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UK/ARGENTINA: PRESS COVERAGE 26-28 AUGUST (ALL ITEMS FAXED TO FID)

1. AT A PRESS CONFERENCE ON 25 AUGUST FOREIGN MINISTER DOMINGO CAVALLO CONFIRMED THAT ARGENTINA WOULD NOT PURSUE THE FALKLANDS ISSUE AT THE UNGA THIS YEAR BECAUSE OF THE CONCRETE POSSIBILITY OF NEGOTIATIONS IN OCTOBER. NEGOTIATIONS WITH SOVEREIGNTY PROTECTED UNDER AN UMBRELLA HAD BEEN MADE POSSIBLE BY PRESIDENT MENEM'S COHERENCE AND EFFECTIVE CONTROL OF POWER. THE BERNE TALKS BY CONTRAST HAD BEEN ILL PREPARED AND TOO CLOSE IN TIME TO THE CONFLICT. RECOGNITION (BY BRITAIN) THAT A SOVEREIGNTY DISPUTE EXISTED WAS OF ENORMOUS VALUE. THE ARMED FORCES SUPPORTED MENEM'S POLICY. ASKED ABOUT FISHING IN THE SOUTH ATLANTIC CAVALLO SAID ARGENTINE VESSELS WOULD ENJOY PRIORITY AND FOREIGN COMPANIES RECEIVE PERMISSION IF THERE WERE CAPACITY. THE FISHERIES AGREEMENTS WITH THE SOVIET UNION WOULD BE TREATED SPECIALLY. CAVALLO ALSO SAID THAT INTEGRATION WITH BRAZIL WAS AS IMPORTANT AS RAPPROCHEMENT WITH BRITAIN. (SAT CLARIN PP1/4, NACION P3)

2. AT THE SAME PRESS CONFERENCE CAVALLO SAID THAT DISCUSSION ABOUT THE INDIANA I WOULD LOSE RELEVANCE AS THE MADRID TALKS WOULD COVER CONTACT BETWEEN THE FALKLANDS AND THE MAINLAND. THE RECENT PERMISSION GRANTED BY THE URUGUAYAN GOVERNMENT WAS BASED ON THE FACT THAT THE FALKLANDS WERE NOT INVOLVED AND THE VESSEL WAS TRAVELLING BETWEEN CONTINENTAL PORTS. SEVEN DAYS BEFORE THE NEW YORK MEETING HE HAD AGREED WITH THE URUGUAYAN FOREIGN MINISTER THAT THE SHIP SHOULD WAIT OFF MONTEVIDEO UNTIL THE MEETING HAD TAKEN PLACE. (SAT CLARIN P4)

3. ACCORDING TO LA PRENSA CAVALLO ALSO SAID THAT ARGENTINA HAD THANKED BRAZIL FOR HER INTERVENTION, THAT DEMILITARIZATION OF THE FALKLANDS WAS ONE OF THE POINTS CONTEMPLATED IN THE MADRID AGENDA AND THAT REPATRIATION OF ROSAS' REMAINS WAS NOT ON THE AGENDA BECAUSE THE MATTER WAS ALREADY BEING DEALT WITH. CAVALLO SAID THAT FOR BRITAIN A DECLARATION OF CESSATION OF HOSTILITIES WAS NOT RELEVANT FOR THE MOMENT. IT WOULD PRESENT NO PROBLEM FOR ARGENTINA WITHIN THE CONTEXT OF A PACKAGE OF MEASURES TO BE

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dispute*

- NEGOTIATED. TALKING ABOUT THE FOREIGN DEBT CAVALLO MADE CLEAR THAT BRITAIN HAD NEVER PLACED OBSTACLES IN THE WAY OF NEGOTIATIONS ON THIS ISSUE. (ACCORDING TO THE HERALD CAVALLO SAID HE THOUGHT TALKS WITH BRITAIN COULD HELP UNBLOCK THE FOREIGN DEBT SITUATION. HE ALSO SAID A VISIT TO THE FALKLANDS BY RELATIVES OF THE WAR DEAD WAS FEASIBLE.) (SAT PRENSA P3, HERALD P11)
4. CONSERVATIVE MPS TERRY DICKS AND IVOR STANBROON HAVE PROTESTED AT EDUARDO MENEM'S VISIT TO BRITAIN FOR THE IPU CONFERENCE, OFFICIALLY BY INVITATION OF THE QUEEN. BUT LABOUR MP GEORGE FOULKES HAS DESCRIBED THE INVITATION AS A POSITIVE STEP AND SAID THE ARGENTINE DELEGATION WOULD MEET A BRITISH PARLIAMENTARY DELEGATION ON 5 SEPTEMBER. EDUARDO MENEM HAS DESCRIBED THE MEETING AS COMPLEMENTING THE OCTOBER MADRID MEETING. (SAT CLARIN P4, NACION P3)
5. THE RADICAL PARTY NATIONAL COMMITTEE HAVE SAID THEY SUPPORT THE GOVERNMENT'S NEGOTIATIONS WITH BRITAIN SO LONG AS THEY DO NOT REPRESENT A RETROGRADE STEP IN THE OBJECTIVE OF RECOVERING THE FALKLANDS. BUT THEY HAVE EXPRESSED CONCERN THAT THE FALKLANDS WILL NOT BE RAISED AT THE UNGA THIS YEAR AND THAT THE BRITISH AGENDA FOR NEGOTIATIONS HAS BEEN ADOPTED IN ITS ENTIRETY. (SAT NACION PP1/5)
6. UCEDE DEPUTIES HAVE SUBMITTED A RESOLUTION SUPPORTING THE GOVERNMENT'S POLICY AND CALLING FOR ARGENTINE WITHDRAWAL FROM THE NAM. (SAT PRENSA P3)
7. ACCORDING TO CLARIN ON 26 AUGUST PRESIDENT MENEM SAID THAT AT THE MADRID MEETING ARGENTINA WOULD AIM TO GET BRITAIN TO LIFT THE MARITIME EXCLUSION ZONE (SIC) WHICH PREJUDICED ARGENTINA. IN A RADIO INTERVIEW ON 27 AUGUST MENEM SAID THERE WAS NO SPECIAL SIGNIFICANCE IN THE VISIT TO BRITAIN BY ARGENTINE LEGISLATORS BUT THERE WOULD NO DOUBT BE DISCUSSIONS ON THE FALKLANDS 'WITH BRITISH LEGISLATORS AND OFFICIALS'. MENEM SAID THE RENEWAL OF DIALOGUE WITH BRITAIN, WITH SOVEREIGNTY PROTECTED UNDER AN UMBRELLA, WAS DOING ARGENTINA MUCH GOOD. (SUN CLARIN P3, MON CLARIN P5)
8. AP REPORTS FROM THE FALKLANDS THAT FEELINGS ARE MIXED THERE ABOUT THE RAPPROCHEMENT BETWEEN BRITAIN AND ARGENTINA, SOME ISLANDERS FEARING THIS WOULD ULTIMATELY LEAD TO A TRANSFER OF SOVEREIGNTY. (MON NACION P4)
9. SPEAKING ON RADIO ON 27 AUGUST LOWER HOUSE FOREIGN RELATIONS

COMMITTEE CHAIRMAN FEDERICO STORANI DEMANDED THAT THE GOVERNMENT MAKE CLEAR IF THEIR POLICY IS TO POSTPONE THE SOVEREIGNTY ISSUE IN ORDER TO OBTAIN ECONOMIC BENEFIT (WHICH HE DOUBTED WOULD BE FORTHCOMING) AND CLAIMED THAT THE FALKLANDS WERE NEVER AN IMPEDIMENT TO INTEGRATION WITH THE EC. STORANI SAID BRITAIN'S DEMAND THAT COMMERCIAL AND FINANCIAL RESTRICTIONS BE LIFTED HAD BEEN MET WHILE SHE REFUSED TO DISCUSS SOVEREIGNTY. (MON CLARIN P6, PRENSA P3)

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