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44 (39)

**IMMEDIATE**

PS  
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PS/MR ONSLOW  
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PS/PUS  
~~SIR J BULLARD~~  
~~SIR Z SINCLAIR~~  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
LORD N G LENNOX  
LORD BRIDGES  
MR URE  
MR GILLMORE

Sir J BULLARD,  
Mr FREELAND

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 ) 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 O IN C FLEET~~

Mr. COLIN ROTH, LAEPT, ODA  
Mr. BORDEN, LAEPT, ODA

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(FM BERNE 141200Z)

FM BIS BUENOS AIRES

TO IMMEDIATE FCO  
TELNO 218 OF 13 JULY  
AND TO IMMEDIATE MONTEVIDEO WASHINGTON UKMIS NEW YORK

PRESS SUMMARY

1. THE SERIOUS PAPERS ( LA PRENSA, LA NACION AND CLARIN, WITH SUPPORT FROM LA CONVICCION) MAKE THE CESSATION OF HOSTILITIES AND THE RETURN OF PRISONERS THEIR TOP NEWS. THE POPULARS (DIARIO POPULAR AND CRONICA). HEADLINE SOCIAL PROBLEMS : QUOTE EATING FORBIDDEN UNQUOTE, QUOTE TROUBLE ON THE LABOUR FRONT OVER PRICES AND PAY UNQUOTE. THE FINANCIAL PAPERS ( AMBITO FINANCIERO AND CRONISTA COMERCIAL) ARE DEEPLY PREOCCUPIED WITH THE RAPIDLY DETERIORATING STATE OF THE ECONOMY.



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2. LA PRENSA LEADS WITH QUOTE ARGENTINE NOTE SATISFIES LONDON UNQUOTE, LA NACION ADDS QUOTE GREAT BRITAIN FREES 593 PRISONERS UNQUOTE AND CLARIN REPORTS QUOTE CESSATION OF HOSTILITIES AGREED : PRISONERS RETURN TOMORROW UNQUOTE. CONVICCION (NAVY MOUTH-PIECE) QUOTE HOTAGES TO BE RELEASED: ARGENTINE DID NOT SIGN A CESSATION OF HOSTILITIES WITH GREAT BRITAIN AND ALL HER RIGHTS ARE PRESERVED UNQUOTE. THE FOREIGN MINISTER IS REPORTED TO HAVE SAID LAST NIGHT THAT QUOTE THE ARGENTINE POSITION HAS NOT CHANGE SINCE ITS PRESENTATION TO THE UN SECURITY COUNCIL MADE ON 18 JUNE UNQUOTE AND TO HAVE REFERRED TO THE NOTE HANDED TO THE SWISS EMBASSY HERE ON 10 JULY, THE TEXT OF WHICH IS PUBLISHED IN MOST OF TODAY'S PAPERS. LA NACION RECALLS THE CONTENT OF ARGENTINA'S NOTE TO THE SECURITY COUNCIL INDICATING THAT THE TOTAL CESSATION OF HOSTILITIES WOULD ONLY BE ACHIEVED WHEN GREAT BRITAIN QUOTE ENDED THE NAVAL AND AIR BLOCKADE AND ECONOMIC SANCTIONS WERE LIFTED AND WITHDREW ITS MILITARY OCCUPATION FORCES FROM THE ISLANDS, THE NAVAL TASK FORCE AND THE NUCLEAR SUBMARINES UNQUOTE.

3. ALL PAPERS ALSO CARRY NEWS OF THE LIFTING OF US ECONOMIC SANCTIONS.

4. ON THE INTERNAL FRONT THERE IS FURTHER SPECULATION THAT THE APPOINTMENT OF A CIVILIAN VICE-PRESIDENT MAY BE EXPECTED SOON AND THAT HE WOULD ALSO HEAD THE PRESENT SUBSTITUTE FOR A LEGISLATURE WHICH IS THE LEGISLATIVE ADVISORY COMMISSION (CAL) WHOSE PRESENT MILITARY MEMBERS WOULD BE REPLACED BY CIVILIANS. EARLY RE-ESTABLISHMENT OF THE MILITARY JUNTA IS AGAIN FORECAST.

5. OTHER HEADLINES AND EDITORIAL COMMENT RELATE TO THE RAPIDLY RISING COST-OF-LIVING WHICH WILL SOON OUT-STRIP THE EMERGENCY PAY INCREASES IN BOTH PUBLIC AND PRIVATE SECTORS DECREED OVER THE LAST FEW DAYS. THERE IS STILL NO AGREEMENT OVER ANY FORM OF PRICE CONTROL AND FEARS OF HYPER-INFLATION INCREASE DAILY. IN THE LIGHT OF THE RAPID SLIDE INTO ECONOMIC CHAOS DOUBTS OVER THE CHANCES OF THIS GOVERNMENT'S SURVIVAL FOR MORE THAN A FEW MONTHS ARE ALSO INCREASING.

JOY