PS/ NO. 10. DOWNING STREET. GRS 300 UNCLASSIFIED (FM BERNE 270900Z) FM BIS BUENOS AIES TO IMMEDIATE FCO TELNO 170 OF 25 MARCH INFO PRIORITY MOD UKMIS NEW YORK WASHINGTON MONTEVIDEO SANTIGO BRASILIA CARACAS CIVIL COMMISSIONER PORT STANLEY PRESS SUMMARY 1. MUCH PRESS ATTENTION IS FOCUSED ON THE REGIME'S HITHERTO ABORTIVE ATTEMPTS TO ARREST JORGE FONTEVECCHIA, THE EDITOR OF THE MAGAZINE ''LA SEMANA'' AND ON ALLEGATIONS FROM INTERIOR MINISTRY SOURCES THAT HE WAS INVOLVED IN A BRITISH PLOT TO DE-STABILIZE THE ARGENTINE GOVERNMENT (OUR TELNO 169 REFERS). ECONOMIC NEWS ALSO FIGURES PROMINENTLY. THE GOVERNMENT IS TODAY EXPECTED TO ANNOUNCE SIGNIFICANT WAGE INCREASES IN AN EFFORT TO AVERT THE STRIKE WHICH THE CGT AZOPARDO HAS CONFIRMED FOR 28 MARCH. THE CGTRA MAY ALSO CALL A WALK-OUT ON THE SAME DAY. ON THE PARALLEL MARKET, THE DOLLAR YESTERDAY ROSE BY 5.5 PER CENT TO PESOS 94.500 AMID RUMOURS OF ECONOMY MINISTER JORGE WEHBE'S IMPENDING RESIGNATION AND OF A NEW PESO DEVALUATION. 3. THE LEADERS OF THE PARTIES COMPOSING THE MULTIPARTIDARIA HAVE SETTLED DIFFERENCES OVER THE GROUPING'S ECONOMIC PROGRAMME AND POLICY DETAILS WILL BE RELEASED TODAY. 4. THE MILITARY GOVERNMENT YESTERDAY MARKED THE QUOTE SEVENTH AND LAST ANNIVERSARY UNQUOTE OF THE CURRENT REGIME, WITH A QUIET RELIGIOUS SERVICE, WHILST CIVILIAN POLITICIANS SEVERELY CRITICIZED THE ARMED FORCES FOR STAYING IN POWER TOO LONG. so they are THE CELEBRATIONS COMMEMORATING THE ANNIVERSARY OF THE ARGENTINE INVASION OF THE FALKLANDS WILL CONSIST IN A CATHOLIC MASS AND CEREMONIES HONOURING PERSONNEL KILLED IN THE CONFLICT AND THE FLAGS OF 12 MILITARY UNITS THAT DISTINGUISHED THEMSELVES IN BATTLE. 16. SEVERAL

6. SEVERAL PAPERS REPORT THE PRIME MINISTER'S PARLIAMENTARY SPEECH IN DEFENCE OF PARTICIPATION BY BRITISH BANKS IN LOANS TO ARGENTINA. '' CLARIN'' CARRIES A REUTERS REPORT THAT MANY BRITONS ARE KEEN TO FORGET THE FALKLANDS CONFLICT AND WOULD SUPPORT A NEGOTIATED AGREEMENT WITH ARGENTINA OVER THE ISLANDS. 7. "THE BUENOS AIRES HERALD" AND "LA PRENSA" BOTH NOTE THE DECLARATION FROM THE BRITISH COUNCIL OF CHURCHES THAT ARGENTINE FAMILIES SHOULD BE ALLOWED TO VISIT THE WAR GRAVES OF THEIR RELATIVES KILLED IN LAST YEAR'S FIGHTING. 8. THE WOMEN'S BRANCH OF THE JUSTICIALIST (PERONIST)" PARTY YESTERDAY NOMINATED MARIA ESTELA MARTINEZ DE PERON AS A PRESIDENTIAL CANDIDATE, ALTHOUGH SHE TECHNICALLY REMAINS BANNED FROM POLITICAL ACTIVITY. JACKSON-HOULSTON POWELL-JONES [COPIES SENT TO NO 10 DOWNING STREET] FAIKLAND ISLANDS GENERAL FCO ADDITIONAL DISTRIBUTION FID FAIKLAND ISLANDS CABINET OFFICE 2.