GRS 150

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(FM BERNE Ø50800Z)

FM. BRITISH INTERESTS SECTION SWISS EMBASSY BUENOS AIRES

TO IMMEDIATE ECO TELNO 68 OF 4 MAY

INFO IMMEDIATE WASHINGTON MONTEVIDEO SANTIAGO BRASILIA

PRESS SUMMARY

1. THE SINKING OF THE GENERAL BELGRANO IS THE MAIN STORY FOR ALL THIS MORNING'S PAPERS WITH LATEST REPORTS OF THE RESCUE OPERATIONS AND CONDEMNATION OF THIS QUOTE TREACHEROUS ACT OF ARMED AGGRESSION UNQUOTE BY QUOTE ENGLISH MURDERERS UNQUOTE OUTSIDE THE TEZ. PROMINENCE IS ALSO GIVEN TO NAVY COMMANDER ANAYA'S DEFIANT MESSAGE TO HIS MEN REITERATING THE NAVY'S DETERMINATION TO FIGHT ON IN DEFENCE OF NATIONAL SOVEREIGNTY. 2. ''LA PRENSA'' ALSO HEADI INES PEREZ DE CUELLAR'S PEACE PROPOSAL SAID TO CONSIST OF A FOUR-POINT PLAN STARTING WITH AN IMMEDIATE CEASE FIRE. ''' LA NACION'' TOO CARRIES A LONG LEADER APPARENTLY PREPARING THE WAY FOR MORE DIPLOMATIC MOVES. THE JUNTA ITSELF HAS BEEN SILENT SO FAR APART REPORTING PROGRESS OF THE RESCUE OPERATIONS. BUT THERE IS STILL NO EVIDENCE OF GIVE ON THE SOVEREIGNTY ISSUE AND LITTLE EVIDENCE OF ANY GREATER WILLINGNESS TO NEGOTIATE.

3. SELECTIVE CONTROL OF IMPORTS ON SOME NON-ESSENTIALS WAS IM-POSED LAST NIGHT. THE VIRTUAL IMPORT BAN WILL LAST INITIALLY FOR 45 DAYS ON SUCH GOODS AS LIQUOR, CIGARETTES, HOUSEHOLD APPLIANCES AND CLOTHING. IMPORTS OF CAPITAL GOODS , RAW MATE-RIALS AND MEDICAL SUPPLIES ARE NOT AFFECTED.

JOY. LEE.

PCO

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CABINET OFFICE

ADDITIONAL DISTRIBUTION FALKLAND ISLANDS COPTES TO PS/CHANCELLOR SIR K COUZENS MR LITTLER TREASURY MR EAWTIN

SIR M PALLISER CABINET OFFICE MISS DICKSON (EIP DIVN) D/ENERGY MR A WILLIAMS DSW 60

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MR PERETZ