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PRESS SUMMARY FOR 12 JULY

1. MAIN HEADLINES  
PRICES. WAGES. SEINELDIN.

2. ECONOMY

ECONOMY MINISTER MIGUEL ROIG IS STILL SEEKING A PRICE AGREEMENT WITH BUSINESS LEADERS AND HOPING TO AVOID A GENERAL FREEZE. AMBITO FINANCIERO BELIEVES AN AGREEMENT WILL BE SIGNED ON FRIDAY. MANY FOOD PRICES CONTINUE TO RISE SHARPLY. HIGH PETROL PRICES HAVE CAUSED A DRAMATIC DROP IN SALES. (ALL PAPERS, P1)

IMF DIRECTOR-GENERAL MICHEL CAMDESSUS HAS SENT A TELEGRAM OF CONGRATULATIONS TO ROIG ON HIS ECONOMIC PLAN. THE RURAL SOCIETY HAVE ALSO EXPRESSED SUPPORT. BUT THE UCEDE NATIONAL COMMITTEE HAVE CRITICIZED THE MEASURES AS ANTIQUATED AND INTER-VENTIONIST. (CRON COM P3, CLARIN P4, PAG 12 P5)

PUBLIC WORKS MINISTER JOSE DROMI HAS PRESENTED A NEW DRAFT PUBLIC SECTOR REFORM BILL TO THE SENATE. IT INCLUDES THE POSSIBILITY OF USING DEBT CAPITALISATION FOR PRIVATIZATION. (NAC P1)

THE NATIONAL MORTGAGE BANK IS TO BE INTERVENED. (NAC P1)

A BRIDGING LOAN IS BEING NEGOTIATED WITH THE UNITED STATES.

(NAC P11)

THE ECONOMIC SITUATION OF SEVERAL CITIES IN THE INTERIOR IS CRITICAL. PUBLIC TRANSPORT IS AT A STANDSTILL AND MANY SHOPS HAVE CLOSED. IN TUCUMAN, RESISTENCIA AND CORDOBA THERE HAVE BEEN FURTHER ATTACKS ON SUPERMARKETS AND IN TUCUMAN A YOUTH WAS SHOT DEAD. (NAC PP7/10)

375 MILLION DOLLARS HAVE BEEN RECEIVED IN THE CENTRAL BANK IN THE FIRST TWO DAYS OF THE WEEK AS EXPORTERS EXCHANGE THEIR EXPORT EARNINGS. MONTHLY INTEREST RATES HAVE GONE BELOW 15 PERCENT. (NAC P11, CRON COM P5)

3. LABOUR

THE GOVERNMENT HAVE CALLED ON THE COLLECTIVE WAGE BARGAINING COUNCILS TO AGREE WAGES FOR JULY TO SEPTEMBER AND MAINTAIN A WAGE FREEZE DURING THE PERIOD. METALWORKERS' UNION LEADER LORENZO MIGUEL IS OPPOSED TO SUCH A FREEZE. (NAC P1, CLARIN PP2/3)

LABOUR MINISTER JORGE TRIACA AND CGT LEADER SAUL UBALDINI HAVE AGREED TO WORK FOR A LAW PREVENTING DISMISSALS OR LAY-OFFS DURING THE ECONOMIC EMERGENCY. (NAC P6)

4. POLITICAL

MENEM NAD JUSTICIALIST PARTY PRESIDENT ANTONIO CAFIERO HAVE MET AND AGREED ON THE NEED FOR TH PARTY AND THE GOVERNMENT TO BE CONSISTENT WITH ONE ANOTHER. (CLARIN P4, PRENSA P5)

5. MILITARY

LT COL MOHAMED ALI SEINELDIN HAS REPORTEDLY REQUESTED RETIREMENT. FORMER LT COL ALDO RICO IS INTENDING TO DO THE SAME. MENEM HAS DENIED REPORTS THAT HE HAD SOUGHT THIS AND SAID IT IS A MATTER FOR THE ARMY. (NAC P6, CLARIN P6)

6. UK/ARGENTINA/FALKLANDS

FOREIGN MINISTER DOMINGO CAVALLO HAS REPEATED THE ARGENTINE DESIRE TO NEGOTIATE WITH BRITAIN AND HAS INSTRUCTED A SPECIAL FOREIGN MINISTRY GROUP TO STUDY VARIOUS HYPOTHESES. (NAC P5, CRON COM P2, SEP TEL, FAX TO FID)

A UPI REPORT FROM NEW YORK DESCRIBES GREAT EXPECTATIONS AT THE UNITED NATIONS FOLLOWING MENEM'S WEEKEND STATEMENTS. A BRITISH SOURCE IS QUOTED AS SAYING THAT SO FAR NO CONCRETE PROPOSAL HAD BEEN RECEIVED BUT THAT MENEM'S STATEMENTS WERE ENCOURAGING. (CLARIN P7, PRENSA P3, PAG 12 P7, FAX TO FID)

AMBITO FINANCIERO CARRIES A SIGNED ARTICLE DESCRIBING THE BACKGROUND TO MENEM'S FALKLANDS INITIATIVE. (AMB P8 - SEP TEL, FAX TO FID)

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