

[PLEASE RETURN COPY TO TYPISTS]

ADVANCE COPIES: FALKLAND ISLANDS GENERAL 42

IMMEDIATE

PS
PS/MR HURD
PS/MR ONSLOW
PS/MR RIFKIND
PS/PUS
SIR J BULLARD
SIR I SINCLAIR
MR GIFFARD
MR WRIGHT
MR ADAMS
LORD N G LENNOX
LORD BRIDGES
MR URE
MR GILLMORE

PS/NO 10 DOWNING ST (2)
PS/S OF S FOR DEFENCE
MR J STEWART AUSD STAFF MOD
PS/CHANCELLOR)
MR ILETT) TREASURY
MR LITTLER)
MISS DICKSON D/ENERGY
SIR R ARMSTRONG)
SIR M PALLISER)
MR A D S GOODALL)
MR FULLER SAPU/DIO) CABINET OFFICE
DIO)

HD/PUSD (2)
HD/S AM D
HD/FALKLANDS UNIT (2)
HD/DEFENCE DEPT
HD/NEWS DEPT
HD/ERD
HD/ECD(E)
HD/UND
HD/PLANNING STAFF
RESIDENT CLERK

~~ROOM 8 FOR MODUK C IN C FLEET~~

IMMEDIATE

RESTRICTED

Prime Minute

GRS 350

Par. 2 overleaf.

(FM BERNE 051000Z)

A.S.C. 5/7

FM BIS BUENOS AIRES

TO IMMEDIATE FCO

TELNO 198 OF 2 JULY

AND TO IMMEDIATE MONTEVIDEO WASHINGTON UKMIS NEW YORK

PRESS SUMMARY AND POLITICAL SITUATION

1. TODAY'S PAPERS DESCRIBE THE BRIEF PRESIDENTIAL INSTALLATION CEREMONY AND REPRODUCE BIGNONE'S EVENING TELEVISION ADDRESS TO THE NATION. QUOTE BIGNONE PROMISES DEMOCRATIC FUTURE UNQUOTE (B A HERALD). MAIN POINTS ARE IN MIFT BUT THE ESSENTIALS WERE THE LIFTING OF THE BAN ON POLITICS AND THE PROMISE OF A POLITICAL TIME-TABLE TO DEMOCRACY AND FINANCIAL REFORM. HE INSISTED ON UNSHAKEABLE DEFENCE OF ARGENTINE RIGHTS OVER THE MALVINAS, SOUTH GEORGIA AND SANDWICH ISLANDS WHICH SHOULD BE RETURNED

SOUTH GEORGIA AND SANDWICH ISLANDS WHICH SHOULD BE RETURNED
"TO END THIS DEROGATION FROM ARGENTINE SOVEREIGNTY". HE
PROMISED FRIENDSHIP FOR THOSE WHO SUPPORTED THIS CAUSE BUT
QUOTE NORMAL INTERCHANGE TREATMENT WHERE POSSIBLE AND CONVENIENT
FOR THOSE WHO SANCTIONED OR FOUGHT AGAINST US UNQUOTE.
"CONVICCION" SUMS UP A GENERAL VIEW OF THE IMPRESSION BIGNONE
CREATED AS FOLLOWS: QUOTE WHILST READING HIS PREPARED TEXT HE
WAS NOT BRILLIANT BUT IMPROVED OVER THE LAST SECTION WHEN HE
EVINced A CAPACITY FOR IMPROVISATION LACKING IN HIS THREE PRE-
DECESSORS UNQUOTE. IN FACT HE CAME OVER RATHER WELL AND HAS
UNDOUBTEDLY GAINED POINTS FOR MODESTY AND SINCERITY OF
PRESENTATION. A COMMENT ON NEUSTADT'S MORNING PHONE-IN RADIO
PROGRAMME TYPIFIES THE REACTION: QUOTE HE DID NOT TICK US OFF,
HE ASKED FOR HELP UNQUOTE. "AMBITO FINANCIERO" BELIEVES QUOTE
THE PRESIDENTIAL SPEECH CALMED A TENSE COUNTRY UNQUOTE.
"CRONISTA COMMERCIAL" HEADLINES THE PROGRAMME OF ECONOMIC
CHANGES QUOTE MONETARY AND FINANCIAL REFORM AND PRODUCTION
INCENTIVES UNQUOTE. THE POPULARS WERE DIVIDED: QUOTE POLITICAL
GAME RE-OPENED UNQUOTE (DIARIO POPULAR) AND QUOTE DRASTIC
ECONOMIC CHANGES UNQUOTE (CRONICA).

2. MEANWHILE, THE MILITARY COMMITTEE IS MEETING TODAY COMPOSED
OF THE THREE COMMANDER-IN-CHIEF PLUS THE NEW PRESIDENT AND
THE CGS (SUAREZ DEL CERRO). THEIR AGENDA COVERS A PROGRESS
REPORT ON THE BEAGLE DISPUTE FROM ORTIZ DE ROZAS AND PREPARATIONS
FOR INDEPENDENCE DAY CELEBRATIONS ON 9 JULY. THEY ARE EXPECTED
ALSO TO CONSIDER THE POST-MALVINAS WAR SITUATION AND WORD IS
BEING PUT ABOUT THAT NO OFFICIAL DECLARATION OF CESSATION OF
HOSTILITIES WITH BRITAIN CAN BE MADE SINCE THERE WAS NO OFFICIAL
DECLARATION OF WAR. CONSEQUENTLY THE ARGENTINE POSITION IS THAT
THE MEN HELD BY BRITAIN ARE NOT PRISONERS BUT HOSTAGES. FURTHER
ACTION IN INTERNATIONAL FORA COULD BE CONSIDERED AT TODAY'S
MEETING.

JOY 2.7.

POWELL-JONES

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SENT AT RECD AT 051016Z TWPM