

FALKLAND ISLANDS GENERAL

PS (2)  
 PS/LADY YOUNG  
 PS/MR RENTON  
 PS/MR RIFKIND  
 PS/PUS  
~~MR DEREK THOMAS~~ MR JENKINS  
 R J FREELAND  
 SIR W HARDING  
 MR GOODALL  
 MR O'NEILL  
 SIR C TICKELL  
 MR D C THOMAS  
 MR WESTON  
 MR BAZZINGTON  
 ED/PUSD  
 ED/SAMD  
 ED/FID  
 ED/NEWS DEPT  
 ED/EED  
 ED/ECD (E)  
 ED/UND

PS/NO 10 DOWNING ST  
 PS/S OF S FOR DEFENCE  
 MR ~~RE~~ NICHOLLS, AUSD STAFF, MOD  
 NH

PS/CHANCELLOR }  
 MISS M E CUND } TREASURY  
 MR LITTLER }

SIR R ARMSTRONG }  
 MR ~~D S~~ GOOBAIL } CABINET  
 DIO *Carledge* } OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT  
 RESIDENT CLERK

(2)



GRS 400

UNCLASSIFIED

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TO IMMEDIATE FCO

TELNO 636 OF 25 SEPTEMBER 1984

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PRESS SUMMARY

1. ALL PAPERS HEADLINE YESTERDAY'S ADDRESS TO THE UN BY PRESIDENT ALFONSIN. PROMINENCE IS GIVEN TO HIS REMARKS ON THE FALKLANDS DISPUTE, HIS ALLEGATIONS OF BRITISH INTRANSIGENCE AND HIS SUGGESTION AT AN IMMEDIATELY FOLLOWING PRESS CONFERENCE THAT ARGENTINA WOULD ACCEPT A LEASE-BACK ARRANGEMENT FOR THE ISLANDS SIMILAR TO THE ONE BETWEEN BRITAIN AND CHINA OVER HONG KONG, BUT ONLY FOR A 3 TO 5 YEAR PERIOD.

YEAR PERIOD.

2. ALFONSIN'S REFERENCES TO THE FOREIGN DEBT PROBLEM ARE ALSO RECORDED IN DETAIL, INCLUDING HIS REITERATION THAT ARGENTINA REMAINED WILLING TO REPAY HER LOANS BUT NOT AT THE COST OF A RECESSIVE ECONOMIC PROGRAMME IMPOSED BY THE IMF.
3. THERE IS CONTINUING LENGTHY AND INCONCLUSIVE SPECULATION ABOUT THE POSSIBILITY OF AN AGREEMENT WITH THE FUND. MEANWHILE, ECONOMY MINISTER GRINSPUN HAS SIGNED CREDIT AGREEMENTS WITH THE INTER-AMERICAN DEVELOPMENT BANK FOR 221 MILLION DOLLARS TO FINANCE FARM TRAINING AND ENERGY-RELATED PROJECTS.
4. THE MONEY SUPPLY HAS EXPANDED BY ONLY 7.57 PER CENT SINCE THE BEGINNING OF SEPTEMBER. INTEREST RATES IN THE INTERCOMPANY MARKET ARE RISING.
5. THE CONGRESSIONAL DEBATE ON THE 1984 BUDGET FINALLY BEGAN LATE LAST NIGHT. THE PERONISTS CRITICIZED THE DRAFT ON THE GROUNDS THAT IT HAD BEEN NEGOTIATED WITH THE IMF BEFORE SUBMISSION TO THE DEPUTIES.
6. SEVERAL POLITICAL PARTIES, INCLUDING THE PERONISTS AND THE MOVEMENT FOR INTEGRATION AND DEVELOPMENT (MID), HAVE REPORTEDLY AGREED A SET OF BASIC PROPOSALS FOR AN ALTERNATIVE SHORT-TERM ECONOMIC PROGRAMME WHICH THEY WILL PRESENT TO THE CGT AND BUSINESS GROUPS.
7. ONLY 400 OF THE APPROXIMATELY 700 ARGENTINE TRADE UNIONS HAVE MET THE GOVERNMENT'S DEADLINE FOR ANNOUNCING INTERNAL ELECTIONS. THE LABOUR MINISTRY WILL NOW DICTATE THE TIMING OF POLLS FOR THE REST.
8. INDUSTRY SOURCES HAVE ACCUSED THE MFA OF FRUSTRATING ARMS SALES TO OTHER LATIN AMERICAN STATES. EXPORTS WORTH SOME 100 MILLION DOLLARS ARE SAID TO HAVE BEEN BANNED DURING THE LAST TEN MONTHS. THE MARKET FOR ARGENTINA'S MEDIUM SIZE TANKS (TAMS) HAS BEEN CORRESPONDINGLY RESTRICTED AND ONLY THREE VEHICLES A MONTH ARE BEING CONSTRUCTED COMPARED WITH A SUPPOSED PRODUCTION CAPACITY OF UP TO SEVENTY.

JOY

UNQUOTE

POWELL-JONES

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