GP5 300 UNCLASSIFIED (FM BERNE 070920Z FM BIS BUENOS AIRES TO IMMEDIATE FCO TELNO 602 OF D6 JULY INFO PRIORITY MOD MONTEVIDEO SANTIAGO BRASILIA CARACAS UKMIS NEW YORK WASHINGTON CIVIL COMMISSIONER PORT STANLEY PRESS SUMMARY ALL PAPERS TODAY HEADLINE THE RESIGNATION OF THE TUCUMAN GOVERNOR, GENERAL LUIS ANTONIO MERLO, AFTER HIS CONTROVERSIAL CONDUCT IN A CONFRONTATION WITH LOCAL POLICE DEMONSTRATING ON SUNDAY FOR HIGHER WAGES. POLICE UNREST HAS CONTINUED AND THE ARMY HAS MOVED IN TO PATROL THE PROVINCE. GENERAL CRISTING NICOLAIDES YESTERDAY PRESIDED OVER A MEETING OF THE ARMY HIGH COMMAND. THE GENERALS REAFFIRMED THEIR INTENTION TO QUOTE INSTALL A STABLE, AUTHENTICALLY REPUBLICAN AND DEMOCRATIC POLITICAL SYSTEM UNQUOTE AND CALLED FOR THE PROMULGATION OF AMNESTY AND ANTI-TERRORIST LAWS QUOTE AT AN OPPORTUNE TIME UNQUOTE. A DRAFT AMNESTY LAW IS UNDER STUDY, BUT HAS ALLEGEDLY BEEN DELAYED BECAUSE OF QUOTE ETHICAL UNQUOTE OBJECTIONS FROM CERTAIN SECTIONS OF THE ARMED FORCES. PROMINENT COVERAGE IS AGAIN GIVEN TO THE QUESTION OF STOP-OVERS IN BRAZIL BY BRITISH MILITARY AIRCRAFT. THE ARGENTINE AIR FORCE HAS CRITICIZED THE BRAZILIAN POSITION AND STATED THAT THE LANDINGS CANNOT BE ACCEPTED AS A PRECEDENT FOR THE ROUTINE PROVISION OF FACILITIES TO THE UK. BRAZILIAN FOREIGN MINISTER RAMIRO SARAIVA GUERREIRO HAS PROMISED STRICTER CONTROL OF FUTURE AUTHORIZATIONS FOR EMERGENCY STOP-OVERS. THERE IS SPECULATION THAT BRAZIL MAY RESTRICT THE SUPPLY OF FUEL TO THE BRITISH PLANES SO AS TO ENSURE THEIR IMMEDIATE RETURN TO ASCENSION ISLAND. 4. SEVERAL PAPERS ATTRIBUTE TO HM AMBASSADOR IN LIMA A STATEMENT THAT THE UK HAS NOT SOLD HMS HERMES TO CHILE AND THAT NO DISCUSSIONS HAVE BEEN HELD ON THE SUBJECT. THE POPULAR NATIONALIST

5. THE EPISCOPAL SOCIAL PASTORAL COMMISSION AND THE TWO FACTIONS OF THE CGT AGREED YESTERDAY TO COOPERATE FOR THE ACHIEVEMENT OF QUOTE SOCIAL PEACE, THE REVERSAL OF THE UNJUST SOCIO-ECONOMIC SITUATION UNQUOTE AND THE ENFORCEMENT OF DEMOCRACY.

6. TEACHERS, COURT OFFICIALS AND BUENOS AIRES PROVINCE DOCTORS HAVE TODAY INITIATED STRIKE ACTION IN SUPPORT OF WAGE DEMANDS. THE CONFEDERATION OF STATE WORKERS' UNIONS (CGT-E) HAS CONFIRMED ITS PLANNED STRIKE FOR 13 AND 14 JULY.

DAILY "CRONICA" REPORTS CHILEAN PRESS CRITICISM OF ARGENTINE

PROPOSALS TO BUILD A NUCLEAR SUBMARINE.

/ Y. EENTRIST

7. CENTRIST PRESIDENTIAL CANDIDATE FRANCISCO MANRIQUE HAS FILED A SLANDER SUIT AGAINST EX-GENERAL RAMON CAMPS FOR HAVING IMPLIED HIS INVOLVEMENT WITH THE MONTONEROS. A SUPPOSED WITNESS TO THE SHOOTOUT IN WHICH LEFT-WINGPERONIST MILITANT OSVALDO CAMBIASO AND MONTONERO LEADER EDUARDO PEREIRA ROSSI WERE KILLED , YESTERDAY FAILED TO APPEAR IN COURT. JACKSON-HOULTON POWELL-JONES [COPIES SENT TO NO 10 DOWNING STREET] FAIKLAND ISLANDS GENERAL ADDITIONAL DISTRIBUTION FCO FALKLAND ISLANDS FID CABINET OFFICE 2