERVIEW WITH CAVALLO. ASKED WHAT THE PRIORITY AREAS FOR FOREIGN POLICY ARE HE SAID: 'WITHOUT DOUBT, THAT CONCERNED WITH THE MALVINAS AND RELATIONS WITH BRITAIN, WHICH IN TURN IS LINKED TO RELATIONS WITH THE EC AND, EVEN MORE SO, RELATIONS BETWEEN EUROPE AND LATIN AMERICA ... IN HIS INAUGURAL ADDRESS TO CONGRESS MENEM EXPRESSLY INDICATED THAT THE MEANS THE GOVERNMENT WILL USE TO RECOVER THE ISLANDS WILL BE THE LAW AND RIGHT. IN HIS REMARKS TO FOREIGN JOURNALISTS, AND OTHERS SINCE, MENEM MADE CLEAR THAT, TO THE EXTENT THAT THE TWO SIDES CAN PRESERVE THEIR RESPECTIVE POSITIONS, IN ORDER TO TALK ABOUT THE SOVERIEGNTY ISSUE WHEN CIRCUMSTANCES ALLOW, ARGENTINA INTENDS TO MOVE FORWARD THROUGH NEGOTIATION TOWARDS THE RESUMPTION OF DIPLOMATIC RELATIONS. THIS MEANS THAT ARGENTINA'S AND LATIN AMERICAN RELATIONS WITH THE EC COULD BE DEVELOPED WITHOUT HINDRANCE. AT THE SAME TIME WE HAVE IN MIND TO CREATE A BETTER CLIMATE FOR A REALISTIC AND CONSTRUCTIVE DEFENCE OF OUR RIGHTS OVER THE 'MALVINAS', BECAUSE RHETORIC DOES NOT HELP YOU PROGRESS: ADVANCES HAVE TO BE PRACTICAL, CONCRETE. IF THROUGH NORMALISATION OF RELATIONS WITH THE UK WE MANAGE THE SORT OF RAPPROCHEMENT WHICH EXISTED BETWEEN THE ISLANDERS AND THE CONTINENT BEFORE 2 APRIL 1982 IT WILL PROBABLY BE EASIER TO MAKE PROGRESS IN THE DEFENCE OF OUR SOVEREIGN RIGHTS, THAN WE ACHIEVE BY TOTALLY DISTANCING OURSELVES, AS AT PRESENT''.

7. ASKED IF HE FORESAW THE RESUMPTION OF CONVERSATIONS OVER THE

ISLANDS PRIOR TO THE RESUMPTION OF DIPLOMATIC RELATIONS CAVALLO SAID:
 ''WHAT WE HAVE TO FIND ARE FORMS WHICH, PRESERVING OUR RIGHTS AND
 WITHOUT ENTERING INTO DISCUSSIONS ABOUT SOVEREIGNTY PERMIT US NOW TO
 NEGOTIATE ALL THE OTHER ASPECTS WHICH SEPARATE US FROM GREAT BRITAIN.
 THIS IS THE MOST I CAN SAY FOR THE MOMENT.'' CAVALLO ADDED THAT
 EUROPE WANTS TO FACILITATE RELATIONS WITH ARGENTINA AND LATIN AMERICA
 ONCE THE OBSTACLES ARE REMOVED WHICH SEPARATE ARGENTINA FROM BRITAIN.
 HE DENIED REPORTS OF ANY MFA INTENTIONS TO REPLACE BRAZIL WITH
 URUGUAY AS THE PROTECTING POWER.

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