

The Guardian 31/10/84

FALKLANDS Crime File:
The latest Penguin News reports a distressing incident in its Police notes, headlined, "Bird's Beak Bitten in Bar." It concerns a fight between a soldier and a sailor in the Victory Bar. "The quarrel began," reports the paper, "when the soldier picked up a toy fluffy penguin which had been bought by the sailor during the day, and then bit off its beak."

No charges, thankfully, were preferred. This will go some way towards assuaging the worries of Mr Tam Dalyell, who has been voicing concern about the behaviour of servicemen on the island — particularly those who are offensive to the natives. Penguin News report "wild times" on the SS Uganda's recent trip down south, when violence, drunkenness, and abuse became so bad that an 11.30 pm curfew had to be imposed and five men were required to restrain an RAF man who became violent. Still, the islanders do not take it all lying down. Three of them were recently charged with beating up a sailor, giving him a broken nose and a leg wound, requiring eight stitches.

Footnote: The Grimmer family, just settled on the islands from their UK home, gave the "quiet life" as the reason for emigrating.

The policy is soaking up punishment

The Belgrano affair — consuming hours of Downing Street time and notepaper by the kilo — is all very fascinating. But it is not the main event. The war, two-and-a-half years ago, was about the future of the Falklands. That future, up for debate in the UN General Assembly again today, is in no sense resolved. And the cost of the hiatus — in cash by the billion, but also in honour — grows steeply more ludicrous month by month.

In New York today the benign social democratic government of Mr Alfonsin will ask the General Assembly to say that negotiations on the Falklands — specifically involving sovereignty — should now resume. HMG, amid much frantic lobbying, will oppose the mention of sovereignty and seek to enshrine the islanders' rights to self-determination. The issue itself is not in doubt. We shall lose heavily, as we have lost before. But this time, with France as the pivot for other Europeans we may be left even more ignominiously alone. That won't necessarily change anything. Britain can sit on her Fortress for as long as she is prepared to pay the bill. But a constant UN buffeting is no help to anyone: especially when Whitehall flies in the face of every shred of diplomatic commonsense. If France, for instance, breaks ranks today — or next time after that — we may expect much sound and fury from the FO and Downing Street. Any good that Mr Mitterrand may have done here last week, for instance, will slip away. Port Stanley is a potential, nagging wound to vital relationships. And yet Mrs Thatcher and her advisers never go back to basics.

For where is the "self-determination" the FO has been bending so many UN ears about? It doesn't exist. In the first few days of victory in 1982 both Mrs Thatcher and her Foreign Secretary went on the record. The islanders were, of course, a bit shocked. They couldn't be asked to take fundamental decisions immediately. But "in a year or so" they would have to be formally consulted about their future.

Two and a half years on there has been no hint of such an exercise. Mrs Thatcher and Mr Pym were clearly talking about a referendum. Mrs Thatcher and Sir

Geoffrey have shelved the whole idea. There is no self-determination because there has been no vote. And the reasons for that — febrile, trimming reasons — are all too clear. You can't have a referendum unless you frame a question. You can't frame a question unless you are prepared to discuss it in the House of Commons. And nobody has the heart for such a debate. The FO — which consensually thinks the whole Fortress concept potty — is anxious to preserve later room for manoeuvre by avoiding decisions now. The MoD is content to spend and keep its head down. And the Prime Minister — fiercely protective of the islanders for as long as she lasts — shirks the task of seeking the cross-party support that would be absolutely vital if the referendum was to be more than a fleeting PR gambit. The policy is inertia, variously prescribed. It is wholly negative. It asks to be shot to pieces in every international debate. But no-one has the spunk to try anything else.

It is all desperately short term, and it cannot last. It cannot last economically as every fresh shift in fuel price and dollar parities inflate the price of the Fortress. It cannot last diplomatically as a running sore between allies (including America). And it cannot last politically, since every Opposition party is in some form or other committed to unscramble it. And the tragedy of such chronic instability is that the handful of people at the heart of the matter — the indigenous islanders — are the ones who will be betrayed yet again. They want the certainty which enables them to rebuild lives on the islands: or to build them somewhere else. Yet they are offered neither self-determination nor certainty. They are merely strung along.

If Britain wanted to take the initiative today, there is a simple and honourable way. It could announce that self-determination was — as promised — to be a reality. It could set a date — say June 1st, 1985 — for an internationally monitored referendum. One alternative to be voted on then would be a formula ratified by the British House of Commons after solemn inter-party discussions. In short, a formula for an island lifetime. The other alternative would be the best deal the FO could get (on leaseback or trust status) after careful negotiation with the Argentinians. (Talks, naturally, preceded by some resumption of civil relations.) We cannot merely drift on, lobbing billions at the problem. Especially are we foolish even to try when a new, elected government in Buenos Aires, a government manifestly anxious to curb its military and resolve sapping international dis-

putes, is in charge, needing all the help and understanding it can get. The abiding message of the Franks report was one of nervous frailty in the face of unpleasant choices. Unless, at last, we begin to redeem some of the 1982 pledges, the next Franks will reach precisely the same grisly conclusion.

Falklands appeal to UN

The Guardian
31/10/84

From David Julius
in New York

Two petitioners from the Falkland Islands put their case to the United Nations Decolonisation Committee yesterday, on the eve of the General Assembly debate about Britain's dispute with Argentina over the future of the islands.

Both elected members of the Falkland Islands Government, Mr Lionel Blake and Mr John Cheek, launched their diplomatic effort to convince members that the islanders should have the right to decide their own future.

Criticising the draft resolution being circulated by the Argentines before today's opening debate in the assem-

Leader comment, page 12

bly, Mr Cheek referred to the clause calling for negotiations between London and Buenos Aires on the sovereignty of the islands, something Mrs Thatcher has said is not up for discussion.

"Time after time, we hear the Argentines say that they are only interested in the transfer to themselves of the sovereignty of the islands, and the negotiations would only be a matter of considering the timescale of such a transfer," Mr Cheek said.

He added that the unanimous wish among the islanders was to remain a dependent territory of Britain.

Mr Cheek admitted that the islanders had no desire to re-establish the links with Argentina that existed before the 1982 war with Britain. But he called on the Argentine Government to give permission to those Argentine families who had relatives buried on the island to be able to visit their graves.

Mr Blake, urging UN member states which intended to vote for Argentina's draft not to do so, said that the islanders did not need a new-found democracy, as "we have an old democracy, now strengthened, and wish to continue with it."

"If we could change the geographical location of our islands from 300 miles off the coast of Argentina to 300 miles off South Africa, would this body be demanding that Britain hand us over to South Africa? It would not. I ask those governments which intend to vote for the resolution to remember this and justify this."

Mr Blake said that any General Assembly resolution would make the situation for the inhabitants of the islands "worse and not better."

"Our people want peace, the right to live their lives in their own way and to develop our islands for the benefit of all. We have seen nothing to convince us that Argentina has more to offer us than Britain."

French holding key to UN battle for Europe's Falkland vote

From Zoriana Pysariwsky, New York

Britain and Argentina will play out their rivalry over the Falkland Islands in the United Nations General Assembly today, with the Government of President Raul Alfonsin hoping to gain the coveted European vote and turn a military defeat in the South Atlantic into a formidable diplomatic victory.

With its newly found image as a democracy, Argentina is hoping to win over the deliberately ambiguous Europeans who have abstained in the past on resolutions calling for a resumption of negotiations on sovereignty. To the Argentines a sign of impatience with Britain's uncompromising stand from its allies, such as France or Italy, is worth more than censure from its more distant friends and foes combined.

The current Latin American-sponsored draft resolution is in essence similar to previous measures adopted by the Assembly. The contest this year is largely a test of Britain's ability to keep its allies in line on issues of primary importance for the Government over the need, as perceived by the Europeans, to give President Alfonsin's democracy a boost.

France holds the key to the European vote. A bold departure from its pattern of abstentions would be likely to persuade Italy, Ireland, Greece

and perhaps West Germany, Belgium and the Netherlands to follow suit. Although such an outcome would be unlikely to convince Mrs Margaret Thatcher to change her mind about negotiating on sovereignty, it could become a tool at the disposal of the Opposition.

It could also give Argentina the confidence to continue rejecting British overtures on restoring diplomatic and economic links. Although they do not like to admit it, British diplomats have been carrying out perhaps the strongest lobbying effort against Argentina at the UN since the time of the actual conflict in the spring of 1982.

Negotiation, whatever the circumstances, is considered an inviolable principle of the United Nations, and voting against it is difficult. For this reason, Britain has always been able to count abstentions as well as negative votes as victories.

Britain's diplomatic offensive has rested on three main arguments: the paramount importance of the self-determination of the islanders; the fact that Argentina began the conflict; and the interpretation that the Argentine draft, although seemingly innocuous, is nothing more than a ruse prejudging the outcome of negotiations on sovereignty.

Britain always takes pains to point out its desire for talks with Argentina on all matters but sovereignty. Emphasis is also placed on the Argentine refusal to declare formally a cessation of hostilities in the South Atlantic.

Although these arguments are noted, Britain is seen as the intransigent party which should be more magnanimous in victory. The votes which it takes away from the Argentine Government have less to do with the merits of the argument than with Britain's ability to maintain its position as a formidable international player.

British diplomats do not expect to see any significant changes when the Argentines bring the resolution to a vote. They expect that in the end the European countries will decide it is more practical to keep their support away from Argentina.

The Argentines can expect unconditional support from the Spanish-speaking Latin American countries, while the Caribbean nations are likely to continue to uphold the British position. African countries will probably vote for Argentina, while the Arab and Asian countries will be split down the middle. The United States will once again throw its weight behind Argentina.

Leading article, page 13

MORE VOTES, MORE TALKS, NO PROGRESS

In July, the Anglo-Argentine meeting in Berne failed to get beyond or around the issue of Falklands sovereignty. Today, the United Nations votes on an Argentine resolution that once again urges the two sides to find a peaceful solution to this problem. The wording of the resolution has been somewhat toned down, being less explicit on the island's "colonial" status and less overtly indifferent to the islanders' opinions. Bilateral exchange is now followed by the multilateral taking of votes.

There is a certain inevitability about both occasions. At the time of the Berne meeting, President Alfonsin's government was heavily involved in negotiations with both Chile and the International Monetary Fund, and the appearance of concession of any sort towards Great Britain would have complicated his position still further. That may account for a decision not to let the talks prosper. The United Nations debate is a fixture on the calendar. We will lose the vote — "to negotiate is good, not to negotiate is bad" as Sir Anthony Parsons has written. Particular attention will be paid to the behaviour of our partners in the EEC. But it is possible that this vote has less to do with

genuine negotiations than what happened in Berne.

Does the Argentine change of wording signify a real increase in flexibility, or just a desire to run up a better score? The latter motive appears to be the most likely, particularly after President Alfonsin's September speech in the General Assembly and his recent declaration in Rome: sovereignty cannot be discussed and an impossibly short span is laid down for it to become Argentine; no one who understands the issue can have any doubt about it.

This is not the way forward to anything. Anyone who understands the issues knows that they are singularly complicated, and all the more complicated for the events of 1982. To recognize that there are two sides to the series of arguments that the South Atlantic contains is not the same as to conclude which side's arguments are right, and to insist on the explicit inclusion of the sovereignty issue in any negotiation is simply to ensure that such negotiations do not take place. One Berne need not do any lasting harm — it may even have done some ritual good — but a series of Bernes is inconceivable. And, for those really concerned with the future

of Anglo-Argentine relations and with the search for a proper future for the islands, the United Nations debates, with the vanity born of hollow victories and the cynicism born of unreal defeats, run the risk of being counter-productive. The voting is the more meaningless because this is still essentially an Anglo-Argentine dispute, of little immediate concern except to the two countries involved; neither one of us has any passionate allies.

To argue that conversations should now proceed to the practical is not just to argue for our own convenience and economy. The military balance in the area, the fisheries, and the protection zone are all matters which concern Argentina, on which no progress can be made while the present stand-off persists. President Alfonsin is of course his own best judge of his political position, and it is clear that no Argentine government can ever renounce the essential claim or agree to arbitration on it. It is still not obvious that a rigid intransigence over the whole range of relations with Britain is popular in Argentina, nor that Argentine democracy, as some UN voters will have it, is best encouraged by supporting such a stance.

Argentines 'learnt anti-submarine secrets'

By Rodney Cowton
Defence Correspondent

The Argentine Navy may have obtained British sonobuoys for detecting submarines under the sea, while conducting trials in the North Sea of a new submarine built for them by a West German company.

The submarine, the Santa Cruz, is said also to have made additional noise to prevent Royal Air Force maritime patrol aircraft from obtaining an accurate record of its "noise signature".

Dr Helmut Hucks, a former director of the German company, Thyssen Industrie, which built the submarine, told *Jane's Defence Weekly* that some of the sonobuoys, which had been

recovered from the sea, were given to the Argentines on board for study. Yesterday he told *The Times*: "My own information was incorrect. No buoys were recovered."

The incident was not, however, denied by the British Ministry of Defence, which would only say: "We do not discuss our operational flights. We never put out information on them."

The incident, if true, would be politically sensitive, because the implication would be that Germans on board had assisted the Argentines, with whom Britain has still not secured a cessation of hostilities, in a manner which was unfriendly to Britain.

Sonobuoys are routinely dropped in the sea by maritime patrol aircraft to detect and identify submarines. They are tubes about three feet long and four inches in diameter, which have hydrophones, similar to microphones, attached to arms. These pass the sound of any submarine to a transmitter floating on the surface, which then transmits it to the monitoring aircraft.

It is unlikely that the incident would have any critical military implications for Britain. Nations regularly recover each other's sonobuoys and one source said yesterday that what really mattered was the way the sounds were processed in the aircraft.

All big military powers try to get positive records of the noise signatures of foreign submarines. It is possible that the RAF will not know whether any sonobuoys were taken by the Santa Cruz, because after they have been in use for a pre-set period they sink to the sea-bed and are not recovered.

'Falkland' wishes are ignored' in UN motion

By MICHAEL KALLENBACH

United Nations Correspondent

DESPITE Argentina's last-minute changes to its draft resolution, which will be voted on in the United Nations General Assembly debate on the Falklands today, British diplomats claim there has been no meaningful change, and the resolution is "basically the same as before."

The final version of the draft omits any reference to self-determination.

The resolution, which could be altered before the debate, insists Britain must negotiate on a transfer of sovereignty of the islands.

"Again, there is no reference to the wishes of the islanders or the question of self-determination," explained one British diplomat who has been intimately involved in the lobbying campaign.

Asked about the possible erosion of support by certain members of European Community countries which might vote in favour of the Argentine draft, the diplomat asked: "What basis have they got for changing their vote?"

Britain has publicly adopted an amazingly quiet approach to this year's Falklands debate, arguing that most people at the UN are bored with the issue, being the third time the Assembly will debate the crisis since the 1982 war.

However, privately, their campaign has been to persuade countries friendly to Britain not to vote in favour of the Argentine resolution, adopting a slogan "a vote for Argentina is a vote against Britain."

British diplomats add that countries which decide to abstain will not be seen as going against Britain.

Peaceful solution

According to the latest Argentine version of its draft resolution, obtained by THE DAILY TELEGRAPH, the preambular paragraph refers to earlier Assembly requests for Britain and Argentina to "resume negotiations in order to find as soon as possible a peaceful, just and definitive solution to the sovereignty dispute..."

In addition, the main paragraph has been changed to include a reiteration that the two countries find a peaceful solution to the "sovereignty dispute and their remaining differences."

Some European countries had tried, without luck, to get Argentina to remove the "sovereignty" clauses and replace them with self-determination.

This, they believed, would change the entire diplomatic posturing and might lead to eventual support by Britain.

UK faces pressure

Backing from France at UN on Malvinas?

United Nations Greece and Ireland would follow suit, diplomats said.

BRITAIN may face a split in European Community ranks on the Malvinas dispute when the issue goes to the UN General Assembly today, diplomats said yesterday.

They said that France, which abstained together with the other Community members in voting last year, was considering whether to back a resolution drafted by Argentina which calls for negotiations on sovereignty.

Britain has refused to discuss sovereignty over the islands with the Argentines, who claim the territory and occupied it briefly in 1982 before they were driven off in a six-week war.

If the French voted for the new resolution, which was tabled last Friday, there was a strong possibility that Italy,

President Raúl Alfonsín of Argentina visited Paris last week for talks with President François Mitterrand, who has already made a state visit to Britain.

Although 87 UN member voted for a General Assembly resolution last November calling on Britain and Argentina to resume talks on sovereignty, Britain drew comfort from the fact that no fewer than 54 states abstained.

Only eight members joined Britain in opposing the resolution.

A draft which Porfirio Muñoz Ledo of Mexico is due to introduce in the General Assembly during what is expected to be a one-day debate proposes that UN Secretary General Javier Pérez de Cuéllar take all necessary measures to find "as soon as possible & peaceful solution to the sovereignty dispute and the remaining differences relating to the question of the Malvinas Islands."

Diplomats said there was little doubt that this would get overwhelming support and that the number of abstainers this year might be smaller than in 1983.

Britain was said to be lobbying intensively among African and Asian members, hoping to reduce any erosion and possibly even add to the number of negative votes.

Through the intercession of Brazil and Switzerland, a brief meeting between the British and Argentines was held in Berne in July, but no progress was recorded after Britain declined to discuss sovereignty.

Argentina has been eager to enlist Pérez de Cuéllar's good offices, but the British have turned this down.

In a report to the General Assembly issued on October 17, the secretary general called for "dialogue and confidence-building measures" to help both countries to restore normal relations.

"I stand ready to assist both parties in this process," he said.

Argentina's claim to the island is regarded by many Latin American countries as the justified freeing of American territory from European colonial control.

Britain bases its argument in part on the opposition of most islanders to any change in their status. (Reuters)

Kelpers scoff at Argentine democracy and inflation

United Nations examine the "interests of the TWO FALKLAND (Malvinas) islanders" mentioned in the Argentina's "newfound themselves whether they democracy" Tuesday and would be better off with an urged General Assembly re-jection of a Latin American resolution calling on Britain and Argentina to negotiate sovereignty of the islands.

Two other islanders now resident in Argentina said was under 10 percent last as only a solution to the sovereignty dispute that sparked a 10-week war in the South Atlantic two years ago will ensure "a peaceful future" for the 1,800 islanders.

The four addressed the decolonization committee prior to a one-day debate on the issue today by the assembly, which was expected to approve the resolution.

It is the third consecutive debate in the assembly since Britain took back the islands following a brief Argentine military occupation in 1982.

Lionel Blake, a member of the islands government, told delegates that Argentine sovereignty would deny the inhabitants "the right of self-determination."

"We do not need a newfound democracy we have heard so much about; we have an old democracy, now strengthened, and wish to continue with it," he said. He asked delegates to

Susan Coutts de Maciello, an islander who married an Argentine but whose parents still live on the Malvinas, told the committee, "My happy home is now on the Argentine mainland."

She rebuked Britain for its militarization of the islands, which she called "Fortress Falklands."

It "terrifies me and Britain has created with it a fearful situation in the South Atlantic" that made it "a potential theatre for international confrontation.

"Great Britain, for all its prattle about the well-being and style of life of the islands, never contributed very much to them," de Maciello said. (UP)

Daily Mail
31.10.84

The Poppy girls whose giggles left a comic looking bemused



WHO said fund-raising was a solemn business?

Comic Jim Davidson had this little band of helpers in fits yesterday when he launched this year's Poppy Appeal—even though he appears to have missed the joke himself.

The Poppy girls are the lighter side

of a campaign to raise £7,250,000 for the victims of conflict and their dependants. Jim, 29, a British Army-trained paratrooper who was the first star to entertain troops in the Falklands, said: 'Young people now realise that war has happened in our lifetime.'

Picture: MIKE HOLLIST

The Standard
30th October 1984

OPPORTUNITIES IN THE FALKLANDS

Tax-free salaries Male-status

For the second phase of the Falklands Airfield Construction, Grandmet urgently seeks the following experienced men for very good tax-free 14-month contracts.

- ★ GENERAL ASSISTANTS (F26)
- ★ Cook (F22) ★ Baker (F23)
- ★ Storeman (F27)
- ★ Laundry Supervisor (F33)
- ★ Head Barman (F36)
- ★ Hairdresser (F40)
- ★ Fire/Security Supervisor (F43)
- ★ Fireman/Guard (F44)
- ★ Handyman (F45)
- ★ Driver (F47)

Beyond having experience in your chosen area, you must be over 21, flexible in your approach—willing to deputise in other fields when necessary, and work long hours in a very harsh environment.

1 period of 2 weeks paid leave to the U.K. will be provided.

To apply, please telephone for an application form, quoting the appropriate reference number, to: Jane Pollard, Grandmet International Services Limited, on 01-711 8900 during office hours up to 6.30 pm.

Europeans emerge as key to UN debate on Falklands

From David Julius
in New York

Argentina's campaign to dent British diplomatic efforts during tomorrow's Falklands debate at the UN General Assembly is focused on breaking support among EEC members.

France appears to be the key factor. Once its position is known, other EEC countries, such as Greece, Italy, and the Irish Republic, will decide whether to switch sides. Last year, when the Assembly voted on a resolution similar to the one Argentina is planning, all EEC members abstained.

However, several European countries may try to reward newly democratic Argentina, with a vote to get London to resume negotiations with Buenos Aires.

British diplomats have been trying hard to persuade friendly countries not to support Argentina, arguing that "a vote for Argentina is a vote against Britain." London objects to Argentina's draft resolution because it puts the

case for sovereignty of the islands and makes no mention of the question of self-determination.

Argentine diplomats here say that by adding the words "and the remaining differences to be solved" to their draft, Buenos Aires opens the way for the exclusion zone and termination of the state of war to be discussed at future talks. Britain believes the draft is similar to last year's and is putting pressure on several countries not to switch their support in favour of Argentina.

One British source said that this week's Falklands debate is seen by the Foreign Office as the most important matter to be debated during this assembly session.

Meanwhile, France is believed to be keen to mediate between the two parties. Diplomatic sources indicate that Mr Mitterrand might have given private assurances to the Argentine leader, Mr Raul Alfonsin, when he was in Paris last week that a French vote needed an Argentine promise to return to the negotiating table with London in the coming months.

However, diplomats point out that the two-day assembly debate may widen the gap between the parties rather than to narrow their differences.

The Argentines are privately believed to be annoyed with the UN Secretary-General, Mr Perez de Cuellar, who recently issued a report on the Falklands to the General Assembly and failed to chide Britain for not heeding past assembly resolutions. This week's debate will also focus on the failure of the two sides to make headway during the unsuccessful Bern talks in July.

Britain will undoubtedly use the General Assembly rostrum to spell out terms for resuming links with Argentina, again repeating that the question of sovereignty is not up for discussion, now or in the future.

The Argentine Foreign Minister, Mr Dante Caputo, yesterday arrived here to put the finishing touches to his UN offensive. He is accompanied by the Argentine ambassador to Paris, Mr Carlos Ortiz de Rozas, who was previously accredited in London.

The Guardian 30/10/84

Flag waiver

A BUENOS Aires publisher has brought the rights to Raymond Briggs' satirical book about the Falklands War, *The Old Iron Lady and the Tin Pot General*. The only stipulation is that both the Union Jack and Argentine flag should be replaced in the drawings by neutral coloured ones. Even so, the point will be difficult to miss.

Deficiencies in ships despite Falklands

By DESMOND WESTERN Naval Correspondent
aboard the carrier Illustrious at sea.

CHANGES in warships' equipment, dictated by lessons learned in the Falklands conflict, are at last being introduced in profusion, but surprising and alarming deficiencies remain.

Nearly all ships now carry enough ELSA sets to enable men trapped by smoke to escape.

The ELSA sets are emergency breathing apparatus with eight minutes' air supply.

Before the Falklands, it was not unknown for some ships to have sets for less than ten per cent. of the crew.

Similarly, enough survival suits are carried for all members of warships' crews to overcome the dangers of shock and hypothermia from jumping into near-freezing waters.

On board some ships, like the two-year-old carrier Illustrious, curtains have been fitted on many doors to prevent the spread of smoke but in the year-old frigate Boxer, delivery of the curtains is still awaited.

While all sailors in seagoing ships now have cotton instead of man-made fibre working vests to lessen burn injuries, some 50 per cent. of the marine engineering staff in the Illustrious still have nylon overalls for working in machinery spaces.

'Smoke' cameras

Although every ship that took part in the actual Falklands conflict was hurriedly equipped with cotton overalls, they remain generally in short supply and the only ships fully outfitted are those on patrol off the Falklands. On their return home they hand them over to other ships going south.

One of the important advances introduced in the Illustrious is the use of thermal imaging cameras to enable the leaders of fire-fighting teams to see through dense smoke.

It is also planned to introduce Clansman-type radios, originally designed for army tank crews, to allow fire-fighting teams to communicate with each other when wearing thick protective helmets and clothing.

Other improvements include insulated clothing for men working in half-flooded compartments, and breathing masks that will supply air even if a firefighter's face mask is damaged.

But more fundamental changes in ships' design will not be fully implemented until the first of the Type-23 frigates,

which are still to be ordered, is completed around 1989.

This means that even in some of the Navy's most modern destroyers and frigates many bulkheads dividing the ship into major compartments are pierced for too many electric cables and piping to make them fully smoke-proof.

Escape hatches

In Boxer and her 13 sister ships in service or on order, escape hatches and holes from the engine rooms are all placed, with one exception, down one side which could make escape for those below to the upper deck extremely difficult if, like the destroyer Coventry in the Falklands, damage was concentrated on one side. Lieut-Cmdr Andy Soper, the Boxer's Marine Engineer Officer, pointed out.

One of the biggest problems is how to reconcile ships' readiness for war with the Navy's requirement to maintain smart and clean ships that will impress visitors, particularly overseas, in peacetime.

Cmdr Stuart Tickner, the Marine Engineer Officer in the Illustrious, said that for some months after the Falklands conflict the ship's 1,000 men had been organised into what are known as "defence watches," with a high degree of readiness for war. But to retain this organisation permanently made cleaning and routine maintenance difficult, and added nothing to a man's training if he had to spend a large part of each day lying on the deck in full protective clothing in a sealed compartment.

Extra weapons

Inevitably concessions to comfort and appearance were creeping back "since after all the ship is home for her sailors for many months at a time," Lieut-Cmdr Chris Craddock, Boxer's First Lieutenant, explained.

Apart from passive defence measures, the majority of frigates and larger ships now have their initial outfit of additional close-range weapons mainly manually-operated and controlled 20 and 30mm guns and extra mortars to fire decoys against radar-guided and heat-seeking missiles, such as the Exocet. In some cases as many as six more guns have been fitted.

The Times 30/10/84

Meat their match

The Argentines are an optimistic lot. Although diplomatic links with Britain remain severed, they are offering cut-price beef to our embassies. In a letter addressed to "His Excellency Chef", a Buenos Aires firm asks the British embassy in Vienna to "take advantage of the privilege to receive every month one of the world's best meat qualities". The Argentines, I hear, have been told to hoof it.

Daily Telegraph 30/10/84

The right stuff

READERS of LABOUR BRIEFING's November national supplement must have been astonished to read that the hard-Left monthly has a few nice words to say about Mrs Thatcher.

Predictably the front page of LABOUR BRIEFING accuses the Prime Minister of sending "terrorist police" to Northern Ireland and of dispatching Belgrano sailors "to their deaths with a single phone call," but amid this invective is included a sudden compliment to the Number One Class Enemy on her behaviour after the Brighton attack.

"Few of us can have been unimpressed by the personal courage of those involved — including, yes, the composure and resolution of the Prime Minister herself." The editorial goes further: "If only the leaders of our party could display courage like that." A touch of pink in the workers' flag?

Falklanders worry about price of freedom

BY JIMMY BURNS, RECENTLY IN PORT STANLEY

FOR THE Luxtons, life on an 150,000 acre farm on West Falklands seems to have returned very much to normal. In the morning, Bill picked up his mail, brought to a local field by one of the island's two civilian 12-seater planes, then checked on some horses that had strayed off his land some 15 miles away, before finally feeding his favourite sheep on a tube of polo mints.

By the evening, he was sitting down with his wife Pat, listening for the umpteenth time to a tape of Margaret Thatcher's only visit to the islands in January 1982.

"We are a people who cannot live without breathing the air of freedom and justice," Maggie had told a packed town hall. "The Union Jack is flying over Port Stanley and may it always fly over Port Stanley."

In April 1982, Bill and Pat's Easter Sunday was rudely disrupted with the arrival of Argentine soldiers wielding heavy machine guns and clutching grenades. The Luxtons were arrested and deported for no apparent reason other than being regarded as firmly pro-British and a threat to internal security.

"At the time, I didn't know what was going to happen to us. I just thought of the war," "disappeared" and I was terrified," Bill recalled. Far from modifying their resolve to remain on the islands, the Upland Goose Hotel,

ARGENTINA is still hoping to win the votes of a number of European countries, including Italy and France, in tomorrow's United Nations debate on the Falklands, Jimmy Burns writes.

In previous years support for Argentina at the UN has

experience simply made the Luxtons that much more deeply British. It is difficult to find an islander today that does not have a story to tell about the disruption caused by the Argentine occupation. There was no rape or widespread looting. The only three islanders who died during the conflict were accidentally shelled by the British. And the local Argentine military officials are generally remembered as courteous.

For a community that had scarcely known violence, it was a traumatic experience that has since entrenched itself deeply in the collective psyche, and continues to affect everyday life. All the live Argentine

ammunition that littered Stanley and the countryside has been removed over the last year. But that doesn't apply to the mines. "Before the war, I used to go swimming in the sea, riding in the fields, fishing on the river—all that's gone now," said Alison King, daughter of the proprietor of

the Upland Goose Hotel. "At the time, I didn't know what was going to happen to us. I just thought of the war," "disappeared" and I was terrified," Bill recalled. Far from modifying their resolve to remain on the islands, the Upland Goose Hotel,

mainly come from Latin America and the non-aligned movement. But officials believe a "qualitative" change in the vote will succeed in bringing pressure to bear on Mrs Thatcher's Government. The debate follows a mini-European tour by President Alfonsin following weeks of intensive diplomatic effort aimed at EEC members.

The widely held belief in Buenos Aires is that a substantial vote in favour of the Argentine motion will lead to an early resumption of negotiations broken off in Berne

locally based anti-Argentine pressure group, she shares the doubts many islanders have about the degree of commitment Britain has to the medium-to-long-term future of the islands.

Mrs Malcolm, in common with families like the Luxtons, and even the chairman of the islands' trade union movement, Mr Terry Betts, has an unswerving respect for Mrs Thatcher. But the history of the Falklands dispute has shown successive British governments — whether Labour or Conservative — prepared to reach some accommodation with Argentina.

And the so-called Falklands lobby inside British Parliament, which in the past so resolutely opposed any accommodation, is no longer as influential as it once was. So Mrs Malcolm is less confident than she used to be.

As she put it, "It's no joke living on the edge of a precipice wondering what's going to happen once Mrs Thatcher goes. You wouldn't know whether to build yourself a new house or just move out."

links with Argentina. Falklanders used to use Argentine hospitals and Argentine restaurants, and there were regular tourists visiting from Buenos Aires on the twice-weekly flight or the occasional cruise ship. Argentina provided the worst news from Buenos Aires; 600 per cent inflation, leum in addition to some food supplies.

Trade links are now almost exclusively with the UK and transport and services virtually controlled by the British armed forces. Most islanders are convinced that the presence of the military is the only guarantee of the inhabitants.

If Alfonsin is the democrat he says he is, why doesn't he have more respect for our rights?" was the question I found constantly thrown back at me.

The few islanders who defended Argentine sovereignty in the past have been ostracised in the last as traitors and have been forced into virtual exile on the mainland. In spite of the war, there are many islanders who willingly admit army trucks daily deposit surplus stocks on the rubbish tip on the outskirts of Stanley

Guardian 29/10/84

'Feudal Falklands' claims condemned

By Paul Keel

Accusations that Falklanders who lease from the islands' largest landowner are subjected to almost feudal contractual conditions were dismissed as "claptrap" yesterday by one of the scheme's architects.

Mr Ted Needham, an executive board member of Coalite, which owns the Falkland Islands company, defended its decision to offer individual sheep farmers profit-sharing rather than salaries as "good for them, and good for us."

The company—which owns 40 per cent of the Falklands and employs most of its inhabitants—has come under sustained criticism for allegedly failing to develop the colony's wool-based economy.

Lord Shackleton, author of two reports on Falklands economic development, called the share scheme as "a classic case of capitalist colonialism." The Country Landowners' Association said the scheme amounted to "contract of ser-

vice" rather than share farming.

In his reports — before and after the war — Lord Shackleton urged the company to give more islanders a stake in the Falklands' future by letting them acquire small sheep farms.

The company initiated a pilot scheme along these lines, but its present leasing scheme has attracted criticism because of its tough conditions.

Among them are: the company will manage wool sale and transport, taking 25 per cent of profits; tenants must obtain materials through the company and accept company decisions on farming policy; leases terminated if tenants suffered long-term illness; written permission required if tenants wished to take other work for more than a month.

Mr Tam Dalyell, Labour MP for Linlithgow, said yesterday that he would ask Sir Anthony Kershaw, chairman of the Commons foreign affairs committee, to look into the matter.

After the battle

SIR—In Santiago, Chile, today lives Maria Villaroel, 91, a Chilean of German descent. She is at present the duenna of Miss Sandra Leche, daughter of the late Sir John Leche, some time British Ambassador to Chile, having been taken on by Sir John as his youngest daughter's nurse in the late 1940s when he was *en poste*.

In 1914 Maria Villaroel was employed by the German Ambassador to Chile as under-nurse to his children in Santiago.

In 1914, after the Battle of the Coronel on Nov. 1 in which Adm'l Cradock was decisively defeated off the coast of Chile by the German Adm'l von Spee, a great party was held at the German Chilean Club in Valparaiso to celebrate the German victory over the Royal Navy.

Maria with her charges witnessed the banquet from the gallery at this historic event. She told me (many years ago) that she heard the German Ambassador say at the end of his laudatory speech "... and now I ask you, Admiral and your officers, to 'drink to the damnation of the British Navy'."

Adm'l von Spee in his reply said: "I'm afraid that we are not drinking to the damnation of the British Navy but to our own deaths."

This proved to be only too true as von Spee having rounded Cape Horn was together with his two sons subsequently killed in the battle of the Falkland Islands, when the Royal Navy commanded by Adm'l Sturdee annihilated the German cruisers and rid the South American waters of these two raiders.

RICHARD BUCKMASTER
Radway, Warwicks.

Argentina modifies UN motion on Falklands

By Nicholas Colchester in
New York

ARGENTINA HOPES to step up international pressure on the UK this week to resume negotiations on sovereignty of the Falkland Islands by modifying its motion before the United Nations General Assembly by the insertion of four words.

The change described by one Argentine official as cryptic but significant, is part of the intensive lobbying undertaken by both countries in the build-up to Wednesday's debate.

Argentina is trying to drum up a more emphatic majority than it achieved on the same issue last November by claiming a new constructiveness and flexibility in its approach. Sr Dante Caputo, the Argentine Foreign Minister, has arrived in New York to put the case.

The UK delegation is led by Sir John Thompson, British Ambassador to the UN. It is striving to convince any waverers among last year's many abstainers that the revamped resolution still calls for talks about a predetermined transfer of the Falklands to Argentina in which the islanders' wishes will not be respected.

Argentina, in efforts to suggest the call for talks does not bind the UK's hands in advance has added four words to a key paragraph of the motion.

This now reads: "The General Assembly reiterates its request to the governments of Argentina and the United Kingdom to resume negotiations in order to find as soon as possible a peaceful solution to the sovereignty dispute and their remaining differences relating to the question of the Falkland Islands (Malvinas)."

It is by inserting the phrase about "remaining differences" that Argentina hopes to convey that nothing is made non-negotiable by the wording of the resolution.

The phrase, however, is too cryptic for the UK. British diplomats still insist that to negotiate about sovereignty is to concede that sovereignty is negotiable.

They stress that a phrase in the preamble "reaffirming the need of the parties to take due account of the interests of the population of the islands" does not provide for self-determination. Who would decide what those interests were?

At first sight the tension over this debate might appear pointless. Argentina will undoubtedly repeat its substantial majority of 1983 and this vote will not oblige the UK to alter its attitude in any way.

Yet such resolutions provide a measure of the international respectability of Argentina's claim after its disastrous invasion.

Last year eight countries, including New Zealand, voted with Britain against the resolution, but 54, including all EEC countries, abstained. The solidarity of the European abstention will be the key test of support for Britain.

Ministers in battle over spending cuts

By GEORGE JONES, Political Correspondent

THE Prime Minister and the Cabinet will have to intervene next week to try to resolve an increasingly bitter battle between the Treasury and major spending Ministers over the level of public expenditure next year.

Mr Lawson, the Chancellor, is meeting outright resistance from senior members of the Cabinet over a package of tough measures which include hefty increases in electricity prices, higher prescription and health charges, cuts in social security benefits, housing and urban aid, and a new clampdown on defence spending.

Mr Fowler, Social Services Secretary, is understood to have blocked Treasury demands for big cuts in the £37.2 billion social security budget. He is seeking wider Cabinet support for his stand of sticking to Government commitments on benefits of the Health Service.

'Star Chamber'

Ministers in the so-called "Star Chamber," which is trying to arbitrate between the Treasury and spending departments, acknowledged last night that they were unlikely to reach agreement. The Prime Minister and the full Cabinet, meeting probably a week on Thursday, will now form the "final court of appeal."

It is now generally acknowledged in Whitehall that this autumn's public spending review is the most painful that the Government has so far faced. The Treasury is making little headway in cutting the remaining £1.5 to £2 billion needed to bring overall ex-

penditure within the target of just under £132 billion already set for 1985-86.

The Treasury is meeting opposition across a broad front, particularly from the Departments of Health and Social Security, Defence, Environment, Energy and Agriculture.

Mr Fowler is undoubtedly one of the Treasury's main targets, as his health and social security budgets form the largest single section of public spending.

He is pressing for an extra £750 million to finance bigger-than-expected claims for unemployment and other benefits and wants another £250 million for the Health Service, primarily to keep pace with the demands of the increasing number of elderly people.

He has already refused to

accept Treasury demands for a big cut in housing benefit and for increases in social security benefits to be paid every two years instead of annually as at present.

Mr Heseltine, Defence Secretary, is arguing that the Cabinet will have to sort out its overall priorities before final decisions can be reached on the level of public spending. He wants £300 million more to finance higher pay and increased costs of military equipment, and has made clear that amounts budgeted for by the Treasury are not enough to meet Government defence commitments, including the defence of the Falklands.

The Treasury is also pressing for cuts in agricultural support, local authority pending and housing urban aid and home improvement grants.

Falkland company's leases attacked as 'act of slavery'

THE company which owns half the Falkland Islands employs most of the population and dominates the colony's economy has been accused of exploiting farmers to maintain its grip on the islands.

Critics of the Falkland Islands Company, owned by the Derbyshire-based Coalite group, are led by Lord Shackleton, who chaired a government committee appointed to plan the economic development of the islands after the war with Argentina in 1982.

The Committee identified land reforms as a crucial aim to rejuvenate an ailing economy based almost solely on sheep farming. It called on the Falkland Islands Company to share its vast farms - 1.5m acres in all - with independent farmers, expressing the hope that such action would give islanders better prospects, boost their flagging morale and attract pioneers from Britain.

But the company, while providing farmhouses and some items of capital equipment, has been accused of an "act of slavery" in offering leases to would-be tenants which lay down that:

- The company will manage the sale and transport of wool, decide the selling price and take 25% of the profits.
- The tenant must obtain materials for the farm through the company and accept all company decisions on farming policy.

by Brian Wilson

- The lease would be terminated if the tenant suffered long-term illness or incapacity.
- Written permission would be required from the company if the tenant wished to take on other work for more than a month at a time, or to buy or sell livestock.

The lease even demanded that, although the company took a quarter of the profits, it was the tenant who must bear the full cost of providing a motor vehicle, a boat and a radio, essential for both communication and safety on the remote Falkland farms.

One islander who signed the lease and took over Swan Islands farm, spread over 25 islets between the two main Falkland land masses, says he was given just 24 hours to read, accept and sign the lease.

"It was another turn of the clamp around our necks," said Robin Goodwin, who is now terminating his lease with the company. "Share-farming is only good for one party, the owners".

Goodwin cites an example of the company's monopoly over the Swan Islands farm. "I located a cheap form of electric fencing, costing £500 a mile. But

the company insisted I purchase conventional fencing, costing four times as much."

Four other farmers have signed the leases. But now, a Bradford-based representative of the independent Falkland farmers is petitioning both the Foreign Office and the Overseas Development Agency to intervene and prevent further agreements being signed.

"The leases are an act of slavery," says Colin Smith, who acts as the independent farmers' agent, selling their wool in Yorkshire. "I doubt very much if those leases would even be legal in this country. There are people out here living in an archaic system."

Shackleton says he is "angered" by the leases. The company, he alleged, is "taking exploitative advantage of its dominant position in the islands". He added: "You could call it a classic case of capitalist colonialism."

Shackleton invited the chief legal adviser to the Country Landowners Association to comment on a copy of the lease. "It is not a share-farming agreement but a contract of service," the lawyer concluded.

A spokesman for the Coalite group said that only its chairman, Eric Watley, the former Labour MP, could comment on the charges. He was unavailable, despite repeated attempts to contact him.

Mr Heath and the Belgrano

SIR.—Two weeks have elapsed since Simon Hoggart wrote in *The Observer* on 14 October that Mr Heath 'spent the whole week at the Conference, entertaining journalists to expensive dinners in Wheelers' fish restaurant, and explaining how disgraceful Mrs Thatcher's behaviour had been in the Belgrano affair.'

For all his wit, Simon Hoggart does not invent such stories out of thin air. Indeed, I learn from other sources

that Hoggart is wholly accurate. Out of fairness to Mr Clive Ponting, should not the former Prime Minister volunteer to tell the Old Bailey what he told your journalistic colleagues at Wheelers?

MPs cannot be summoned to court in such circumstances. They can volunteer. The DPP could hardly refuse to hear a former Prime Minister, even if he is most reluctant to have me in court.

Tam Dalyell,
House of Commons

PM changes tack over course of Belgrano

By Richard Norton-Taylor

The Prime Minister has admitted that the original report from the submarine, HMS Conqueror, which was transmitted shortly after the Argentine cruiser, General Belgrano, was attacked on May 2, 1982, did contain information about the Belgrano's position and course when it was hit.

Mrs Thatcher's statement — in answer to a parliamentary question from Mr Tam Dalyell, Labour MP for Linlithgow — directly contradicts her letter earlier this month to the Social Democrat leader, Dr David Owen, in which she said that the course of the cruiser did not come to the attention of ministers until November 1982.

In that letter to Dr Owen she also said that the Conqueror's original report provided the basis for the first statements by ministers to the Commons about the attack. The Conqueror informed London that the Belgrano reversed course towards the Argentine coast 11 hours before it was torpedoed.

That information was in front of ministers when Mr John Nott, the then Defence Secretary, told the Commons on May 4 1982 that the cruiser was closing on the task force when it was attacked. In her earlier statement to MPs on the same day Mrs Thatcher made it clear that she knew what Mr Knott was going to say.

Further evidence that Mrs Thatcher's letter to Dr Owen was misleading is provided by the Commons official report, which records that on December 16, 1982 the Prime Minister told Mr Dalyell that the Government also knew the distance between the Belgrano and the nearest British surface vessels at the time the Argentine cruiser was hit.

The Conqueror first located the Belgrano about 30 hours before it attacked the cruiser, and sent regular reports to London.

The Commons foreign affairs committee has asked the Defence Secretary, Mr Michael Heseltine, to give evidence in public on the Belgrano controversy when he appears before it on November 7.

The committee is also expected to ask Lord Lewin, chief of defence staff during the Falklands conflict, to give evidence.

The foreign affairs committee completed its report on the future of the Falklands on Wednesday.

Mitterrand hedges on Falklands vote

By Henry Stanhope, Diplomatic Correspondent

President Mitterrand yesterday refused to commit his Government to support Britain in next week's Falklands debate at the United Nations.

At a final press conference at the end of his state visit, he said he first wanted to see the resolution, adding that we were now all involved in the diplomatic phase. But his equivocation must be infuriating for Mrs Margaret Thatcher who emphasized the importance of the vote to Britain during 90 minutes of talks in Downing Street three days ago.

France and other EEC nations had previously abstained at the annual UN confrontation. M. Mitterrand said, but a number of questions remained, including whether sovereignty of the islands was negotiable.

He asked of no one in particular whether Señor Javier Pérez de Cuellar, the UN Secretary-General, might be able to bring Britain and Argentina closer to resume discussions held before the war. France had to consider its relations with both countries and Latin America as a whole.

Mrs Thatcher, in a Commons written answer last night, said she had told the President that Britain was not prepared to negotiate with Argentina over sovereignty but remained ready to work for more normal relations.

The President tried to dismiss as an "unfortunate misunderstanding" the incident in which a bomb disposal expert planted explosives in the French Ambassador's garden. M. Mitterrand did not think it would harm Anglo-French relations. One had to put it in perspective.

When M. Mitterrand was at London's Guildhall, he had to sit opposite the statue of the Duke of Wellington. He was asked if this did not seem to reflect an unfortunate approach by the British, and replied: "It is the same for an Englishman who visits Napoleon's tomb in Paris, then comes to see me in the Elysée palace and walks through rooms decorated by Napoleon III."

The press sang "Happy Birthday" to the President, who was 68 yesterday. "Merci beaucoup", he beamed.

Alfonso adamant, page 4



TWO of the prizewinners at Bandon Grammar School's prize day yesterday. Kate Bologna from Kilbrittain (left) and Maria Bowens of Bandon.

(Pictures: Maurice O'Mahony)

Argentina 'will not nuke the Falklands'

A FORMER Governor of the Falkland Islands, speaking to the *Examiner* yesterday, strongly disagreed with the suggestion put forward in a book published earlier this week that Argentina may use nuclear weapons to try to seize the disputed South Atlantic Islands.

In the book, *Armed Forces of Latin America*, Irish author Adrian J. English said the memory of 1,000 Argentine dead makes a second Anglo / Argentine conflict virtually inevitable within at most 10 years, failing some diplomatic solution to the problem in the interim. The escalation of such a conflict to a nuclear level also seems highly likely."

Sir Cosmo Hasguard, who served as Governor of the Falklands for six years, up to 1970, said yesterday it was probably true that no living Argentine has not at school absorbed the idea that those islands belong to Argentina.

It was something they had grown up with. But he did not believe Argentina would get involved in a nuclear conflict in pursuit of the islands.

"I cannot visualise any responsible Argentine government taking any action of that sort."

He said the Falklands War was sad and unnecessary. The Argentinians would have been better advised to pursue a diplomatic course.

As to the future, the complete contrast in background between the inhabitants of Argentina and those of the Falkland Islands made it extremely difficult to visualise any circumstances in which the

status of the Falklands would change.

"The interests of the Falkland Islanders are of the greatest importance," said Sir Cosmo, who is Irish-born and has lived in West Cork for the past number of years.

He yesterday presented

the prizes to the outstanding pupils at Bandon Grammar School, Co. Cork, on the school's prizegiving day. Among the distinguished gathering was the Church of Ireland Bishop of Cork, Cloyne and Ross, Most Rev. S. G. Poyntz.

SOVEREIGNTY BEYOND DISPUTE

President Raul Alfonsin yesterday said Argentina's claim to sovereignty of the Falkland Islands should be beyond dispute.

"I do not see how there can be anyone in the world who knows about the problem of the Malvinas (Falklands) who can have any doubt about the rights of our country to the islands as far as sovereignty is concerned," he told a news conference in Rome.

He said Argentina wanted a negotiated settlement with Britain but added: "The question of Sovereignty cannot be put in discussion."

Alfonsín refuses to budge on Falklands after talks in Rome

From Peter Nichols, Rome

President Raúl Alfonsín of Argentina, clearly pleased with the outcome of his visit here, nevertheless remained intransigent on the issue of the Falkland Islands.

Asked if any fresh suggestions had emerged in the course of his talks with President Pertini or Signor Bettino Craxi, the Prime Minister, Señor Alfonsín said: "I do not think there can be any new alternatives to the proposals that have already been made. The problem of sovereignty cannot be a matter for discussion."

This reply covered as well the question of whether he was prepared to take the issue to the International Court of Justice in The Hague. He said no one who understood the issue could have any doubt about Argentina's sovereign rights to the islands.

The Falklands dispute has particular importance here because the Argentine President stated clearly that he regarded Italy as a bridge between his country and the European Community.

He said that, during the armed conflict, the European

Parliament had criticized Argentina and the Community had applied sanctions. Now, with the return of democratic government in Argentina, the European Parliament's requirements were being met.

Asked whether talks here had resulted in specific Italian commitment to act in Argentina's interests within the Community, Señor Alfonsín was vague. A debate on the Falklands was imminent in the United Nations and Italy's position would be clear when the vote was taken.

He said he was "truly satisfied" with the reception he had been given here, and with Italian proposals for helping Argentina face its economic emergency. These include the promise of direct investment

Italy has in the past suggested to the British Government some form of mediation on the Falklands issue. Mrs Thatcher's reply several months ago was very clear, to the effect that "victors do not deal with the vanquished," a phrase which deeply impressed Italian leaders.

Fishing News
October 26th, 1984

Falklands man appointed

ALASTAIR CAMERON (below) has been appointed the Falkland Islands' government representative in London.

As the official spokesman, Mr. Cameron deals with the UK government, parliament, the press and the public.

He was born in Stanley, Falkland Islands, in 1951 and educated in England. He began working for the Falkland Islands government as an assistant secretary in 1983. In June this year, he became acting representative of the Falkland Islands government. He was officially appointed London representative on October 1.



Public Belgrano scrutiny call

By Philip Webster, Political Reporter

Mr Michael Heseltine, the Secretary of State for Defence, has been asked to give evidence in public when he appears before the Commons all-party select committee on Foreign Affairs next month to be questioned about the sinking of the General Belgrano.

Since Mr Heseltine agreed to be questioned about the sinking of the cruiser on May 2, 1982, during the Falklands conflict, the understanding has always been that he would be seen in private because of the sensitive nature of the material.

But at a meeting this week, members of the committee, chaired by Sir Anthony Kershaw, (Conservative MP for Stroud), decided to ask Mr Heseltine to appear first in

public and then later go into private session.

The request has been passed to the Ministry of Defence. Mr Heseltine has yet to respond because he is abroad. Committee members believe that although the request seems certain to cause some embarrassment in government circles it is unlikely to be refused.

Mr Heseltine is expected to be questioned on November 7, and a report on the Belgrano affair published before Christmas.

Meanwhile, the committee has completed its main inquiry into the future of the Falklands Islands, and for the second time it appears to have come to the conclusion that negotiations with Argentina over the sovereignty of the islands cannot be ruled out.

It has accepted that, given the present state of relations between Britain and Argentina the latter has still not declared a formal end to hostilities, such talks are completely out of the question.

But the Conservative-dominated committee has apparently concluded that it is in the islanders' interests that there be negotiations at some future date and some options are referred to.

The findings will prove to be embarrassing to some in the Government, including Mrs Margaret Thatcher who has repeatedly insisted that discussions on sovereignty cannot be countenanced.

The Times 26/10/84

Colour blind

During the Falklands war the Post Office maladroitly painted the anti-car bomb barrier around its Ulster head office in Tomb Street, Belfast, light blue and white - Argentina's national colours. Republicans in the city and perhaps the Argentines too were heartened by this apparent evidence of support for Argentina's Malvinas claim. Now the barrier has been repainted - in the bright red, yellow-red sandwich of the Spanish flag. Entirely unconnected, I dare say, to Spain's claim to Gibraltar.

Ponting lawyers rebuke Attorney-General



Clive Ponting: His case
'fits with Sarah Tisdall'

By Richard Norton-Taylor

The lawyers acting for Mr Clive Ponting, the senior Ministry of Defence civil servant facing Official Secrets Act charges, yesterday sharply rebuked the Attorney-General, Sir Michael Havers, for making "clear and categorical" statements about issues which, he said, the Crown had yet to prove according to the normal rules of evidence at trial.

Mr Brian Raymond, in a letter to Sir Michael, also accuses the Attorney-General of making "the quite unqualified assertion" that matters were disclosed by Mr Ponting which Mr Ponting had no right to disclose.

"Unequivocal assertions of Michael's case this nature coming from the was one which he rather senior Law Officer, to whom with Sarah Tisdall and some the duty of restraining contempt is entrusted, can only guilty to giving statements to serve to increase public disquiet as to the fairness of the Government's conduct in this matter," Mr Raymond says.

Mr Raymond referred to an interview with Sir Michael on BBC Radio 4's *Law in Action* programme last Sunday, when he said, in relation to Mr Ponting: "In this particular case, it was simply a question of a very senior civil servant who had disclosed matters which, I say, that he had no right to disclose."

In the same interview Sir

Michael said the Ponting case was one which he rather with Sarah Tisdall and some others." Miss Tisdall pleaded guilty to giving statements to the *Guardian* last year. Mr Ponting — who will plead not guilty at his Old Bailey trial — is accused of sending documents to an MP about government attempts to mislead the Commons about the Belgrano.

Fundamental issues of fact in the case were matters for the jury at the trial. Mr Raymond added. In the BBC interview Sir Michael also appeared to suggest that some ministers had doubts about the prosecution.

Alfonsin gets cool reception

From Derek Brown
in Strasbourg

A plea by President Alfonsin of Argentina for European help with his country's trade and debt problems, yesterday drew a chilly response from Britain.

Speaking to the European Parliament, he studiously avoided any reference to the Falklands, but his call for closer cooperation between the EEC and Latin America, though warmly received by a majority of MEPs, has already been implicitly rejected by the UK Government.

"We hope that President Alfonsin's visit to Europe will confirm to him that his predecessor's brutal invasion of the Falkland Islands cannot be ignored," said a British spokesman. "The way ahead is for him to declare a definitive cessation of hostilities and to work on a realistic basis for more normal relations with Britain, acknowledging that, like the people of Argentina, the Falkland islanders also have the right to live under a government of their own choosing."

Britain had criticised the Parliament's invitation to the Argentine President as "inappropriate". London's main concern now is that widespread European sympathy for the democratic government in Buenos Aires, and its formidable economic problems, does not develop into support for Argentina's continuing claim to the Falklands.

The president's speech, in fact, was a model of tact, verging on banality.

Most of the speech was devoted to the need for closer international cooperation on debt—Argentina herself owes \$45,000 million (£37,000 million)—and on trade. He appealed for measures to reduce protectionism, and for Europe to allow greater access to its markets.

Most of the British MEPs stayed out of the chamber during the address.

Steel urges Argentine contacts

By Henry Stanhope
Diplomatic correspondent

Mr David Steel, the Liberal leader, is calling on the Government to seek an early resumption of talks with Argentina, which broke down amid mutual recriminations almost as soon as they opened in July.

He is "cautiously optimistic" that discussions of the wider issues dividing the two countries would lead to a settlement of the Falklands dispute and would be in the interests of both countries.

Mr Steel, who is critical of the political groundwork preceding the abortive talks in Berne, will see Sir Geoffrey Howe, the Foreign Secretary, at his own request tomorrow to discuss his recent meeting in Panama with Argentina's Vice-President, Señor Oscar Torres-Avalos.

Mr Steel will also report to Sir Geoffrey on his visit to Nicaragua, where he urged leaders of the Independent Liberal Party to stay in the coming elections, despite difficulties it experienced. It has subsequently pulled out.

He returned from his trip highly critical of American policy in Nicaragua. It is designed to bring stability to the region, but is having exactly the opposite effect, he said.

Britain rejects Alfonsín aid plea

From Ian Murray
Strasbourg

President Alfonsín of Argentina pleaded with the European Parliament for financial help from the EEC, but Britain immediately made it clear there could be no such thing until he declared an end to hostilities over the Falklands.

The half-hour speech carefully avoided any mention of the islands, although the President pointedly explained that peaceful international coexistence could be settled diplomatically as had been proved in negotiations with Chile over sovereignty of the Beagle Channel.

He also sought to draw a lesson from the way in which the European Parliament had been created among nations which "not so very long ago were tearing the old continent apart". It had been created from a lasting compromise, he said, and there was no reason why that type of compromise should not be taken beyond the confines of Europe.

After advice from Downing Street, about a third of British Conservatives MEPs boycotted the speech, while others went into the chamber to listen with the intention of protesting if the word "Malvinas" was uttered.

No British Conservatives attended the lunch offered by the Parliament in honour of the Argentine President, although two Danish members of the Conservative group did attend.

Señor Alfonsín did win support from Conservative members during his speech when he attacked the common agricultural policy and the "terrible effect" it had on the EEC budget. Not only did this weaken Europe, he argued, but the gap was taking away Argentina's agricultural export market.

The speech was essentially a plea and a warning. If the new democracy in his country was to survive, there had to be international help to rebuild the economy.

A Foreign Office statement said that progress with the Community was certain to be hampered because Argentina still had no diplomatic relations with one of the 10 member states and still refused to declare an end to hostilities.

It was "a source of great regret and frustration" to Britain that the Argentine Government had broken off the talks in Bern last July which were meant to establish relationships in mutual beneficial areas. President Alfonsín had since said in New York that he would accept the islands being returned to Argentina. This, the statement said, was obviously incompatible with progress to restoring normal relations.

Britain hoped the President's visit to Europe would "confirm to him that his predecessor's brutal invasion of the Falkland Islands cannot be ignored. The way ahead is for him to declare a definite cessation of hostilities and to work on a realistic basis for more normal relations with Britain, acknowledging that, like the people of Argentina, the Falkland Islanders also have the right to live under a government of their own choosing".

While taking a hard line against what it described as President Alfonsín's inappropriate visit to the Parliament, the Foreign Office is still trying to maintain some sort of Community solidarity.

The United Nations General Assembly is due to vote next month on an Argentine motion on the islands, and Britain is trying to head off the danger that Italy, Greece and even France may vote to support it.

BBC Publications
Catalogue 1984/85

Beyond the Falklands

Robert Fox

With vast maritime and mineral resources, the great continent of Antarctica could become the Klondike of the twenty-first century as more and more nations join the race to explore and exploit. But how will such development affect the environment? And will the fragile international harmony of the Antarctic Treaty be shattered by conflict between the rival nations?

In this remarkable book Robert Fox tells of his voyage around the Antarctic continent and islands aboard the ice patrol ship *Endurance*, and his subsequent travels in the Falklands. He examines the British role in the Antarctic and South Atlantic and discusses the political and ecological implications of opening up the world's last great wilderness. He also questions whether Britain's 'Fortress Falklands' stance could jeopardise the long-term prospects for peaceful development in the Antarctic.

192 pages 228mm x 155mm Casebound
November

£12.50* 0 563 20332 3



Daily Mail
25th October 1984

Alfonsin wins over British

From AMIT ROY in Strasbourg

BRITISH politicians warmly applauded President Alfonsin of Argentina when he addressed the European Parliament in Strasbourg yesterday.

The occasion was historic, the first time the British have seen fit to cheer the head of a country which is still technically in armed hostility with Britain.

The Foreign Office, apprehensive that Alfonsin was seeking to isolate Britain from the other nine EEC countries, had said his visit to Strasbourg was 'inappropriate'. And Tory Euro MPs, reflecting the policy that Argentina should first declare a formal cessation of hostilities, also made strenuous attempts to stop the invitation.

After much agonising on whether to attend, the Tories split, with 30 attending and 15 boycotting Alfonsin. But even they acknowledged Alfonsin behaved 'like a gentleman' by adhering to a prior agreement not to refer to the Falklands. Most of the 33 Labour members were present.

In his 40 minute speech, which clearly moved the Common Market MPs, Alfonsin spoke of the urgency of safeguarding Argentina's fragile democracy.

He appealed for greater understanding of Argentina's attempts to repay the country's staggering £37 billion debt accumulated by previous military juntas and argued that if Argentina could not strengthen its economy, the democratic institutions he was seeking to build might collapse.

Repression

There seemed to be only an indirect reference to the Falklands when he said: 'The peaceful resolution of a long-running dispute with Argentina's neighbour Chile over the Beagle Channel ought to provide the blueprint for other international conflicts.'

To a rapt audience he spoke as the voice of Latin America, a region seeking to throw off the burden of military repression.

Indeed, judging by the response of even his British critics, the role of Latin America's new Kennedy is one that suits him.

Paul Howell and Les Huckfield, Tory and Labour Euro MPs, who had earlier nearly come to blows over the miners' strike, were for once united. I was pleased I was there to hear him, Mr Howell said: 'It was an extremely statesmanlike speech.'

THATCHER FIRM ON FALKLANDS

By DAVID ADAMSON
Diplomatic Correspondent

PRESIDENT MITTERRAND and Mrs Thatcher disagreed sharply over the Falkland Islands yesterday when they met for 40 minutes.

The French leader, who saw the Argentine President Alfonsin on Monday, made it clear that he does not accept the islanders' right to self determination and sees an eventual transfer of sovereignty to Argentina as the only logical outcome of the dispute.

The British position is that only the islanders have the right to determine the future sovereignty of the Falklands. Mrs Thatcher's view is that passions caused by the conflict need time to cool, particularly as the Argentines have not formally declared an end to hostilities.

M. Mitterrand's stand is a pointer to a French vote in favour of an Argentine resolution calling for resumed talks which is due to be debated in the United Nations General Assembly next week.

Mrs Thatcher raised the question of no-passport excursions to France and pointed out that under the new, more restrictive arrangements introduced by France there had been a sharp decline in passenger traffic.

'NEW DEAL' PLEA

Alfonisin speech

IAN OSBORN reports from Strasbourg: President Alfonsin called yesterday for a new deal between EEC countries and Latin America.

He told the European Parliament that Latin America needed technology and investment while the EEC sought raw materials. There were the makings of a deal.

Alfonsin's speech steers clear of the Falklands

BY QUENTIN PEEL

THE ARGENTINE President, Sr Raul Alfonsin, yesterday addressed a ceremonial session of the European Parliament in Strasbourg, in spite of British protests at the invitation.

His speech went ahead although British Conservative members of the European Democratic Group in the Parliament objected that Argentina has not ended finally hostilities with Britain, since the abortive invasion of the Falkland Islands, and diplomatic relations between the two countries remain severed.

However, President Alfonsin studiously avoided any reference to the Falklands in his speech, although he insisted that his Government wanted to resolve international controversies "by peaceful and diplomatic means."

He referred instead to the

recent settlement of his country's dispute with neighbouring Chile as "an example and proof of the attitude with which we are tackling and shall continue to tackle our international problems."

Sr Alfonsin called for closer relations between the European Community and Latin America but criticised the effect of the EEC's common agricultural policy on major food exporters like Argentina.

He was welcomed to the Parliament by the president, M Pierre Pflimlin, as "the man who brought freedom and democracy back to Argentina." In his response, however, the Argentine leader warned that his country's democracy could be threatened by the degree of economic adjustment being required of it in order to resolve its international debts of some \$45bn.

Daily Telegraph 25/10/84

FALKLANDERS OPPOSE MOTION

Two Falklands councillors leave Port Stanley this week on a diplomatic mission that will take them to the chambers of the United Nations and into verbal combat with the Argentine Government.

Mr John Creek and Mr Tim Blake, who have both represented the Falklands at international forums in the past, will oppose the Argentine-inspired General Assembly motion expected to be debated at the end of the month urging Britain to return to negotiations that will produce a definitive solution to the Falklands dispute.

Daily Telegraph
25.10.84

Endurance's helicopters win award

By Air Cdre G. S. COOPER
Air Correspondent

RECOGNITION of an unrivalled history of inventiveness and dedication to flight safety in Antarctica over more than 30 years has won for the Fleet Air Arm's Helicopter Flight of Endurance, past and present, the Sir Barnes Wallis Memorial Trophy.

The Trophy is awarded annually by the Guild of Air Pilots and Air Navigators for exceptional contributions to aviation.

Lieut-Cdr John White and Lieut Gary Hunt received the trophy last night from Prince Philip, Grand Master of the Guild, at the annual presentation of the guild's awards and trophies in London.

The main task of the Flight, which now has two Wasp helicopters, is to support the scientific and Naval survey parties in the gruelling conditions of the South Atlantic down to the Southern Ice Cap, flying from the ice-patrol ship Endurance.

The citation says that for many years Antarctic survey teams have been regularly flown by single-engine helicopters of considerable age in conditions that would normally be deemed marginal and would therefore attract the greatest public acclaim were they flown from shores at home.

The Royal Flying Doctor Service of Australia also received an award for operating in remote areas, winning the Guild Sword of Honour. The life-saving service, which started in 1928, won the award for an outstanding contribution to General Aviation.



One of Endurance's two Wasp helicopters flying near the ship in Antarctica.

Guild of Air Pilots and Air Navigators

The Duke of Edinburgh, Grand Master of the Guild of Air Pilots and Air Navigators, presided at a court meeting held yesterday at Merchant Taylors' Hall and afterwards at the trophies and awards dinner. Marshal of the RAF Sir Michael Beetham, Air Chief Marshal Sir Alasdair Steedman, Air Commodore F. O. Barrett, Capt. Vaughan Howell and Mr William Scull were admitted to the livery.

Awards were presented by the Grand Master to Mr Christopher Yeo; Mr Clifford Gaskell; the Royal Flying Doctor Service of Australia; Mr Brian Heeps; Mr Robert M. Page; the H.M.S. Endurance Helicopter Flight; and to Petty Officer Aircrewman John S. Coleman. The Grand Master, Mr P. A. S. Blomfield, Master of the Merchant Taylors' Company, and Capt. Kenneth Blevins, Master of the Guild, were speakers.

UK upset by Alfonsin's Strasbourg request

BY OUR DIPLOMATIC CORRESPONDENT

BRITAIN HAS reacted sharply to the decision to allow President Raul Alfonsin of Argentina to address the European Parliament in Strasbourg today.

A Foreign Office spokesman yesterday described the Argentine request for Sr Alfonsin—currently on a visit to France—to address MEPs as "inappropriate."

"Not only does Argentina not have any diplomatic relations with one of the member states of the Ten (Britain), but it has still not declared a definitive cessation of hostilities with that member state," he said.

However, the Foreign Office has not protested to the European Parliament directly.

Clearly anxious to win the support of the other Community member states in the vote on the Argentine resolution on the Falklands due to take place in the United Nations General Assembly next month, the Foreign Office praised the EEC for its consistently "realist approach" to the Falklands problem.

On several occasions the European Community had made proposals to previous Argentine

ATTACK ON PROTECTIONISM

PRESIDENT Raul Alfonsin of Argentina yesterday made a strong attack on what he claimed was growing protectionism by Western industrialised countries, writes Paul Bettis in Paris.

Speaking during his visit to France, he renewed his call for a more equitable "international economic order." He added: "While our requirements of foreign exchange to pay the service of our debt are increasing, the difficulties we confront to sell our products abroad are becoming more and more acute."

He was addressing the session of the governing council of the International Fund for Agricultural Development, the financially

troubled United Nations agency which was still striving yesterday to find a compromise between Opec and OECD member countries over funding its activities for 1985-87.

Sr Alfonsin has also been discussing with French bankers and monetary officials the rescheduling of Argentina's debt with the so-called Paris Club of Western creditor countries.

He claimed he had not asked President Francois Mitterrand to mediate with Mrs Margaret Thatcher on the Falklands during the French leader's current state visit in the UK. He renewed his intentions to seek a diplomatic solution to the issue.

governments for the normalisation of economic and commercial relations with Britain, it said. Britain itself had welcomed the return of democratic rule in Argentina and had

taken the initiative to achieve more normal bilateral relations, the spokesman added. It remained ready to do this.

But the fear in London that one or two EEC members such

as Italy and Greece, and possibly France, might vote for the Argentine resolution at the UN, was clearly reflected in the spokesman's statement.

It appealed to "our friends" not to pursue unrealistic objectives. It also expressed the hope that Sr Alfonsin's visit to Europe would confirm to him that his predecessor's brutal invasion of the Falklands could not be ignored.

The way ahead for the Argentine President was for him to declare a definitive cessation of hostilities and to work on a realistic basis for normal relations with Britain. He should acknowledge that the Falkland islanders, like the Argentine people, also had the right to live under the government of their own choosing.

It is highly probable that Mrs Margaret Thatcher, the Prime Minister, will raise the question of the EEC member states' attitude towards the Argentine resolution on the Falklands, which has still to be finally formulated, in her talks with President Francois Mitterrand of France in London today.

The Guardian 24/10/84

Thatcher's 'no comment' on Belgrano signals

By Richard Norton-Taylor

The Prime Minister has refused to comment on whether the war cabinet of the naval fleet headquarters at Northwood, outside London, learnt about Argentina's orders to its ships to return to base during the early stages of the Falklands conflict.

She replied that it was not right for her to comment in a written parliamentary answer to Mr George Foulkes, a Labour foreign affairs spokesman, who asked when the Government knew of the message. She also refused to comment on why the crew of the submarine Conqueror, which torpedoed the Belgrano on May 2, 1982, believed that the Argentine cruiser was still afloat the following day.

According to Argentine military sources, Admiral Juan Lombardo, the naval commander, signalled to his fleet to return home during the evening of May 1. It is widely assumed in Whitehall that Britain was successfully intercepting Argentine signals at the time, possibly with the help of the US.

The Conqueror's belief that the Belgrano was still afloat on May 3 — which proved to be mistaken — was shared by the Argentine Government in Buenos Aires.

Whitehall sources yesterday also backed up recent remarks by Lord Lewin, the chief of the defence staff, questioning Mrs Thatcher's statement in a letter to Dr David Owen, the Social Democratic leader on October 8 that ministers were not told of the Belgrano's change of course away from the task force until November, 1982.

Mr Tam Dalyell, Labour MP for Linlithgow, has asked the Prime Minister whether the Conqueror's report of its attack on the Belgrano sent to London on the evening of May 2 — which she says was communicated to the Government — also contained information about the position and course of the cruiser.

The Times 24/10/84

Argentine court orders ex-President's arrest

Buenos Aires (AP) - After questioning ex-President General Roberto Viola for eight hours on alleged human rights abuse by the former military regime, a court ordered him to be confined to a jail cell.

The arrest order for General Viola, made on Monday, was a temporary one. It remains in force until the court decides whether he should be kept imprisoned indefinitely pending a verdict. There was no immediate word when such a decision would be made.

President Raul Alfonsin, whose inauguration last Decem-

ber ended nearly eight years of military rule, ordered the prosecution of the nine members of three military juntas that ruled after a 1976 coup.

The defendants include ex-President Jorge Videla, former navy commander Emilio Massera and General Orlando Agosti, who made up the junta that ruled from 1976 to 1978; General Viola, Admiral Armando Lambruschini, and General Omar Graffigna, from 1978 to 1981, and ex-President Leopoldo Galtieri, Admiral Jorge Anaya and General Basilio Lami Dozo.

Argentina's science fiction nightmare

by Geri Smith

IMAGINE a future where there are no piggybanks for children, no home mortgages, no life insurance. Imagine receiving a bill for electricity that is 21 percent higher than the previous month, and filling the family car with petrol only to find that it costs 28 percent more than the last fill-up.

In Argentina, that frightening future is today. With inflation raging at 688 percent a year, prices are skyrocketing at the dizzying pace of 27.5 percent a month.

Nine years of relentless triple-digit inflation have forced Argentines to become sophisticated financial wizards in a desperate attempt to protect their possessions and their futures.

Although the government and citizens have learned to cope with the inflation by indexing, linking salaries, utility fees and pensions to the monthly consumer price index, many economists are worried that the country has a grocery bag full of 1,000-peso notes to the dealership. Car sales dropped in the United States when interest rates were high. But in Argentina, auto dealers can't keep enough new cars in stock to satisfy demand for four-wheeled investments.

Buyers have to pay cash, and that often means taking lower prices — they simply don't mark prices up by the usual 30 percent.

Car sales dropped in the United States when interest rates were high. But in Argentina, auto dealers can't keep enough new cars in stock to satisfy demand for four-wheeled investments. Buyers have to pay cash, and that often means taking lower prices — they simply don't mark prices up by the usual 30 percent.

Real estate is the safest investment these days, but demand has pushed prices for some apartments as high as midtown Manhattan dwellings cost, and buyers have to pay millions of pesos in hard cash to buy money for a car.

Because the Argentine peso grows more worthless every day, consumers must convert their tattered bills into durable goods, luxury items or services or they will end up as losers.

The result: An orgy of spending that makes because home mortgages are more like one a thing of the past.

Thousands of people who signed up for six-year morgages in 1979 — when inflation dipped briefly to 89 percent — have lost their homes or are suing banks because their payments have become impossible to indexed upward monthly by the consumer price index, which has risen 10 percent a month.

A marketing executive was astounded to find that his wife couldn't get over her latest monthly payment because she had paid back her loan four years ago. She sued the Central Bank and won the case when the court agreed that women were wearing to the grocery store and to the supermarket.

The fur coats are an extreme example of how productive investment in Argentina. A secretary recently spent a whole month's salary on a fur coat, explaining that it didn't pay for her to put the money in a savings account because the 17 percent-a-month interest rates she could earn were lower than September's 27.5 percent monthly inflation.

Normally she would invest in US dollars on the flourishing black market. But the dollar dropped slightly in value when

Other shoppers joined in the fray, each telling a more extended period. The monthly cost of living like Commuter train rides that cost as much as a car once did. Neckties that sell for what a houseful of furniture did when inflation was only in the double-digit range a decade ago.

In an inflationary society, children learn early that they should live for today and spend their allowance at the beginning, rather than at the end, of the week. They grow up without knowing what a piggy bank is.

Parents don't bother to save up for their children's education, and they wouldn't dream of investing in life insurance because the monthly premiums quickly would outstrip the total death and disability benefits.

Couples who have a few pesos to spare reinforce these free-spending lessons by taking the family on vacation even when times are tough: This season the posh ski slopes of Bariloche, Argentina, were full of vacationers enjoying the southern hemisphere winter. Many skiers wisely bought plane tickets a year ago when they were still cheap and they took advantage of a too-good-to-be-true, 12-month payment scheme offered by the national airline, which was so desperate for customers it charged only 6 percent monthly interest.

The vacationers paid for their ski rental and lift tickets with the latest inflation-fighting tool: Credit cards, which don't charge interest for a full month.

Even families that cannot afford vacations use credit cards to buy four weeks' worth of groceries on the first day of each month. The bill doesn't arrive until the end of the month, when the products they already have eaten would cost 20 to 30 percent more.

People who don't have credit cards ask for as much as 80 percent of their monthly salaries in advance so they can spend the money before prices rise.

So many people use plastic money to beat inflation that credit card companies have been forced to raise membership fees to as much as 80 dollars a year to offset the cost of financing the month-long interest-free period. But a record number of new customers are applying for cards.

"Even though our clients have to as much as 80 dollars a year to have a Diners' Club card, they can save far more than that better for us," he said.

He warned, though, that because the credit card companies and banks must finance the 30- to 45-day interest-free billing period for customers, the business will be profitable only as long as monthly inflation and interest rates do not

BUSINESS WORLD

ECONOMY Minister Bernardo Grinspun has drafted a financial reform plan which would limit to 40 the number of branch offices any private national bank may have, a Radical Party source confirmed yesterday. But Central Bank President Enrique García Vázquez, speaking to reporters before meeting with Vice President Víctor Martínez yesterday, denied any plan exists to scale down the number of branches. According to the source, the plan would also bar foreign banks from drawing funds from local capital markets and force them to focus on the financing of Argentine exports. The foreign banks would have to reorganize branch offices in the interior to meet these restrictions. The source added that the plan "has the support of all sectors" of the Radical Party and denied a news report stating that only the Radical Youth faction was backing it. (NA)

(UP)

"The higher inflation is, the more people tend to use the card, and the more people use the card, the better for us," he said. He warned, though, that because the credit card companies and banks must finance the 30- to 45-day interest-free billing period for customers, the business will be profitable only as long as monthly inflation and interest rates do not

Argentina was wrong

by Horacio Méndez Carreras jr

ARGENTINA's first demands with regard to islands to the south of the Beagle Channel were in 1902 when Picton and Nueva were claimed in an official map that surveyor Francisco P. Moreno prepared for the arbitration of the British sovereign.

Since then Argentina has tried unsuccessfully to expose dozens of theories which would assign the islands to us. However, the Chileans have always stood fast by the clause in the agreement which says that the islands south of the Beagle Channel to Cape Horn are Chilean.

However, Argentina has repeatedly over the years tried to twist, reshape and distort the mouth of the Beagle Channel. As this didn't work it tried to fool everybody with the bio-oceanic principle in the 1893 treaty. However, this bi-oceanic principle only applies to the mainland and not to the islands. The latter are governed by the third clause of the Treaty of 1881.

If the Protocol of 1893 had modified the

clauses in article 3 of the Treaty of Limits, granting them to Argentina simply because they were in the Atlantic, there would have been no need to advance secondary considerations invented by Argentina, like arguments about the eastern mouth of the Channel.

In 1902 Argentina claimed only Picton and Nueva, recognizing that Lennox was Chilean. However, in 1915 the claim was expanded to include Lennox too.

In 1938 Argentina claimed that "the only controversy between the two countries was over ownership of the islands...". Then in 1960 we again rescinded our claims over Lennox and other islands to the south as far as Cape Horn. In 1959 a claim was tentatively made but allowed to die as the Chileans protested loudly.

When both countries agreed to go to an international court for arbitration, Argentina did not claim the islands further to the south, only returning to this question when the arbitration went against us.

Financial Times 23/10/84

Argentina to break up key First Army Corps

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S radical government has announced the dissolution of the country's crack First Army Corps, based in Buenos Aires, as part of a series of measures aimed at democratising the armed forces.

Traditionally the corps has been a key player on the Argentine political stage with its infantry and artillery regiments often deciding the fate of governments in coup attempts.

The bulk of its 15,000 troops will be redistributed to the provinces, leaving only a military academy and the largely ceremonial presidential guard, "the granaderos," fully operational.

Other measures announced by the Government over the weekend include a substantial reduction in the country's conscript force.

Over 75 per cent of the 70,000 conscripts who began their military service earlier this year will be allowed to return over the next few weeks to civilian life, well before the usual one year training period has elapsed.

● President Raul Alfonsin held talks in Paris yesterday with French bankers and monetary officials on the rescheduling of \$2.5bn (£2.1bn) of debt owed by his country to the so-called Paris Club of Western creditor nations.

He is also likely to use his French visit to outline a softening in his country's position on the drafting of a United Nations resolution on the Falklands.

Ministers 'worried by Ponting case'

By a Staff Reporter

Sir Michael Havers, the Attorney-General, appeared to suggest last night that some Cabinet ministers are unhappy about the decision to prosecute Mr Clive Ponting, the senior Ministry of Defence official, under the Official Secrets Act.

Asked on BBC Radio 4's Law in Action whether there were political advantages for the Government to go ahead with prosecution, Sir Michael said: "Well, I'm not sure.

"If you read all the comment and criticism that has happened since, it may be that the decision to prosecute is one that if considered by the Cabinet or by certain Cabinet ministers (they) would have

liked to have advised me another way."

He insisted that no one advised him and that he had not consulted ministers.

The Ponting case, Sir Michael said, was simply a question of a very senior civil servant "disclosing matters which I say he had no right to disclose." This question and what he referred to as a "breach of trust" would be the basis of the prosecution case.

Mr Ponting is accused of sending documents to an MP relating to Government plans to mislead Parliament about the sinking of the Belgrano. He will plead not guilty to charges under Section Two of the 1911 Official Secrets Act.

Debt is Alfonsin's major priority

From Jeremy Morgan
in Buenos Aires

Argentina's \$45 billion (£37.5 billion) foreign debt is expected to dominate President Alfonsin's visit to France and Italy this week, although he will be doing his best to rebuild traditional links with Europe.

Even before today's talks with President Mitterrand, the Argentine leader will already have met French bankers owed an estimated \$900 million (£755 million).

Mr Alfonsin will press the French Government and, later this week, President Pertini of Italy, for help in refinancing more than \$6 billion owed to the Paris Club of creditor governments in the leading industrial countries.

More than \$1.5 billion (£1.3 billion) of that total is estimated already to be in arrears, but the Argentines are likely to be told that little can be done until they have subjected their economy to an austere programme agreed with the International Monetary Fund.

Mr Alfonsin said on leaving Argentina that he hoped to find the "necessary echo" as he and his team worked for "universal justice." But a report last week suggested that he might be asked by Mr Mitterrand on judicial proceedings a great deal nearer to home.

Mr Mitterrand is expected to voice concern about the continuing liberty of an Argentine navy captain, Alfredo Astiz, more than nine months after the Government took office, promising to prosecute those responsible for human rights crimes under the military regime.

Captain Astiz, who apparently earned the nickname "Blond Angel" during the regime's violent repression in the 1970s and returned to the news by quickly surrendering to British forces on South Georgia in the early days of the Falklands war, has been linked to the disappearance of two French nuns, but has not yet been detained, much less charged.

Mr Pertini may also express doubts about Mr Alfonsin's cautious approach to the human rights issue.

Mystery surrounds why Mr Alfonsin will call in on President Chadli Bendjedid at Algeria on his way Friday.

British flurry at U.N. over Falklands vote

By MICHAEL KALLENBACH at the United Nations

BRITAIN has embarked on an intensive diplomatic effort to thwart Argentina in its campaign to win support at the United Nations General Assembly ahead of the debate on the Falkland Islands next week.

Three senior British ambassadors in New York have been charged with putting across Britain's objections to the latest Argentine draft resolution calling for the resumption of talks between London and Buenos Aires over sovereignty of the islands.

They are Sir John Thomson, the Head of Mission, Mr Peter Maxey, his deputy, and Mr Oliver Miles, formerly Ambassador in Tripoli, and now in charge of General Assembly Affairs.

Britain is worried in particular about an erosion of support among the other members of the European Community which all abstained on a similar resolution last year.

Calls from Thatcher

Besides Greece, which is likely to throw its support behind Argentina this time, Britain is unsure how Italy and France will vote. Ireland is expected to reconsider its vote, should Italy and France swing towards Argentina.

This week Señor Raul Alfonsin, the Argentinian leader, will be leaning on Italy and France to support his case. But once he returns to Buenos Aires, the two governments can expect a personal telephone call from Mrs Thatcher.

Nevertheless, British diplomats privately admit they have a problem convincing most non-aligned countries that their cause is a worthy one.

The Argentinian draft is similar to last year's resolution. Although watered down, it calls for direct talks between the two parties on the question of Falklands sovereignty.

Language softened

Argentinian diplomats in New York have gone out of their way to reduce the harsh language of their draft resolution. Their campaign centres on attracting even more support than last year when they won eighty-seven votes to nine, with 54 abstentions.

The United States, which backed the resolution last year, has told the Argentines that once again it can count on Washington's support.

Britain claims it is still looking to resume full diplomatic relations and restore other links with Argentina without entering the sovereignty dispute.

Argentina seeks \$5.45bn

Buenos Aires (AP) - Argentina has asked private foreign creditor banks for an additional \$5.45 billion (£4.5 billion) and a new schedule for repaying its \$45 billion foreign debt that would extend for 14 years beginning in 1986.

Señor Bernardo Grinspun, the Economy Minister, confirmed as correct the details of a published report concerning an Argentinian proposal presented in New York on Wednesday to

a committee representing 320 private banks.

The proposal was presented by the Central Bank president Señor Enrique Garcia Vazquez, representing Argentina at talks on refinancing the foreign debt.

Señor Grinspun said the negotiation stage of talks would not be reached until "probably November", and that "there are many problems of technical character" that must be resolved

Chile twice accuses Argentina of Beagle shelling

Santiago (Reuter) - Chile yesterday alleged twice that shore-based Argentine artillery had fired shells into the water near a naval base on the day the two countries agreed to resolve their border dispute over the Beagle Channel.

The Chilean Defence Minister, Señor Patricio Carvajal, dismissed an Argentine denial that the shelling occurred and said: "It is puerile to try to hide something which happened at midday and was witnessed by hundreds of residents and dozens of uniformed personnel."

The Chilean Defence Ministry said that Argentine shore batteries fired eight shells into the Beagle Channel on Thursday at Puerto Williams, a naval base at the tip of South America.

Representatives of the two countries had met in the Vatican hours earlier to sign a protocol saying they had agreed to the text of a treaty resolving the dispute.

Earlier the two countries had sought to soothe friction, the Chilean Foreign Ministry saying the incident was closed and Argentina saying it desired "harmony and peace" in relations.



Chile said ministers of the two countries had been in direct contact to clear up what it referred to only as "incidents which occurred in the Beagle Channel off Port Williams".

In Buenos Aires, an Argentine intelligence source said, in a comment that could not be confirmed, that there was no shelling but submarine charges were set off by Argentine officers disgruntled by the agreement.

● **ROME:** The Pope yesterday expressed his "profound joy" at the accord over the Beagle Channel (AP reports).

He said the final treaty, once ratified, would definitively put an end to the controversy.

The Pope made the remark during an audience for Chilean bishops.

Row on BA troop deal

VICTOR SMART reports on the Falklands air link controversy

THE award to British Airways of a highly lucrative contract, to begin twice-weekly troop flights to the Falkland Islands, is to be attacked in Parliament this week.

The cost to the taxpayer of the three-year deal with BA—soon to pass into the hands of private investors—is expected to be at least £60 million.

Troops and supplies are to be taken on twice-weekly round trips of 16,000 miles from RAF Brize Norton in Oxfordshire, via Ascension Island to the new Falklands airport due to open late next spring. Either 747s or Tristars will be used.

At the moment, the Falklands garrison is supplied from Ascension Island by sea and by flights of up to 13 hours in RAF Hercules transport aircraft. The jumbo jet plan is central to the Ministry of Defence's strategy for fast reinforcement of the Falklands during a crisis.

BA, which may have to buy more planes for the new route, does not appear to have won the

contract through competitive tender. The airline was able to announce winning the charter deal three weeks ago although the MoD admits it has still not agreed the basic terms.

Shadow Transport Secretary John Prescott is tabling a Commons question on the contract tomorrow. He said: 'This is a plum contract apparently given to BA as a favour to keep City investors sweet in the run up to privatisation.'

Despite being a close ally of the Conservative Party, BA chairman Lord King was recently forced to hand over routes with profits of £18 million to the airline's rival, British Caledonian. This was the only major outcome of the abortive shake-up of airline policy begun by Transport Secretary Nicholas Ridley. The Falklands contract was announced simultaneously.

British Caledonian, which also tendered, has yet to be officially notified that it has not won the contract. Virgin Atlantic said that had it been invited to tender, it would have considered buying more planes.

Falkland oil search deal for Firstland

By Andrew Cornelius

A tiny oil and gas exploration group whose shares were first listed on the London over-the-counter stock market in July this year, hopes to become the first company to strike oil in the Falklands.

Firstland Oil and Gas, which has exploration leases in Texas and Oklahoma, has won the right to explore 200 square miles of the land in East Falklands. Mr Paul Beck, the chairman, and 10 per cent stakeholder in Firstland, said yesterday: "The Falklands could certainly be as big as the North Sea."

Firstland is sending an exploration team to the Falklands next month and expects to receive its first exploration

report by the end of the year. Mr Beck said that this would be the first time since 1922 that a petroleum geologist has visited the Falklands to carry out a geological study. "Our objectives are a high potential return coupled with a limited financial risk."

Firstland aims to join forces with one of the big oil companies if its exploration programme shows any potential. The results of an initial satellite survey of the area have been "encouraging," Mr Beck said.

Firstland is backed by a group of 300 small investors. It has strong links with leading oil companies like Petronol and Conoco, Mobil and Sun Oil, which takes gas from Firstland's development in Texas.

Science report

Russia blamed over the depletion of fish stocks

By Tony Samstag

Commercial fisheries in Antarctica are on the verge of collapse, according to the World Wildlife Fund. The decline in many species may be as high as 90 per cent, with stock abundance dropping from one million to 100,000 tonnes.

Over exploitation is almost certainly the reason for the decline, the fund says. "From one season to the next, the USSR increased their catch of the most abundant species of finfish (Antarctic cod) from 2,000 tonnes to 430,000 tonnes. The stocks were further depleted by two additional heavy seasons."

Scientists are also concerned at the increased commercial interest in krill, a small shrimp-like crustacean that swarms in its billions and is thought to be the single most important unit of the food chain in the Southern Ocean. (At night, adds the fund, the swarms of krill "light up forming shoals of living blue-green fire").

Krill, which feed on phytoplankton, are eaten by squid, finfish, six species of seal (two thirds of the world's total), great whales, and more than 50 species of bird. The Soviet Union and to a lesser extent

Japan are the main fishers of krill, with annual takes increasing during the past 10 years from less than 3,000 to nearly a million tonnes.

The depletion of baleen whale stocks, which once accounted for 200 million tonnes of krill a year but now take only about 50 million, may help to balance the increasing Russian and Japanese catch. But American scientists on a research trip earlier this year were alarmed to see little or no evidence of krill where three years previously "super-swarms" six miles wide, 12 miles long and a quarter of a mile deep had been recorded.

Natural factors such as the aberrant El Nino current, which brought several degrees of unwanted warmth to the Southern Ocean, may well be responsible, the fund said. But the findings emphasize how little is known about the ecology of the krill; even its life-span, it is now suspected, may have been underestimated by 200 to 300 per cent, an error that would make current sustainable yield estimates for the species totally unacceptable.

Source: *WWF News*, no 30
World Wildlife Fund.

Financial Times 19/10/84

Beagle Channel treaty initialled

By James Buxton in Rome

CHILE and Argentina yesterday initialled in Rome a treaty which should put an end to their border dispute over the Beagle Channel.

Delegations of the two countries met in a pavilion in the Vatican Gardens to approve the leather-bound treaty, which was drafted after the two sides reached agreement following six years of mediation by the Vatican, including interventions by Pope John Paul II.

The treaty is believed to grant sovereignty of the three disputed islands—Picton, Nueva and Lennox—at the entrance to the Beagle Channel to Chile, with 15 miles of territorial waters around them. It is also believed to provide for the drawing of a line between Cape Horn and the South Pole which would divide the two countries' areas of control,

Falklands cash and allowances

IN ISSUE 605 OF THE NEWS, we carried a story on page one about the phasing out of the Falkland Islands' LOA and what forms of compensation Servicemen will receive. There have been a number of queries on the latter and we hope that the following information will clarify the situation.

There are no food or accommodation charges for personnel serving unaccompanied.

Separation allowance of £1.95 per day is paid to married unaccompanied personnel.

Hard-lying money is paid to RAF personnel on certain sea-going duties.

Subject to Service requirements at their parent location personnel will be granted post-tour leave after unaccompanied tours of four months in theatre (five months including travel). This leave consists of seven days disembarkation leave plus 11 days accumulated leave (eight days for Corporals

and below) plus six days aggregating 48-hour passes and public holidays, totalling 24 days (or 21 days for Corporals and below). Some individuals may have taken all their privilege leave before the tour or their remaining annual leave entitlement is too small to allow for accumulated leave. In these cases, the appropriate amount of leave may be anticipated from the next leave year.

A local travel concession has been approved whereby a limited number of personnel may be granted, once during their tour, a flight on Falkland Island Government Air Service (FIGAS) aircraft to spend

leave away from their normal duty station. Servicemen who take advantage of this concession and who retain an entitlement to UK leave warrants surrender one UK leave warrant in lieu; servicemen attached from Germany or other overseas locations surrender one of their local leave entitlements in the overseas stations from which they were attached.

The number of servicemen who can participate in this concession is controlled by CBFFI within a financial ceiling. The concession applies only to destinations on the Falkland Islands.

Falkland Heroes sign up here!



Matthew Brown

You don't have to have served in The Falklands to be served a great pint at 'The Falkland Heroes'. But if you have, and can show documentary evidence, we'd be privileged to have you sign our special 'Falkland Heroes' visitors' book, and enjoy a free pint with us!

A warm welcome awaits all Forces personnel at the Falkland Heroes, where you can relax in friendly company enjoying the famous Matthew Brown traditional beers

Cask Lion Mild and Bitter and John Peel Bitter, award-winning Stalom Lager and Stalom D Pils Lager — voted the best lager in the world at the 1983 Brewex International, in competition with 126 lagers from 30 countries!

You can also tuck into a really tasty selection of hot or cold lunchtime bar snacks. Call in and join us soon.

THE FALKLAND HEROES
Tanterton Village, Ingol, Nr. Preston

More contracts for Falklands

NEW contracts will be placed shortly for more construction work in the Falkland Islands to enable the garrison to be concentrated at Mount Pleasant.

The Property Services Agency will be placing contracts with the Wimpey/Taylor Woodrow Consortium and the Laing - Mowlem - Aimey Roadstone Construction Joint venture. The value of the work to

be done under the contracts, together with the costs of sub-contracts and shipping is about £119 million, and funding will be found from within existing defence provision. The contracts will provide working and technical accommodation together with storage and a port at Mare Harbour as well as some living accommodation.

The bulk of the living accommodation required has already been included in the airfield contract. These additions together with some changes in detailed requirements and increases in electrical and other services have increased the value of the airfield works to about £250 million against the £215 million announced in June 1983.

The Defence Ministry stated that the further construction work, and the increase in the cost of the airfield works, did not reflect any change in the size of the garrison, nor its purpose, which remained exclusively to defend the Falkland Islands against any possible future attack.

The Guardian 19/10/84

Agreement on islands

From Jeremy Morgan
in Buenos Aires

Chile and Argentina yesterday moved towards settling a century-old territorial dispute at the extreme tip of South America, when officials signed an accord under the eye of papal mediators in Rome.

Under the accord, Argentina will formally recognise Chilean sovereignty over three islands in the Beagle Channel, south of Tierra del Fuego. Chilean possession of the islands was first established in a treaty signed in the early 1880s, but many Argentinians have refused to accept the fact.

The Guardian 19/10/84

MP seeks Falkland war facts

By Richard Norton-Taylor

Mr George Foulkes, MP, a Labour foreign affairs spokesman, yesterday asked Mrs Thatcher for a complete list of changes in the rules of engagement agreed by the war cabinet during the Falklands war.

Mr Foulkes has also put down a Commons question, due to be answered next Monday, asking why a change was not sought immediately the Belgrano was sighted on May 1.

In a letter to Mr Foulkes last week, the Prime Minister said that a general warning given to Argentina on April 23 1982 met Britain's obligations "with regard to the attack on the Belgrano."

However, a leaked Ministry of Defence document refers to a further change on May 2 to allow the Belgrano and other warships to be attacked.

The document says that "the appropriate warning" for the May 2 change was not issued until five days later.



Hand in hand: The chief Argentine negotiator, Señor Marcelo Delpech (left) his Chilean counterpart, Señor Ernesto Videla, and Cardinal Casaroli after the signing.

Vatican hails Beagle Channel agreement

From Peter Nichols, Rome

Delegations representing Argentina and Chile, led on each side by ambassadors, yesterday signed an agreement concerning the ownership of islands in the Beagle Channel, at the southernmost tip of South America. It is understood that under the three main islands involved Lennox Pietoh and Nueva, will go to Chile.

The conclusion of what described by Cardinal Casaroli, the Pope's Secretary of State, as an ancient and complex quarrel has been hailed in the Vatican as a triumph for papal diplomacy.

The negotiations began about five years ago when the Pope offered his mediation in a dispute which has brought the two countries close to war on several occasions. A British

attempt in 1971 to help to resolve the matter, under a 1902 treaty by which the British monarch was empowered to act in a mediating capacity, failed. Five judges of the International Court of Justice to whom it was referred found in favour of Chile, but Argentina rejected the decision.

Theoretically the present draft could suffer the same fate. It has to be ratified by the two governments and, in the case of Argentina, be put to a referendum. But the Vatican is optimistic that the worst is over.

● BUENOS AIRES: The treaty is a "triumph for reason, for diplomacy and for peace," the Argentine Foreign Minister, Señor Dante Caputo, said (AP reports).

The Times 19/10/84

Sinking of Bismarck

From Mr Roy Walker

Sir. I was in the audience at a cinema in Leicester Square when the first newsreel pictures of the sinking of the Bismarck were shown, to cheers, whoops and other audible manifestations of general approval.

Then, a few rows away, a working-class woman cried out involuntarily, "Ah, but that's another thousand men will never go home to their wives". An eloquent and becoming hush of shame settled on the house.

Of course, most of the several hundred young conscripts who drowned with the Belgrano at a time when no British blood had been shed were probably both too poor and too young to be married, which rather upsets the parallel of your ironic correspondent Mr John Measures (October 16).

Yours truly,
ROY WALKER,
9 Falcon Street,
Ipswich,
October 16.

The Times 19/10/84

Falklands optimism by UN chief

New York (Reuter) - Señor Javier Pérez de Cuellar, the United Nations Secretary-General, said yesterday that confidence-building measures and dialogue could help Argentina and Britain to resolve their dispute over the Falkland Islands.

In a written report to the General Assembly, due to take up the question on October 31, he said it was "a positive sign" that both nations had their first direct contact since the 1982 conflict when they met recently in Berne, Switzerland.

"I am also heartened by the desire, repeatedly expressed by both sides, to seek a way to resume their dialogue, as well as by their avowed commitment not to resort to force in connexion with the dispute," Señor Pérez de Cuellar said.

He repeated his offer to help both sides

Daily Telegraph 19/10/84

COUNCIL SINKS BELGRANO POSTER

A poster by Gerald Scarfe, the cartoonist, showing Mrs Thatcher in bed surrounded by the ghosts of the General Belgrano has fallen foul of Bradford city council's art department.

The poster, advertising a month-long exhibition at Bradford's Cartwright Hall, was scrapped after a complaint from Councillor Ronnie Farley, the city's Tory leader, who escaped unhurt from the Brighton bomb blast.

Mr Robert Hopper, Chief Arts Officer, said: "We took the decision from a professional point of view because we didn't think it had the right image." The poster has been replaced by one of President Reagan.

Daily Mail, Friday, October 19, 1984



HMS GLAMORGAN

A BRITISH destroyer and a German frigate collided in a Force 10 gale yesterday as autumn storms swept the country.

Navy personnel and tugboat men were praised for preventing serious damage to HMS Glamorgan—which survived an Exocet missile attack in the Falklands war—and the German ship Bremen as they drifted helplessly during a four-hour drama in Portland Harbour, Dorset.

The incident began at midnight when the Bremen dragged her anchor and became entangled in the Glamorgan's anchor cable. In the ensuing collision both ships' sides were damaged and the Bremen's port propeller was put out of action.

Eventually the Glamorgan crew cut their anchor cable and left the harbour to ride out the storm, while two tugs succeeded in getting a line aboard the Bremen and holding her away from a rocky break water for the rest of the night. No one was hurt.

Falkland ship is damaged in storm collision

The Bremen was expected to return to Germany under her own power while the Glamorgan continued with the exercises in which both ships had been taking part.

The high winds caused chaos in many areas. In Tuffley, Gloucestershire, a whirlwind damaged 30 houses.

In Ayrshire nine children were injured when a double-decker bus was blown over.

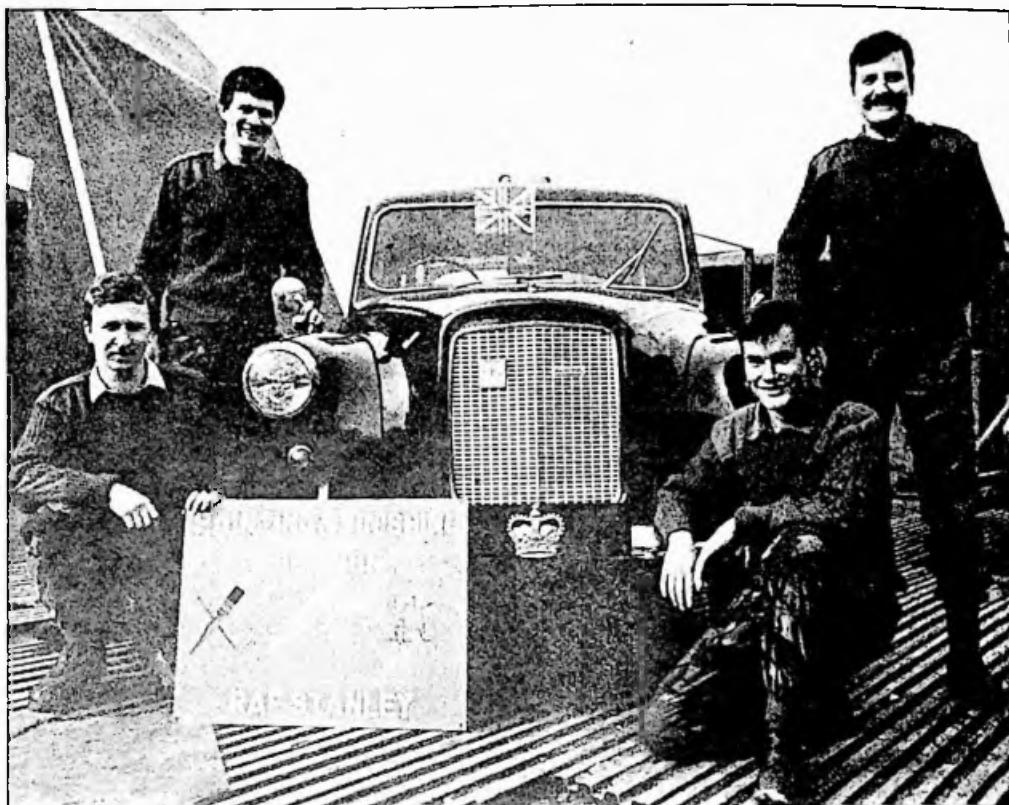
Last night the London Weather Centre said the gales were expected to continue over the weekend.

Holiday respray

Happy with another job successfully completed are airmen of the Mechanical Engineering Flight (MEF) at Stanley. However, the task was slightly unusual in that very few Painters and Finishers can claim to have repainted a Civil Commissioner's Car.

The Officer Commanding MEF, Flt Lt Richard Walkerly, was also somewhat surprised when he received this particular request from Mr R Buckett, the Mechanical Superintendent at the Public Works department in Stanley.

Whilst Sir Rex Hunt CMG was on holiday in UK Mr Buckett asked for RAF assistance, having found enough of the original maroon coloured paint for the task. Pleased to oblige, the airmen completed the task in three days to a standard that certainly complements the original craftsmanship of Austin/Rover.



Taking a pride in their craftsmanship are the men who restored the Commissioners car to its former glory. They are, left to right: SACS Furnell, Redman and Loudon, and Cpl Gour. (Photograph by Cpl Battye).

22^p FALKLAND ISLANDS



■ Philatelic Hercules.

STAMPED

● The ubiquitous Herc seems to get everywhere — in paintings and now on a postage stamp.

The stamp is to commemorate the recent 19th conference of the Universal Postal Union which provides guidance and

policy for National Postal Services. It is issued by the Falklands Islands and depicts the original postal vessel together with the current air supply provided by one of the Lyneham-based Hercules.

The Guardian 17/10/84

Denial on Belgrano

By Ian Aitken,
Political Editor

The Government yesterday denied that the Prime Minister had personally ordered the sinking of the Argentine cruiser, General Belgrano, in a direct message to the commander of the submarine HMS Conqueror. Nor had she known the vessel's precise position or course at the time it was torpedoed.

The denial was made in the House of Lords by Lord Trefgarne, a government spokesman in the upper house, who told Lord Hatch (Labour) that the documentary evidence showed that Mrs Thatcher had not received any report of the Belgrano's course, verbally or otherwise.

The issue arose because of remarks in a radio interview by Lord Lewin, the admiral who was Chief of Defence Staff during the Falklands war. Lord Lewin said it was highly likely that ministers had received a verbal report that the Belgrano had changed course just before she was attacked.

The Guardian 17/10/84

N IS FOR Nott, Sir John. Midway through the Falklands War he is said to have told colleagues that he had to nip back to his Cornish home to look after his daffodils. Or so it claims in Mr Tam Dalyell's third book on the subject — a booklet, actually — "An A-Z of the Falklands." A is for Alfonsin, B for the Belgrano, of course; C is for Cost . . . K is for Kelpers, with a side swipe at Sir Rex Hunt ("that strutting little Governor . . . a malign influence . . ."). T is for Thatcher ("The Falklands was HER war. She alone has benefited"). X cheats slightly by being for Xtinction, while Z is for Zoology - gentoo penguins and so forth.

Lord Lewin's Belgrano claim denied

ALLEGATIONS of a constant Government over-up over the sinking of the Argentine cruiser General Belgrano during the Falklands conflict were reiterated by Lord HATCH of LUSBY (Lab.) at Question Time in the Lords yesterday.

Lord TREFGARNE, Under-Secretary for the Armed Forces, dismissed the recent claim by Admiral of the Fleet Lord Lewin, former Chief of the Defence Staff, that Mrs Thatcher probably knew the Belgrano's position when it was torpedoed and that it was highly likely that Ministers knew of the cruiser's change of course just before the attack.

Lord BOSTON of FAVERSHAM (Lab.) pressed him to agree that whatever the merits of arguments that it was necessary to sink the Belgrano, because of the threat it posed to the British Task Force, "this issue could not be brushed aside."

The Government should have been more forthcoming with information much earlier than it had been.

Lord TREFGARNE told him that Lord Lewin's reference had been according to his memory. "I have to say the documentary evidence does not support that."

He agreed with the Earl of KIMBERLEY (C.) that when warships carried missiles with a range of over 300 miles it made not the slightest difference which way they were steaming.

Why the Attorney-General should be brought before Parliament's Committee of Privileges

Sir.—There is one aspect of the Ponting prosecution that has not yet received public attention. This is whether the bringing of the case involves a breach of Parliamentary privilege, or contempt of the House, by the Attorney-General.

Erskine May, the procedural "Bible" of the House of Commons, says that "any act of omission which obstructs or impedes either the House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt."

Free access to information about matters of public concern is an obvious precondition for MPs, and Parliament as a whole, to discharge properly their function of scrutinising the work of government. That is why it is given protection by Parliamentary Privilege.

Mr Ponting sent information to Tam Dalyell MP, who passed it to the chairman of the relevant Select Committee. Although the actual documents were returned to the Ministry of Defence, several members of the Select Committee have expressed a wish to discuss the information in them; the disclosure was clearly therefore relevant to the Select Committee's work. Plainly the prosecution can be seen as an attempt to punish Mr Ponting and deter others from disclosing information in similar circumstances. One of the documents was a draft of a reply by the Defence Secretary to a series of questions from Tam Dalyell. Counsel for the prosecution of Mr Ponting has also conceded in court that there was no breach of national security.

Whether these points are



relevant to Mr Ponting's guilt or innocence on the criminal charge is now a matter for the judge and jury. But it is for the House of Commons to decide whether there has been a contempt.

Although there is no comparable case where a finding of contempt has been made, I would venture to suggest that the House would be performing a useful service by looking very closely at this question. The last few years have seen a steady weakening in the willingness of Select Committees to insist on being given the information they need, while there is evidence of growing concern by civil servants at the way in which ministers are controlling the flow of information to Parliament.

The return of Parliament on October 22 provides the opportunity for this matter to be referred to the Committee of Privileges and I would urge that MPs who share my concern press for this to be done.—Yours faithfully,

(Prof) Peter Wallington,
Illiwell Lane Barn,
Masongill, Lancashire.

Sir.—In his article about civil servants' loyalty (Agenda, October 12) Richard Norton-Taylor does not make clear the distinction

between the two types of situation in which that loyalty might come under strain.

In the case suggested by Sir Nicholas Henderson, it is the policy itself — withdrawal from the EEC, for instance — with which the civil servant might disagree. In the Belgrano affair, however, the point is that the leaked documents may have exposed dishonesty by ministers in the information given to Parliament.

Now while a civil servant may be expected to carry out the policies of an elected government whether agreeing with them or not, it is quite another matter to condone ministerial deceit of Parliament — a manifestly anti-democratic act — in pursuance of those policies. This Government is trying to forge a spurious link between the two forms of loyalty: the next Labour government's policies may well prove much more unpalatable to some in the higher echelons of the Civil Service, but unless it follows the present government in attempting to subvert democracy in order to carry them out, it will be entitled to the full support of the Civil Service. — Yours faithfully,

Tony Young,
22 Wesley Street,
Glossop, Derbyshire.

Daily Mail, Wednesday, October 17, 1984

Troops hurt in Falklands blast

SEVEN soldiers were injured in the Falklands yesterday when a petrol stove in a field kitchen exploded as they prepared lunch.

All seven were taken to the nearby Port Stanley civilian hospital, suffering from burns.

From there they were evacuated by helicopter to

the better-equipped military hospital.

When the accident happened they were cooking in a Nissen hut on the Stanley race-course.

Both ends of the corrugated iron building were blown out and the wooden lining caught fire. The blaze was put out with portable fire extinguishers.

The Times 16/10/84

Sinking of Bismarck

From Mr J. B. Measures

Sir, Now that a number of Conservative Party members have joined with the two opposition parties in calling for an inquiry into the sinking of the Argentine vessel Belgrano, it seems to me to be an appropriate time to renew the demand for the much-postponed inquiry into the sinking of the German battleship Bismarck, with all the grievous loss of life amongst German sailors that that entailed.

After all, it is not as if the Germans had actually walked into and occupied any of our territory as the wretched Argentinians had done in the Falklands. (One discounts, of course, the minor affair of the Channel Islands, which really belonged to the Duchy of Normandy, and were thus a part of France.)

Besides, the Bismarck was way out in the middle of the Atlantic, many miles away from the War Zone, and *actually steaming in the opposite direction to any fighting*. She was deliberately avoiding contact with the British fleet, and had been so doing for a long while – no doubt so as not to provoke us.

All in all, one might have said without too much exaggeration that a state of war barely existed. In these circumstances who knows, Sir, what delicate peace negotiations might have been taking place that were not severely prejudiced by this irresponsible act?

One asks oneself, who actually gave the order for the sinking? And at exactly what hour of the day (or perhaps night) was it given? Was the War Cabinet directly in contact with the commander on the spot the whole time? If not, then why not? These and many other important questions need to be answered, I feel.

Yours truly,
John Measures,
The Keeper's Cottage,
Deane Down, Oakley,
Basingstoke,
Hampshire.
October 9.

Peter Kellner

When ignorance is amiss

There is something peculiarly British about the Belgrano scandal. In Washington it takes a petty burglary to put the head of government on the rack; in Paris bribery by an African head of state; in Rome threats by the Mafia. We behave differently. Our scandals tend to be subtler. As a result we tend not to notice them until it is too late.

Only now is the true character of the Belgrano scandal becoming clear. It is not just about the merits of sinking the ship, or even the fact that Mrs Thatcher has kept changing her story about what happened, although both things are appalling. At the heart of the matter is something more enduring than the deceptions that ministers have practised on the public: it is the way *ministers themselves were deceived*.

Mrs Thatcher claimed recently that she was not told until five months after the Falklands war ended that the Belgrano was sunk while sailing towards home. To forestall the obvious question - why was she not told? - she argues that the ship's precise course was "irrelevant." The next day Lord Lewin, Chief of the Defence Staff during the Falklands campaign, partly contradicted her. He said that ministers were told verbally of the change of course, "but because it was not important it did not sink in."

As any aficionado of *Yes Minister* knows - and Mrs Thatcher claims to be the programme's greatest fan - the key to the relationship between ministers and their advisers is the flow of information. When Sir Humphrey Appleby persuades the luckless Jim Hacker not to be bothered with some fact because it is "irrelevant" or "not important", the viewer knows something fishy is happening.

In the case of the Belgrano, the fishiness turns on the Commons statement by John Nott, the Defence Secretary, two days after the Belgrano was sunk. He said the ship needed to be attacked because it "was closing in on elements of our task force". That this was untrue is no longer in doubt. What is at issue is the justification for that untruth.

There are two plausible defences that could be offered. Either: "We knew at the time it was untrue, but to have told the truth would have meant revealing too much about our intelligence-gathering abilities; so, regrettably, we had to lie." Or: "We firmly believed at the time in the truth of what we were saying; it was only afterwards that information came to light showing that, in fact, the Belgrano was heading home."

Neither defence can now be sustained, for it transpires that some people knew and others did not, and that confusion now reigns as to who precisely knew what, and how, and

when they were told. So everyone retreats into the last and shaggiest foxhole: it was "not important".

We have been here before: "No one took the view that it was important at the time". Those were the words used by Harold Wilson in the Commons on November 7, 1978 to explain why he knew nothing of the deal that Foreign and Commonwealth Office officials had cooked up a decade earlier, when he was prime minister, to undermine oil sanctions against Rhodesia.

In essence, the deal meant that the French oil company Total would take over Shell and BP's Rhodesian sales while, in return, Shell and BP would take over an exactly equal share of Total's South African market. This "swap" arrangement allowed the Smith regime to survive, and made a mockery of almost everything the British government said publicly about oil sanctions in the late 1960s and early 1970s.

The crucial document, outlining the "swap" arrangement, was a minute of a meeting presided over by the Minister without Portfolio, George Thomson (now Lord Thomson of Monifieth). This minute was sent to 10 Downing Street. In 1978, when the scandal of sanctions-busting broke, Thomson used this fact to say, like Lewin, that the Prime Minister was told. In the parliamentary debate that followed, Wilson agreed that the minute was sent to No 10; but: "it was not marked to me. There is no record of my seeing it This particular document was not marked urgent or highlighted in any way."

Wilson did at least have the grace to admit that an error of judgment had been made; however, as is the way, he denied that the misjudgment was his. The failure of communications over oil sanctions then bears an uncanny resemblance to the failure of communications over the Belgrano. In both cases embarrassing information came to light that had a crucial bearing on government decisions; it would look bad if the prime minister's office was kept completely in the dark; nevertheless it was vital to sectional interests inside the government that their plans should not be disturbed. So, in both cases the prime minister was theoretically "informed" but in practice kept in the dark.

Some people may have lingering sympathies for both Harold Wilson and Margaret Thatcher I do not. If they allow the machinery of government to drift into a state of such self-deceit it is their fault. As Winston Churchill commented on Britain's lack of preparation to defend Singapore against the Japanese in 1942: "I did not know; I was not told; I should have asked".

The author is political editor of the New Statesman.

Operation Enterprise in Falkland new town

By OUR PORT STANLEY CORRESPONDENT

THE fledgling Falklands Development Corporation, with a budget of £4.5 million and a few determined men and women, is set to bring about one of the most important social changes for many years.

The team, in one of the more isolated parts of the islands, is working to establish a new town at Fox Bay on West Falkland.

The little village of nine houses, bought by the Falklands Government from the British-based company which until recently farmed the area, has become the focus of a development initiative which could soon become the first real success in the current drive towards social and economic progress.

All the houses are now occupied or will be shortly, many having been bought by the settlers. Four new houses are soon to be built.

The Falklands consultant architect has drawn up a plan of the village as it should be developed, the residents have formed a Town Council (Mr Richard Cockwell describes himself as the spokesman rather than the chairman, as the latter "sounds too bureaucratic"), and a co-operative store is to be opened soon.

Services for hire

The "bunkhouse," which formerly housed the single labourers on the Far, has now been refurbished and is to be leased to an individual who will operate it as a guest house.

The former farm workshops have been taken over by an enterprising young mechanic who will hire his services.

Fox Bay's major significance is that it will be the first settlement other than Stanley which does not belong entirely to a company, and does not exist solely for the support of a sheep ranch.

Other settlements, such as Goose Green, are completely owned by British-based concerns, and houses are tied to employment on the farms.

At Fox Bay the make-up of the community will be much more diverse, and it will become an alternative to overburdened Stanley as a home for those seeking a living and an independent rural existence.

The Development Corporation's general manager, Mr Simon Armstrong, also points out that "the opportunity to start from scratch and develop self-confidence and self-reliance is rather special."

Several labour-generating enterprises are planned for Fox Bay, including a pilot inshore fishing industry by the Grimsby firm Fortoser, which may produce crabs and other shell fish for export to Europe.

There is also to be a programme of grassland research. However, the most important enterprise will be the Fox Bay Mill, a small wool processing plant which is expected to

begin production before the end of the year.

Mr Cockwell, who managed the large sheep ranch until it was sold in small packages to Islanders, has been working on the project with his wife Grizelda for several years.

They have sunk much of their capital into the project and have received financial assistance and a great deal of encouragement from the Development Corporation.

Much of the reconditioned second-hand machinery for the mill is now in the Falklands and the Cockwells hope to complete the mill building itself this month.

A team of advisors from the Scottish College of Textiles in Galashiels will arrive soon to help during the initial stages and two young immigrants from the Cotswolds, Carol and Martin Cant, are already employed by the Cockwells.

Trade encouraging

Grizelda said they would be recruiting more local people soon, and would look to the Falklands Government Office in London for more British immigrants.

Trade for the mill looks encouraging, both locally and overseas. Grizelda Cockwell predicts a good market for yarn and knitting kits, and hopes the military will take to the finished items of clothing from her factory.

A local councillor suggested recently that the troops might like to buy "Benny hats," the warm headgear worn by many islanders as well as the "Cross-roads" TV character from whom the islanders have gained their military nickname.

Already the Fox Bay Mill has received orders from Britain worth almost £50,000, a pleasant surprise, as Cockwells have carried out no publicity campaign.

"We have been approached by about 20 shops from the provinces, mainly sports outfitters. I hope we will be able to grow into a London market," said Grizelda.

The Fox Bay Mill will produce simple, attractive designs in natural colours, using wool long recognised by international traders as exceptionally good.

The raw material has such attractive texture and sheen that it is often sold in Bradford to manufacturers who blend it with wool from other countries to upgrade their products.

The Cockwells expect their jumpers and cardigans to reflect this quality, and to retail in Britain for between £30 and £40.



The Falklands: a possible way forward

Michael Stephen



IT is clearly not in the interests of Britain, Argentina, or the western world as a whole that a serious dispute continue between nations with so many common interests, ties and concerns. The time has come to begin to create a workable, long-term solution to the Falklands question. It will be a very long time before the British people forget the sacrifices made by their soldiers, sailors and airmen and their families in the cause of freedom, and it is only because of those sacrifices that the British government is able to negotiate from a position of strength. Our armed forces have done, and continue to do, their duty.

It is now the task of the politicians to ensure that no more lives are lost in the South Atlantic and that the people of that area can live their lives and develop their resources in peace. An opportunity has been created by the return of Argentina to democracy, and the desire of President Alfonsin to diminish the influence of the armed forces in Argentine politics. The objective must be to find a *modus vivendi* without the loss of face or the vital interests of either side; to provide a mechanism for the orderly resolution of future disputes concerning the islands; and to safeguard, so far as possible, the strategic and economic interests of the West.

Before any agreement can be concluded, however, it will be necessary for Argentina to renounce the use of force. It is also essential to safeguard the principle of self-determination. The islanders are not mere agents of the British State; they are private individuals who have freely settled there, and as such are entitled to determine their own future in accordance with the 1960 United Nations Declaration on Decolonization, and the 1966 International Covenant on Human Rights. Accordingly, no settlement should be reached until the inhabitants have exercised that right. But if, as seems likely, they choose to be British, they would like all other British people have to accept any decision that Parliament might make in relation to them in the interests of the British people as a whole. No such decision would be made without fully consulting the representatives of the islanders.

The proposals for settlement outlined in this article

relate only to the Falkland Islands themselves and not to South Georgia or the South Sandwich Islands. The latter need not form part of any settlement with Argentina, and are a quite separate legal and political issue.

The following alternatives are apparent: first, to refer the question of sovereignty to the International Court of Justice; second, for both parties to grant independence to the Falkland Islands; third, for Britain to acknowledge Argentinian sovereignty and to accept a lease-back; fourth, for Britain to sell its interest to Argentina, full compensation being paid to the islanders; fifth, for Britain to cede West Falkland and retain East Falkland; sixth, to establish a condominium, between Britain and Argentina; and seventh, to place the islands in trust, whereby no nation would have sovereignty.

The advantage of the first would be an independent resolution of the question of sovereignty as well as promoting the general principle of resolving international disputes by adjudication. The disadvantage lies in the fact that Argentina is unlikely to agree, and might through dissatisfaction with the result repudiate the judgement, especially if there were important dissenting opinions, as can realistically be expected from the Latin American and Eastern bloc members of the International Court of Justice. In any event, whatever the legal position is, the fact that so many years have passed since the establishment of British people in the Falkland Islands, has turned the question into one which needs to be settled at the political level.

The second alternative would resolve the dispute, but Argentina is again unlikely to agree, since the majority of the inhabitants are unsympathetic towards Argentina, nor are the islands viable as an independent State, being incapable of defending themselves.

The third would again settle the sovereignty question, but would mean subjecting the inhabitants to total political and cultural control by Argentina on a fixed date in the future. For that reason, it would probably be unacceptable to the British Parliament, notwithstanding President Alfonsin's offer to give the islanders a special position guaranteed by statute. An Argentinian statute, even if backed by referendum, is only as good as the political power which underlies it, and it is too early to say whether the era of political instability in Argentina is over.

The fourth would also resolve the sovereignty question, but is unlikely to be accepted by Argentina because it involves tacit admission that sovereignty is Britain's to sell. Although there is precedent, it is an unattractive proposition where significant numbers of people have established themselves over a long period of time.

Britain should reject the fifth alternative because with an Argentine presence on West Falkland, the defence of East Falkland would be impracticable should Argentine attitudes change. Moreover the likelihood of frequent 'incidents' in the Falkland Sound is considerable. The idea is unlikely to appeal to the British Parliament or the (admittedly few) inhabitants



Four happy soldiers serving with the British Forces in the Falklands earlier this year. Michael Stephen argues that while the army is continuing to do a fine job, lasting peace can only be achieved by the politicians of Britain, Argentina and the United Nations.

photograph by Topham

of West Falkland.

The sixth would not work since most of the inhabitants regard themselves as owing allegiance to only one of the condominium powers.

I regard the seventh alternative as the most constructive because it could realistically solve the sovereignty question and provide an agreed legal mechanism for solving future disagreements. It does require Argentina to abandon its sovereignty claim but this need not be insuperable since abandonment would have to be mutual. Both Britain and Argentina would convey all such rights as they have into trust under a charter, the terms of which would be negotiated between them, but neither party need admit that the other actually had any rights. There is no doubt that negotiations would be long and difficult, but not impossible. The charter would set forth the purposes and mechanisms of the trust under international law in articles capable of judicial determination.

The trust would be administered by internationally respected individuals – seven is probably the appropriate number, maximizing efficiency whilst minimizing the importance of individual personalities. One trustee might be elected by the islanders and one might be selected by each of the two countries, with the others to be appointed by mutual agreement. The trustees would make by-laws for the administration of the islands consistent with the charter, and would appoint their own small civil service. They would be obliged to consult fully with the elected representatives of the inhabitants.

The trustees would be under a duty to safeguard and promote the interests of the inhabitants, and to conserve the natural environment. So far as consistent with these purposes the islands might be used for the development of natural resources by both Britain and Argentina, preferably in co-operation with each other.

The development of such resources would provide funds for the purpose of the trust, but insofar as funds were insufficient, the trustees would have power to seek external financing by way of loans or grants.

This is, of course, only the bare outline of a trust. The parties would have to settle by negotiation a wide variety of questions, not the least of which is whether either government would be free to promote immigration so as to change the whole character of the island community and its way of life. Trusteeship was one of the alternatives thought to be worth further study by the Commons Select Committee on Foreign Affairs.

The islands should not be committed to United Nations trusteeship because neither the Security Council, the General Assembly, nor the Trusteeship Council can be relied upon to be impartial. It is an unfortunate characteristic of multilateral organizations, and the UN in particular, that the islands would be likely to become a mere factor in the game of multilateral politics.

In any settlement of the Falklands question, the strategic and economic interests of the West cannot be ignored. No one at the present time really knows how important the economic resources of the South Atlantic and Antarctica may become, nor can anyone foresee the circumstances in which the islands of the South Atlantic may be of strategic importance. It would be foolish for Britain to deny itself forever the use of the islands as a military facility, and in view particularly of the vulnerability of the Panama Canal, the United States may wish to co-operate with Britain to create and maintain a suitable facility on the same basis as Ascension Island. It would be preferable if such a facility could be established on South Georgia, but if not it may be necessary to retain a sovereign base on one of the Falkland Islands, for which precedent exists in Cyprus and Cuba. This would, of course, be an issue of great sensitivity in Latin America and would need to



be handled carefully. Although Latin Americans are conscious of their regional integrity, they are nevertheless more and more inclined to the view that they have a long-term identity of interest with the West.

Not only is a sovereign base desirable to protect the long-term interests of the West; it is necessary, at least in the short to medium term, to guarantee the trust, because the trustees would have no forces of their own other than a small police force. The mainland of Argentina is close to the Falklands and if Britain were to withdraw its forces the security of the islands could not be maintained.

Accordingly, in the short to medium term British forces would still be required, though not in such strength as when a state of hostilities exists. The main purpose of this proposal is therefore to defuse the conflict and put

the political relationship between Britain and Argentina on a more constructive basis. It will not fulfil all the requirements of either party but it ought, in principle, to be acceptable by way of compromise. If, however, no sensible settlement can be reached, Britain has the capacity, by means of a small number of properly equipped forces, using the airport presently under construction, to deter any further aggression for the foreseeable future. Fortress Falklands is a policy which I believe the British public will continue to support, but only if they are satisfied that all reasonable alternatives have been explored.

* * *

Michael Stephen is a barrister who has served as a member of the UK delegation to the United Nations. He is Secretary of the Bow Group's Foreign Affairs Standing Committee, and a Conservative Party parliamentary candidate.

Novel links with developers give arts institutions a boost

Robert Guenther

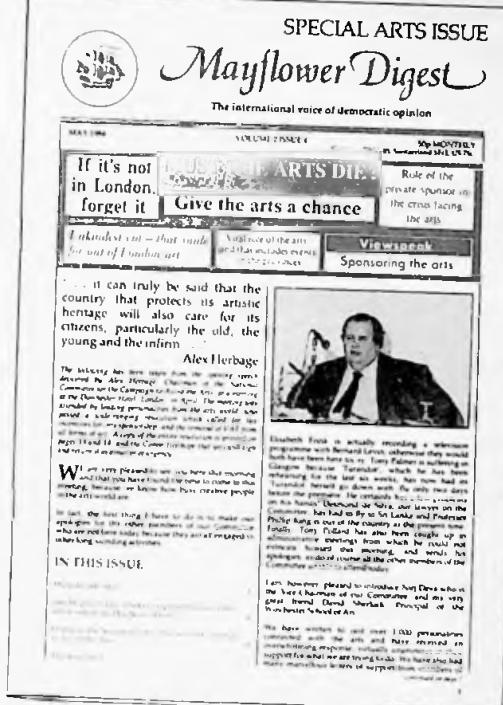
FIVE years ago, the Los Angeles Museum of Contemporary Art didn't exist, much less have a home to display artwork. Today it's temporarily housed in a warehouse in the city's Little Tokyo section. And in two years, the private non-profit museum will move into a new 100,000-square-foot building in the Bunker Hill section, the new corporate heart of Los Angeles.

All this is fairly remarkable given the fact that tax money for the arts is being sliced ever thinner. But the Los Angeles museum's flashy new home, designed by Arata Isozaki, isn't the product of a mammoth fundraiser or government largesse. Rather, it's being built free of cost to the museum by Bunker Hill Associates, a team of private developers that includes Cadillac-Fairview Corp and Metropolitan Structures. The \$20 million museum is the price that the city charged for the right to develop the 11.2-acre California Plaza, a project that is supposed to produce \$1.9 billion of office space, hotels, apartments and retail space over the next decade.

The good fortune of the Museum of Contemporary Art isn't an isolated instance. Forced by economic necessity to be more resourceful, arts institutions increasingly are turning to real estate developers for solutions to their chronic money problems. In Dallas, New York, St Louis, Pittsburgh and Cleveland, real estate projects are playing important roles in the vitality of arts institutions.

Without Los Angeles's insistence that the developer provide the museum a home, Richard Koshalek, director of the museum, says the task 'would've been a hell of a lot more difficult.'

Arrangements such as the Los Angeles museum's are



We devoted the May issue of the Mayflower Digest to the sorry state of arts funding in the United Kingdom. With this in mind, we feel it is interesting to see how the United States is coping with a similar problem. We therefore reprint Robert Guenther's article which appeared in the Wall Street Journal earlier this year, describing how a private consortium has funded a new museum of art.

the wave of the future, according to Harold Snedcoff, who is directing a study of such developments for the Urban Land Institute and the National Endowment for the Arts. 'Increasingly, the art institution that stands alone, either financially or geographically, is no longer viable,' he says.

Martin Friedman, director of the Walker Art Center in Minneapolis, observes: 'It's important for museums to be where people are. There's a lot to be said for a captive audience. The idea of the art institution set in a

The Times 15/10/84

More haste . . .

From the Director of The Maritime Trust

Sir, In Mr Tam Dalyell's letter (October 9) he asks where Lord Lewin got his information that the General Belgrano was capable of 30 knots. *Jane's Fighting Ships* shows that, as the USS Phoenix, her design speed at full power was 32.5 knots. Steam turbine-driven ships should, if properly maintained, be able to produce full power throughout the life of the ship.

The speed "over the ground" is affected by other factors, such as loading, the sea state, cleanliness of the ship's bottom and the effect of surface currents.

Mr Dalyell may have been misled by the Belgrano's captain saying that

his ship's cruising speed was 18 knots. This implies an economical rate of steaming at about one fifth of full power.

Yours etc.

PATRICK BAYLY, Director,
The Maritime Trust,
16 Ebury Street, SW1.
October 11.

*From Captain D. Bromley-Martin,
RN (retd)*

Sir, *Jane's Fighting Ships*, 1937 edition, page 499 - 32½ knots. But 25 knots would have met Lord Lewin's case.

Yours faithfully,
D. BROMLEY-MARTIN,
3 Tuff's Hard,
Bosham Hoe,
Chichester,
Sussex.
October 10.

Mail on Sunday
14.10.84

Colonel H's padre is the Eton hot-shot

MAJOR David Cooper, the Paras' padre who performed the burial service for Colonel H at Goose Green, has taken up a surprising new post.

The man who shocked the Establishment with his blunt barrack-room style sermon in Port Stanley Cathedral at the end of the Falklands war is the new chaplain at Eton.

But the military skills picked up by Padre Cooper during his 12 years in the services will not go to waste at the college where Colonel H was educated. As well as instructing pupils in Divinity, he will help run the Cadet Corps and coach the shooting team.

No-one could be better qualified for such a task. Despite being the only member of 2 Para who went through the major battles of the Falklands from Goose Green to Port Stanley without carrying a gun, Cooper was one of the best shots in the Army.

He still wins important rifle shooting competitions at Bisley, and would have given the Argentine troops a shock had it come to the crunch.

'I would have picked up any weapon available to me and used it if I had had to,' he says.

His avuncular style was first publicly manifest at the cathedral ceremony to celebrate the victory. In a stirring televised sermon he

reminded the troops dramatically of those they thought about when facing death on the battlefield.

'It may have been your wife, your girlfriend or ... your dog,' he told them.

Much as it may have fitted the occasion, the brass hats at home were not best pleased. 'Some senior padres were very unhappy about it,' I was told by one senior officer in the congregation.

'I'm not surprised he decided to leave the Army, but it is a great loss. He was the sort of padre soldiers need. They could relate to him.'

Major Cooper decided to leave the Army because 'I did not think it had anything else to offer me. I had gone as far as I could go.'

'Cooper does not envisage any problems in his new post. I'll just be ministering to a different congregation.'

Black mark for Trooper Tam

TAM DALYELL, the Labour MP who has gained notoriety for his persistent campaign to discover the truth about that recent piece of military history the Belgrano affair, has something of a black mark against his own name tucked away in Army records.

Nothing so serious as Belgrano — but the incident did lead to a seven-day confinement to quarters for Trooper Dalyell of the Scots

Greys, as he then was. Dalyell was serving with the regiment — founded by his great-grandfather — in the early 1950s when he was picked up by MPs of a non-Westminster variety.

'He had a quarter of a pound of coffee in his suitcase obviously destined for the black market,' remembers Edward Berry, an old comrade in arms.

The MPs took Dalyell to the CO who gave him seven days. Perhaps the incident helps explain why Tam, an Old Etonian, failed the officer cadet course.

The Observer 14/10/84

'Call Mr Heseltine'

by DAVID LEIGH

THE defence in the Clive Ponting secrets case wants to have the Defence Secretary, Mr Michael Heseltine, called as a prosecution witness in the Old Bailey trial, now expected early in the new year.

But the Crown is unwilling to put the Minister in the witness box.

As an MP, Mr Heseltine can invoke parliamentary privilege and refuse to give evidence. This can be overruled only by Parliament.

At Mr Ponting's committal

proceedings last week, his counsel, Mr Jonathan Caplan, told the court that Mr Heseltine should give evidence, but 'I can't force the Crown to call any witness.'

The Director of Public Prosecutions, Sir Thomas Hetherington, was last week studying disclosures during the committal proceedings that a letter of resignation had been accepted from Mr Ponting by his superiors before he was arrested and charged. The defence claims Mr Ponting was told he

would not be prosecuted. Mr Richard Hastie-Smith, a Deputy Under-Secretary at the MoD, told the court that he had been asked to hand the resignation letter to MoD police, along with a statement about his discussions with Mr Ponting. But they were not included in the Crown's evidence.

Mr Ponting has been charged with breaching the Official Secrets Act by sending documents about the sinking of the Argentine cruiser General Belgrano to an MP.

The Sunday Times 14/10/84

Argentina to lift British sanctions

by Maria Laura Avignolo
Buenos Aires

BRITISH assets in Argentina, which have been blocked since the opening shots of the Falklands war, will be unfrozen later this month.

The Argentine president, Raul Alfonsin, has bowed to pressure from the country's numerous creditors in lifting the economic sanctions, according to a highly-placed source in Buenos Aires. Debt-ridden Argentina owes nearly £36 billion to more than 350 banks, many of them British.

British involvements in Argentina are estimated to be worth more than £318m.

Alfonsin is expected to announce the decision when he flies to France on October 23 for talks with President François Mitterrand. The next step will be for Argentina to lift the embargo on trade between the two countries. Sources in Buenos Aires suggested last week that this could be a prelude to a restoration of diplomatic relations with Britain.

At present, Argentinians cannot buy British products nor sell their own to the UK. Britain stopped its own trade embargo with Argentina at the end of the Falklands conflict.

The Alfonsin government did not consult Britain before deciding to unblock the assets.

During the Falkland war, the military junta stopped short of seizing the company prominent British companies in Argentina, whose interests include petrochemical plants, refineries and tobacco.

The Times 13/10/84

Future of Hongkong

From Mr Nigel Waterson

Sir. Despite the occasional minor criticism voiced in your newspaper and elsewhere, the Draft Agreement on the Future of Hongkong can rightly be regarded as a triumph of British diplomacy, particularly when one considers the indifferent hand dealt by history to the British negotiators. In a Bow Group paper earlier this year, entitled *Hong Kong's Future - Countdown to Communism?* I listed various areas where the negotiators should attempt to obtain detailed assurances. The draft agreement has dealt with all those worries, and more. There is no more to be done (on paper at least) and any opposition either here or in Hongkong to the agreement as drafted would be unrealistic.

It must, therefore, be in the long-term interests of the People's Republic of China to encourage

confidence in the new arrangements. That confidence might be lacking for three basic reasons. First, despite the pragmatism of the present regime in Peking, the recent history of China has been a turbulent one. Secondly, the PRC are proposing to give promises on matters with which they have little familiarity (for example, the functioning of a highly capitalist system). Thirdly, they are guaranteeing freedoms which they do not, on the whole, permit to their own people (for example, the guarantees as to religion in Hongkong, when there have been large-scale arrests of Christians recently in Henan province).

The PRC will, however, have an early opportunity to dispel such suspicions, by their attitude to the Sino-British Joint Liaison Group, which is to start its deliberations when the agreement comes into force, and continue until the year 2000. It is expressly stated that the

group will "not be an organ of power". However, as I said in my paper:

This could be interpreted as an attempt to meddle in Hongkong's internal affairs before 1997 and to head off the bandwagon which has already started to roll in the direction of more democratic institutions within the colony. A more charitable interpretation of the Chinese move would be that it could assist in the process of educating the Peking authorities about the functioning of Hongkong both commercially and politically.

If the People's Republic do not ensure the right role for the Joint Liaison Group, then they run the risk of losing Hongkong's only substantial nature resource, its people.

Yours faithfully,

NIGEL WATERSON,
Political Officer,
The Bow Group,
240 High Holborn, WC1.
October 2.

The Times 13/10/84

Thatcher accused of lies over Belgrano

By Stephen Goodwin

The statement by Mrs Margaret Thatcher this week on the sinking of the General Belgrano had revealed the Prime Minister to be a liar, Mr Tam Dalyell, Labour MP for Linlithgow, alleged last night.

On the Prime Minister's own admission she knew about the change in the course of the Argentine cruiser six months before she asserted during a television interview that it was steaming towards Britain's Task Force when it was sunk by HMS Conqueror on May 2, 1982. Mr Dalyell told a meeting in Angus,

Mrs Thatcher disclosed in a letter to Dr David Owen, the SDP leader, that ministers were not told until November, 1982, that the Belgrano had reversed course. But that was six months before she maintained the contrary when questioned on *Nationwide* by Mrs Diana Gould, a Cirencester housewife.

"Mrs Thatcher had this dragged out of her after 23 months of incessant questioning in the House of Commons, during which the Tory tactic was to ridicule me as a political aerosol", Mr Dalyell said.

'The temper of the people'

FINANCIAL TIMES - 12.10.84.

By Malcolm Rutherford

THE CONSERVATIVE Party conference in Brighton this week presents a number of paradoxes. The party is comfortably placed in the opinion polls, yet there is an underlying nervousness that the figures do not mean what they say and that any Tory lead could be quickly eroded.

There is a good deal of talent in the Cabinet, yet not too much evidence that its members talk to one another. Ministers have been coming out with all sorts of promises of legislation, yet are ready to entertain the charge that Mrs Thatcher's second administration has run out of steam.

The Opposition is divided, yet the Government can scarcely believe its luck. Mr Francis Pym, the former Foreign Secretary, who said at the last general election that the Tories did not need too large a majority and who has been critical of the Government on some issues, now agrees with the proposition that it is perfectly possible that they will be returned next time with around 500 MPs, out of a House of Commons total of 650 members.

The party, in short, seems uneasily poised — between triumph and disaster, and is uncertain which way it will go.

Two factors overshadow the conference: the miners' strike and unemployment. The Government's approach to the miners is conciliatory. It wants a settlement. Mrs Thatcher in her speech today is unlikely to be provocative and threatening anything like the denationalisation of the pits.

But the Government also knows that it may have to sit out the strike, for a long while yet. There can be no question of totally giving in or totally giving up. Otherwise, there would be no basis for the claim that the country is gradually being turned round.

Yet however and whenever the miners' strike comes to an end, the other problem will remain. What is to be done about the still rising number of people out of work? Latest unemployment figures have hit the Government hard. Quite the biggest flop of the conference has been Mr Nigel Lawson, Chancellor of the Exchequer, who produced no new promises, no new resources, and no new remedies. Mr Lawson appears to decline to take the conference seriously. As one of his Cabinet colleagues



Members of Mrs Thatcher's Cabinet (from left): Mr Jenkin, coming back strongly; Mr Walker, a great survivor and Mr Heseltine, going down like a bomb

remarked, he would never have dared to make such an empty speech to the International Monetary Fund from which he has just returned.

Not to take the conference seriously is also a basic misreading of the modern Tory party. The composition of the conference has changed over the years. There are trade unionists here, who are not Uncle Toms and who have experience of the coal face.

The phrase "one nation" is generally out because of its association with the Tory wets, though it was used deliberately by Mr Peter Walker, the Energy Secretary, who is one of the great survivors. Instead, Mr John Selwyn Gummer, the party chairman, is talking about the Tories becoming the "national party" which can rise above sectarian debates.

An awesome sense of responsibility seems to go with it. What if the Tories get the smaller things right, yet unemployment goes on climbing? There is no Opposition ready to take its place. Alternative economic policies have been on the whole discredited, yet the present Tory theory of the

creation of jobs through the enhancement of competition, has not yet been proved.

Even "wealth creation" — the great in-phrase of the week — has not shown that it produces jobs on the scale required and within the political timetable of another general election in less than four years.

So the talk is turned to the preservation of the social fabric and the rule of law. Social fabric is not what it was; witness the attacks on the Government by the Bishop of Durham and the Archbishop of Canterbury, which have been one of the sideshows of the conference.

Sideshow is the word. One has the impression that the Prime Minister rather enjoys being criticised by the Church of England, as another example of the antics of an outdated establishment. She did actually say at the start of her premiership that she wanted to stir things up.

The rule of law is another matter. Ministers are well aware that it could break down at any moment, on the picket lines for example. If a few

thousand pickets were to get into a pitched battle with an out-numbered police force, the consequences could be untellable. It is sometimes a question of the Home Office simply keeping its fingers crossed against the worst happenings.

The Government is trying to strengthen the law in all sorts of ways, and not just on industrial relations. But the real debate is more subtle than that. Ministers have heard the left-wing jibes about Tory laws and Tory judges, yet they also know of pressure from the Tory right for an even more stringent regime. This fine search is on for a balance between the two: a legal system which gives more rights to the individuals yet enshrines the independence of the judiciary.

Again, there is a bit of touch and go about it. The annual lecture at the Conservative Political Centre was given yesterday by Sir Patrick Mayhew, the Solicitor General, and was called, "The Rule of Law." It contained this quotation from Edmund Burke: "Nations are governed by the same methods and on the same principle by

FINANCIAL TIMES - 12.10.84 (cont)

which an individual without authority is often able to govern those who are his equals or his superiors by the knowledge of their temper and a judicious management of it . . . The temper of the people amongst whom he presides ought therefore to be the first study of those statesmen."

Those words about judging "the temper of the people" go to the heart of the Government's problems. Has it got that judgment right? Is it possible to govern by a mixture of reform and consent during a period of intense technological and social change?

All one can give so far is a preliminary answer, together with the negative point that there is no particular evidence from the opinion polls to suggest that the bulk of the electorate thinks that any other party do any better.

Mrs Thatcher's second administration seems to have recovered from the banana skins of its first year. It has used the summer well. The ministerial reshuffle looks good. In contrast to Labour in Blackpool last week, the Brighton conference has been cleverly managed, yet without giving the suspicion of being all public relations.

Neither the Labour Party nor, the SPD-Liberal Alliance would have thought of the idea of holding a major debate on drug abuse. Yet it is a subject which potentially affects all people; as an issue, it is neither left nor right, nor class-based. The Tories took it on.

They have also learned a lot from their opponents after the debacle earlier this year over the reform of local government. Mr Patrick Jenkin, the Environment Secretary, who not long ago seemed a political disaster, came back strongly this week to announce a fundamental review of the complete system of local government finance.

At the same time, he got the Government off the hook on perpetually promising the abolition of the domestic rating system without knowing what to put in its place. Present local government reform is now seen only as an interim measure. The results of the review will be an integral part of the Tory manifesto at the next general election.

Mr Kenneth Baker, who is Mr Jenkin's new deputy, went on

to the offensive on the issue of the abolition of the Greater London Council and the metropolitan counties and achieved the rare feat for a junior minister of winning a standing ovation at 5.30 on Wednesday afternoon. Mrs Thatcher regards him as one of her star appointments and on local government at least, it looks as if the corner has been turned.

Likewise on the National Health Service, Mr Norman Fowler, the Secretary of State for Social Services, seems to be winning the argument that the NHS is safe in his hands. He made the same speech as last year, with updated figures and the conference lapped it up. It does seem that here there have been reforms rather than cuts. Extensive amendments to the social services will be promised in the Queen's Speech next year.

There were other vignettes: Sir Keith Joseph, the Education Secretary, for example, being invited to a meeting of the National Anglo-West Indian Conservative Society, not knowing what it was, but turning up and going down very well.

The press on the whole has decided not to admire the conference performances of Mr Michael Heseltine, the Defence Secretary. The Conference, however, thinks otherwise and he continues to go down like a bomb—this time for giving a forthright defence of the decision to sink the Argentine cruiser Belgrano during the Falklands war.

Mr Norman Tebbit, the Industry Secretary, had a vision of the miners' strike being the last kick of a dying horse—rather like the feudal barons of the past—of Britain going peacefully and prosperously into the 1990s.

The Tory party is not without its characters or contenders for the succession. Yet it comes back to two points: first, Mrs Thatcher still has a long way to go before the war for the leadership breaks out; second, even she is going to have to do something about unemployment.

In her speech today she could probably get away with reciting the Ten Commandments and the Sermon on the Mount and adding a few jokes. But the message from Brighton is that a lot of people know that the promised land, though obtainable, could still prove to be elusive.

GUARDIAN - 12.10.84.

Ministers 'damaging Ponting'

By Richard Norton-Taylor

Ministers are promoting a campaign of whispers to undermine the reputation of Mr Clive Ponting, the senior Ministry of Defence official accused of sending documents to an MP about the sinking of the Belgrano, Mr Des Wilson, chairman of the Freedom of Information Campaign, said yesterday.

"Ministers wish to load the dice in their favour by reducing a trial that should raise major issues of public concern to what they would like to appear to be just another shabby and sordid little leak case."

Ministers were saying that Mr Ponting repeatedly denied the leak and that he allowed colleagues to come under suspicion, said Mr Wilson. "This was suggested by the Crown during the committal proceedings and will, I know, be denied."

"However, the justice or otherwise of the allegation can be assessed by the jury. What is more difficult for Mr Ponting and others concerned about such prosecutions is to combat the clever campaign of denigration being undertaken out of the courtroom."

Mr Brian Raymond, Mr Ponting's solicitor, said yesterday that the trial, at which he will plead not guilty, seems likely to take place early next year.

Mr Tam Dalyell, Labour MP for Linlithgow, to whom Mr Ponting is alleged to have sent two documents about the sinking of the Belgrano, said yesterday that ministers and senior civil servants were engaged in "systematic deceit."

The Times
12.10.84

Sanctions 'to end'

Buenos Aires, (AFP)—President Raul Alfonsin of Argentina will this month announce the end of the remaining economic sanctions on British interests in his country imposed during the Falklands war, the Argentine economic daily *Ambito Financiero* reported yesterday.

DAILY TELEGRAPH - 12.10.84.

Films from Argentin — a story of haste

THE ORGANISERS of the 28th London Film Festival may have been over-hasty in announcing four Argentine productions — two of them set during the Falklands conflict — for its programme which opens on Nov. 15.

Since 1982 the Department of Trade has enforced an almost total ban on goods imported from Argentina. The exceptions are newspapers, news film and, a recent concession, "books not for resale."

The Festival line-up of more than 140 films from 40 countries includes two of solely Argentine origin: "Los Chicos de la Guerra (Children of the War)", made after the fall of the Junta, and "Funny Dirty Little War," set in the last years of the Peron regime. The other two, "Argie," set in London during the conflict, and "Camila," are co-productions with France and Spain respectively.

Even before yesterday's official announcement, the D.T.I. had begun inquiries into where the prints of all four films were made and from where they are to be imported. Meanwhile an uncharacteristically reticent Anthony Smith, director of the British Film Institute, could only tell me: "It's a situation which we are watching with some care."

Argentina in fresh Falklands initiative

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA has embarked on a major diplomatic offensive over the Falklands. High level Foreign Ministry officials in Buenos Aires yesterday said they have been preparing a United Nations motion calling for an early resumption of talks on the issue of sovereignty under the auspices of the UN Secretary General. The motion is roughly in line with what was presented in the General Assembly last year.

However, diplomatic sources here believe the draft motion has been substantially revised so as to placate Britain's European partners, France, Greece, West Germany and Italy.

This would substantially enhance the vote in favour of the Argentine motion at the UN which in previous years has centred on Latin America and the non-aligned movement.

Foreign Ministry officials denied speculation that the new draft had removed all reference to "colonialism" or "sovereignty."

Nevertheless, it is believed that M Antoine Blanca, France's

MR DAVID STEEL, the British Liberal Party Leader, is expected to meet with high level officials from the Argentine Government in Panama this week, Tim Cooke writes from Managua.

Mr Steel, who has been attending a Liberal International meeting in the Nicaraguan capital Managua, is to travel on to Panama for the inauguration today of Sr Nicolas Ardito Barletta as

Panamanian President.

It is understood that Mr Steel will meet with Argentina's Vice President and/or the Foreign Minister and is to discuss what "mechanisms" the Argentine Government is seeking for a re-establishment of normal relations between Britain and Argentina, and why the previous talks between the two countries broke down in Berne.

ambassador to Argentina, has recommended that France vote in favour of the revised motion which is regarded as much more digestible than last year's.

A final push to win over the French vote—to insure a domino effect on the others—is expected to be made by President Raul Alfonsin during his visit to Paris on October 23.

The UN has historically been dismissed by Britain as an adequate forum for discussing the Falklands issue. However, Argentine officials see the forthcoming debate—due in early

November—as a necessary international airing of what is considered a priority of foreign policy.

The calculation is that Argentina's recent agreement with the International Monetary Fund and the settlement in principle of the Beagle Channel Dispute with Chile has restored the country's image as a responsible democracy committed to non-belligerence.

Sr Dante Caputo, Argentina's Foreign Minister, and his Chilean counterpart, Sr Jaime del Valle, are expected to arrive

in Rome before October 20 to initial the Beagle agreement.

Government officials here expect that a nationwide referendum due to be held within 30 days of the Rome meeting will be won by the Government by over 65 per cent in favour of the Papal proposal.

With the final agreement with Chile and a huge vote in their favour at the UN, Argentine officials hope that the stage will be set for a new round of talks with Britain early in 1985.

In spite of some belligerent rhetoric on the Falklands issue in recent weeks, Argentine officials yesterday reiterated their wish to re-establish an "open and flexible" dialogue with Britain.

The Alfonsin Administration still believes that the most "imaginative" way out of the deadlock is for both sides to fudge the issue of sovereignty in an initial round of talks.

Argentina still is insistent on linking the resumption of trade and diplomatic relations to a discussion of sovereignty but is prepared to be flexible on specific timeframes.

The Times 11/10/84

MORE THAN AN OFFSHORE ISLAND

One of the many questions raised by the draft agreement on the future of Hongkong is its likely effect on relations between China and Taiwan. Mr Deng Xiaoping and other Chinese leaders would like it to be seen as a blueprint for an agreement between Peking and Taipei. This much was evident from their National Day speeches in Peking last week, which appealed to Taiwan to come to terms and described the Hongkong settlement as a suitable way to solve problems "left over by history". Mr Deng and his supporters have repeatedly called upon Taiwan to become a Special Administrative Region of the Chinese People's Republic, just as Hongkong is to become in 1997. And they have tried to make this offer more attractive by being even more generous towards Taiwan than they have been towards Hongkong, saying, for instance, that Taiwan can keep its own armed forces if and when it rejoins the motherland. But these gestures of friendship have cut no ice in Taipei. The authorities there remain adamantly opposed to any direct dealings with Peking; and this week in his only National Day speech President Chiang Ching-Kuo - son and heir to the late Chiang Kai-Shek - denounced the Hongkong agreement as a

fraud and the Chinese Communists as liars and traitors.

Chinese Communists and Nationalists thus remain as bitterly divided as they were when civil war between them first broke out more than half a century ago. It is easy to forget that but for events elsewhere this civil war would have come to an end many years ago. Only President Truman's decision to protect the Chinese Nationalists on Taiwan at the outbreak of war in Korea in 1950 prevented them from being overrun by the Chinese People's Liberation Army. Had he not taken this decision Taiwan would have been absorbed into China, just as it had been absorbed into China by the newly-established Manchu dynasty in the 17th century.

As it is, Taiwan has developed into a prosperous modern state with American help and protection, while China has had to weather the storms of Maoist radicalism. As a result the two sides are now further apart culturally and economically than they have ever been. Nonetheless the sense that China is one nation, and that its division into two entities should one day be brought to an end, is still strongly imbued in Chinese on both sides of the Taiwan Strait - though not, it must be added, in

those native Taiwanese for whom Chinese Nationalism is as alien a creed as Chinese Communism.

Still, it will be many years before Taiwan modifies its present hostility to the Communists in Peking. The agreement on Hongkong, it is true, may help sway opinion in Taiwan; but only after it has worked and been seen to work - in other words, well into the 21st Century. In any case, it will take far more than the Hongkong agreement to convince Taipei that the Chinese Communist Party will not break its promises to Taiwan just as, say, it broke its promises to Tibet in the 1950s. For a degree of trust to be re-established the new generation of Chinese leaders now emerging in Peking will have to assure their counterparts in Taipei that China is set firm on a course of political moderation, and that Peking no longer regards national reconciliation as a pretext for Communist domination. These would be hard assurances for a Communist party to give at the best of times. After what has happened in China during the past two decades, no leader in Peking will be able to give them credibly or convincingly for decades to come.

Treasury will dominate spending 'Star Chamber'

BY PETER RIDDELL, POLITICAL EDITOR, IN BRIGHTON

CURRENT OR former Treasury ministers will dominate the so-called Star Chamber committee of the Cabinet which will start work next week on resolving differences in Whitehall over future levels of public spending.

This became known at Brighton yesterday on the day that Mr Nigel Lawson, Chancellor of the Exchequer, used his speech to the Conservative's annual conference to highlight the Government's view of the link between pay increases and jobs which will be the theme of a concerted campaign of ministerial speeches this autumn.

Ministers in Brighton for the conference believe the Star Chamber committee faces the hardest task of its three years in eliminating the £3bn plus of additional spending being sought above the £132bn target for 1985-86.

One senior minister commented that it was "no longer a matter of just candle ends but of real cuts in some programmes to get back to the Treasury's target."

The committee will be chaired by Lord Whitelaw, Leader of the Lords. Its other members will be Mr George Younger, Scottish Secretary, Mr Peter Rees, Chief Secretary to the Treasury, and Mr Rees's two predecessors, Mr Leon Brittan, Home Secretary, and Mr John Biffen, Leader of the Commons.

While this gives the Treasury an apparent advantage in the debates in the committee with ministers in charge of spending departments, some colleagues

Other announcements

- Ministerial committee to review entire system of local government finance and functions over next 18 months (Back Page)
- Trident cost now estimated at about £9bn.
- Maximum penalty for trafficking drugs like heroin and cocaine to be raised from 14 years to life imprisonment.
- 300,000 more inpatients and over 850,000 more outpatients treated at hospitals in the past 12 months.

suspect that Mr Biffen may have become more sympathetic to the problems of certain spending ministers.

The hope is that the Star Chamber will have narrowed differences sufficiently by the beginning of next month for decisions on outstanding matters, probably including energy prices, to be decided by the full Cabinet, ahead of the autumn economic statement.

In his speech to the conference, Mr Lawson said "The main cause of high unemployment in Britain today is the determination of monopolistic trade unions to insist on levels of pay that price men out of work altogether." There was no escaping this link, he said.

The Chancellor painted a generally optimistic picture. "The economy is strong. Inflation is under control. Growth continues. Enterprise has reawakened. Unemployment can be reduced."

There was no sign of growth

coming to an end, he argued. He noted that the fall in coal output had been equivalent to nearly 1 per cent of gross domestic product, but said he expected a bounce back in 1985 to the sort of growth, over 3 per cent, seen last year.

It hoped that "the major programme of tax reduction and reform" started this spring would be carried further in next year's Budget. "Tax reform is not a substitute for tax reduction. We need both."

Mr Lawson's speech received a restrained reception compared with the enthusiastic ovations given to other ministers. Mr Edward Heath, former Conservative Prime Minister, who was sitting on the platform for the first time in two years, barely moved his hands in a slow-motion gesture of applause.

Several Tory MPs complained afterwards that Mr Lawson had taken insufficient account of the widespread concern in the party about the latest surge in unemployment.

However, only a limited job creation package looks like being announced later this autumn, at a minimal cost in public spending.

The conference was otherwise dominated by a series of ministerial announcements and generally subdued debates contributing to an impression of broad unity in the party.

Mr Michael Heseltine, the Defence Secretary, earned his traditional conference standing ovation after a speech of exceptional theatricality, even by his standards.

Continued on Back Page

Treasury

Significantly, he included a passage defending the Prime Minister's order to sink the Argentine cruiser Belgrano during the Falklands War, claiming that when the decision was taken no one in London had known that the was a Peruvian peace initiative—contrary to claims made by the Govern-

ment's critics.

At a lunchtime fringe meeting Mr Biffen warned of the problems for European Community decision making, in particular the appropriateness of the Treaty of Rome, resulting from the enlargement of the Community with the inclusion of Spain and Portugal.

Continued from Page 1

The Times 11/10/84

Falklands leaseback

From Mr Alastair Cameron

It is a pity that the Labour Party seems to have such a short memory.
Yours faithfully,
ALASTAIR CAMERON,
Representative,
Falkland Islands Government,
London Office,
29 Tufton Street, SW1.

in spite of all the logistical difficulties, we shall continue to support and sustain them?

Sir, At last week's Labour Party conference Mr Roy Hattersley argued that in view of the fact that four years ago the British Government was prepared to give the Falkland Islands to Argentina under a leaseback arrangement, they should not now refuse to discuss sovereignty.

He should perhaps be reminded that leaseback was in fact one of three options put to the Falkland Islanders in 1980. Not only was this rejected by them, but the Foreign Minister responsible, Mr Nicholas Ridley, was roundly attacked in the House of Commons by MPs of all parties on this very issue and the then Labour spokesman on foreign affairs, Mr Peter Shore, asked:

Will he (Mr Ridley) reaffirm that there is no question of proceeding with any proposal contrary to the wishes of the Falkland Islanders?... Will he therefore make it clear that we shall uphold the rights of the islanders to continue to make a free choice about their future, that we shall not abandon them and that,

The Times 11/10/84

Civilian prison for junta chief

Buenos Aires (Reuter) — An Argentine court has ordered the former president, General Jorge Videla, and a member of his former ruling military junta to be transferred to a civilian prison pending trial on charges of human rights violations, court sources said.

General Videla and the retired Admiral Emilio Massera were awaiting court martial in military barracks.

Belgramo: 'PM made right decision'

DEFENCE

"I say to all those pursuing this detailed questioning for incidental information, that they should address the central responsibility. The Prime Minister had to protect the lives of our servicemen. Let them tell us where they stand on that issue."

"The Prime Minister took the right decision. She deserves credit for what she did."

"I watched and wondered how long they wait." The Soviet Union would wait in vain for a Labour Government, said Mr Heseltine, because there was not going to be one. But the Government had disarma- ment proposals in every field, he added, for negotiat- ing fair, balanced and verifi- able agreements.

Recalling the ceremonies this summer to mark the 50th anniversary of the

THE STRONGEST defence of the Prime Minister's role in the sinking of the Argentine warship, the General Belgrano, was made yesterday by the Defence Secretary, Mr Michael Heseltine, who insisted that Mrs Thatcher had taken the right decision and deserved credit for it.

Mr Heseltine, who was given a standing ovation after winding up the defence debate at the conference said many other decisions would have been unforgiveable.

Rejecting Labour demands for an inquiry, Mr Heseltine said it was absurd to accuse Prime Minister of ordering the sinking of the Elgrano to undermine the

No-one in London even new at the time there was an initiative," he stated. "On May 1, the Argentine Air Force attacked our fleet at night the Belgrano sailed towards our fleet. The commander of the British task force in the South Atlantic believed she was a

The Prime Minister was advised by the Government's sink her.

the senior military advisers to sink her. She was advised at British lives were at stake. The evidence was overwhelming, the advice unequivocal. The counter arguments non-existent. The War Cabinet's agreement was unanimous.⁴

Loudly applauded. Mr Iseltline said the only injury which could have been contemplated into the action of the Prime Minister would have been if she had rejected the advice and if the Grano had subsequently attacked the fleet.

"I say to all those pursuing this detailed questioning for incidental information, that they should address the central responsibility. The Prime Minister had to protect the lives of our servicemen. Let them tell us where they stand on that issue."

"The Prime Minister took the right decision. She deserves credit for what she did."

"I watched and wondered how long they wait." The Soviet Union would wait in vain for a Labour Government, said Mr Heseltine, because there was not going to be one. But the Government had disarma- ment proposals in every field, he added, for negotiat- ing fair, balanced and verifi- able agreements.

Recalling the ceremonies this summer to mark the 50th anniversary of the

Normandy landings, Mr Heseltine said that before the war, the arguments that had prevailed were of neutralism, pacifism and appeasement. "Government can claim to have come well out of that time. " But no Government today could be forgiven, with the lessons of history staring it in the face, if it led us back into war or into another speech was devoted to attacking the unilateral nuclear disarmament policies of the Labour Party, which, he said, could waste time by leading the Soviet Union to wait in vain for the next Labour Government to disarm. "Time will be wasted —time when we want to talk to lay the basis of a lasting peace. The agenda is there," he said.

But if Labour ignored the threat abroad, they were at home, said Mr Iseltine. "They threaten the society we know, the standards we trust, the security we take for granted.

"There is a conspiracy of political fanaticism in pursuit of absolute power . . .

across the same mistakes, the same delusions, and the same irresponsibilities.

"And yet that is what the Labour Party threatens to do. They have learnt nothing. They have forgotten everything."

Labour's defence policies would open Britain to nuclear blackmail," said

Heseltine, who added that was curious morality which Labour used to rely on the American nuclear umbrella for Britain's defence. Unilateral nuclear disarmament was condemned by M. Heseltine as a "reckless gamble." The "Trident" programme was a vital insurance policy but the cost was high. M.

residue conceded. Late estimates were about £9,000 million; but he said that was spread over 20 years and should be seen as a proportion of a defence programme costing perhaps £360,000 million over that period.

He also decision to deploy in Britain, the nonsense they deployed a threat to us not one single cruise missile has the people looked for — indeed, we had those our peace said Mr H. applause.

Several of the debate for vehemence standing over to Provost Inverness, who repeated as supporters for all real "is rubbish," "I am sure of C country re

bring about war they CND and suggest the Krem men who us if only them—tell of Poland's The Ro

must insist who support armament speak for Christians—“Tell them be both conservative—sanctioning the only peace. We peace with

108

He dismissed as
the claims that
government would pose
a threat to world peace. On
the single day since
the missiles were deployed
to Europe, the moment at risk
precisely because
it will to deploy,
remains secure,
resettlement, to warm

Christian speakers in
the vast majority
of CND meetings,
he said.

at the very nuclear
aim to prevent
the Left seem to
be just to
would be nice to
we would like
that to the people
and Afghanistan.
Reid said he

that those clerical
and CND did not
him, nor for most
in the country
you are proud to
Christian and Com-
stop letting them
ous claim they are
ones working for
want peace, but
freedom and jus-

"Peace and slavery."

Mr Timothy Hartley (Barnsley West and Penistone) warned that the party would be making a great mistake in believing that CND would go away. "They should not be underestimated," he said. "We need to take the offensive."

Mr Hartley said the BBC should stop describing the Greenham Common protesters as the "peace women." Mr Keith Irons (North-West) was loudly ap-

plauded when he said the Conservatives must make it clear the Greenham women and CND did not represent majority opinion in Britain. "Just because Conservatives believe in defence, we are not war-mongers." The conference overwhelmingly passed the defence motion urging the Government to continue its realistic defence policy and strong sup-

port of Nao. But it was opposed by Mr Peter Viggers, the MP for Gosport, who said it made demands on the Government but took no account of what ordinary Tory supporters could do in combatting CND. He accused CND of being active in undermining the defence of the country and

Mr Adrian Culvin (Mid-Kent) was warmly applauded when he said, "CND is not the answer—CND is the problem,"

to build up the merchant fleet which had come to Britain's aid in the Falkland Islands war. He said the Defence Secretary should stop the Ministry of Defence from chartering foreign ships.

11 /

1

The Guardian 11/10/84 (contd)



GOD ON HIS SIDE: Mr Heseltine and the Very Rev Gordon Reid, Scottish Episcopal Provost of Inverness Cathedral

Steel to seek new Falklands talks

From our Correspondent
in Managua

The Liberal leader, Mr David Steel, is to make an effort to restart talks between Argentina and Britain over the future of the Falkland Islands.

Mr Steel, who was in Managua for a meeting of the Liberal International, announced that he would be going to Panama for the inauguration of the new president, Mr Nicolas Ardito Barletta. While there, he said, his talks "could include discussion with those who come from the Argentine on a bilateral basis."

British sources believe that Mr Steel is set to meet the Argentine Foreign Minister, Mr Dante Caputo, or the Vice-

President, Mr Martinez Raimonda, who is President Alfonsin's closest adviser.

If the meeting does go ahead it will be the first time a British politician has met senior Argentine ministers since the Falklands war in 1982.

Sources say that the Foreign Office has expressed concern about the initiative. The Liberal Party believes that the sovereignty of the islands should be open to discussions, a suggestion which has recently been turned down by the Government.

Earlier this year, an attempt to start talks in Geneva collapsed almost as soon as they started.

The Guardian 11/10/84

Heseltine applauds Thatcher over Belgrano sinking

By Ian Aitken,
Political Editor

Mr Michael Heseltine, the Defence Secretary, told the Conservative Party conference yesterday that the evidence in favour of sinking the Belgrano was overwhelming and that any other decision would have provided grounds for investigation into failure of duty by the Government.

He received massive applause from delegates when he said that the Prime Minister deserved praise rather than

Leader comment, page 14

blame for carrying out her central responsibility, which was to protect the lives of servicemen. It would have been unforgivable to do otherwise.

Mrs Thatcher was not sitting on the platform during the annual ritual of Mr Heseltine's speech, which ended with the equally ritualistic standing ovation for the man known to friends and enemies alike as Tarzan.

Her absence may have been deliberate, since it would have been more embarrassing for Mr Heseltine to heap praise on the Prime Minister in her presence.

Mr Heseltine rated the Belgrano affair as worthy of a substantial chunk of his speech, though his main target was Mr Kinnock and the unilateralist posture of the Labour Party.

The Defence Secretary insisted it was false to claim that the Belgrano had been sent to the bottom in order to scupper the prospect of a peace settlement based on the Peruvian proposals.

He said unequivocally that no-one in London knew at the time when the Belgrano decision was reached that there were any proposals for peace such as those advanced by the President of Peru. That was why the commander of HMS Conqueror had been right to ask for permission to sink the ship, and why it had been right for the war cabinet to give him the permission.

'Unforgivable' not to have sunk the Belgrano

By WILLIAM WEEKES and ANTHONY LOOCH

ACCUSATIONS that the Prime Minister sank the Argentine cruiser General Belgrano during the Falklands war to undermine the Peruvian peace initiative were dismissed as "absurd" by Mr HESELTINE, Defence Secretary.

Nobody in London knew at the time there was such an initiative, he said in a strong attack on Mrs Thatcher's critics.

"There is only one inquiry I believe we should contemplate—the alternative inquiry into what would have followed if the Prime Minister had rejected the advice she was given.... The inquiry that would have followed if the Belgrano had subsequently attacked our fleet and British lives had then been lost."

The commander of the British Task Force believed the Belgrano was a threat and asked permission to sink her.

Mrs Thatcher was advised by the Government's most senior military advisers to sink her and that British lives were at risk.

"The evidence was overwhelming, the advice categorical, the counter-argument

non-existent. The War Cabinet's agreement was immediate, and any other decision would have been unforgivable."

The Prime Minister had to protect the lives of British Servicemen, and her critics should say where they stood on that issue.

Right decision

"The Prime Minister took the right decision, she took it at the right time, and she deserves credit for what she did," Mr Heseltine declared in a speech which won him a standing ovation.

A motion urging the Government to continue its realistic defence policy and strong support for Nato was endorsed. It said the conference was equally supportive of Government initiative to encourage *détente* between East and West.

Mr Heseltine was scathing about Labour's commitment to unilateral nuclear disarmament, calling it a reckless gamble.

He conceded that the cost of Trident, the system which will replace Polaris as Britain's independent nuclear deterrent, was high, with a latest estimate of about £9 billion.

That was spread over nearly 20 years, and should be seen

as a proportion of a defence programme over that period of perhaps £360 billion.

"No responsible government would abandon the insurance policy that is our last resort guarantee against nuclear blackmail."

Labour perhaps hoped that the United States would still protect this country with her nuclear deterrence based on the high seas, or in Germany, Italy, or in the United States itself.

"What curious morality is this? American people in American cities expected to carry a responsibility for our protection that we will not carry ourselves.

"Our Socialist leaders would proclaim loudly in nuclear-free London and nuclear-free Sheffield that they had opted out in the hope that the Americans would opt in.

"No American government could tolerate that situation.

"Britain could never stand against a Soviet threat because no government would resist the threat of nuclear blackmail. That is where Labour's policies would lead us.

"When we realise that the freedom of our people and the defence of our nation might depend on these policies, there is room only for the bitterest rejection of this reckless gamble."

The Labour leader ignored the Warsaw Pact's huge arsenal, and the threat, which was real enough to every Labour government, had apparently disappeared now they were in Opposition.

Support for Nato

Mrs ANGELA BROWNING (Tiverton) successfully moved a resolution urging the Government to continue "its realistic defence policy and strong support of Nato. The resolution also urged equal support of the Government's initiatives in encouraging *détente* between East and West.

There was applause when Mrs Browning said that while Britain should strive for negotiations to reduce nuclear weapons, the only way to ensure reductions that did not undermine our security was to have simultaneous balanced reductions by East and West.

The Very Rev. GORDON REID, Provost of Inverness Cathedral, supporting the motion, said: "I also want to say as a Christian priest that I deplore the repeated assertions by CND supporters that they speak for all real Christians.

"This is rubbish. I'm sure that the vast majority of Christians in this country repudiate the aims of CND, which would leave Britain helpless in the face of Communist aggression."

FINANCIAL TIMES - 10.10.84.

Ponting sent for trial on leak charges

Defence Ministry assistant secretary Clive Ponting was yesterday sent for trial at the Old Bailey on secrets charges.

He is charged with leaking government documents about the sinking of the Argentine cruiser General Belgrano, in the Falklands fighting, to Labour MP Tam Dalyell.

The trial, under the Official Secrets Act, is unlikely to be heard for several months. Mr Ponting said he would plead not guilty.

Ponting to stand trial on secrets charges

By Stewart Tendler, Crime Reporter

Clive Ponting, the senior civil servant accused of leaking papers on the sinking of the General Belgrano during the Falklands conflict in 1982, told the police he sent the documents to an MP because ministers wanted to protect themselves politically and would not answer legitimate questions, Bow Street magistrates in London were told yesterday.

The statement was read out when Mr Ponting, aged 38, and an assistant secretary at the Ministry of Defence, was committed for trial at the Central Criminal Court accused of a breach of Section 2 of the Official Secrets Act. He is alleged to have sent two papers to Mr Tam Dalyell, Labour MP for Linlithgow, last July.

Mr David Hopkin, the chief stipendiary magistrate, was told that after questioning by Ministry of Defence detectives Mr Ponting was cautioned and said of the leaks: "I did this because I believe that ministers were not prepared to answer legitimate questions from an MP about a matter of considerable public concern simply in order to protect their own political position."

At the beginning of the committal proceedings, the court was told that revelation of the two documents had not damaged national security. Reporting restrictions were lifted.

Mr Roy Amlot, for the prosecution, said one was a memorandum from Mr Legg, representing a division in the Ministry of Defence on rules of engagement against Argentina in the South Atlantic.

The paper was addressed to Mr John Stanley, Minister for the Armed Forces, and was classified as confidential. The

court was told that the memorandum, included an appendix with a draft memorandum for the House of Commons Foreign Affairs Committee on changes in the rules. The appendix, amended by Mr Michael Heseltine, Secretary of State for Defence, was given to the committee.

The second document sent to Mr Dalyell was a draft of answers to questions Mr Dalyell had himself submitted. The replies were drafted by Mr Ponting as head of a division dealing with naval matters.

Mr Amlot said the draft dealt with the Belgrano's movements, the type of weapon used, messages between the submarine, Conqueror, and Britain. But Mr Ponting had not received permission to pass on information and was "in breach of the confidence in him as a Crown servant".

Mr Dalyell had written to press for answers to questions

Continued on back page, col 1



Mr Ponting yesterday:
"Legitimate questions"

TIMES 10.10.84.

Ponting to stand trial on secrets charge

Continued from page 1

in May and Mr Ponting has sent a memorandum to Mr Heseltine urging the questions be answered. He told the Secretary of State that Mr Stanley, after consultations with 10 Downing Street, suggested that questions including parliamentary questions should not be answered on military grounds.

Mr Ponting, Mr Amlet said, had told Mr Heseltine there was no reason for withholding information adding that "there are already sound and tactical reasons for answering Mr Dalyell rather than letting information come out piecemeal".

Answering Mr Dalyell would "let us give a better picture" of events such as the limitations of reaching Conqueror in the South Atlantic.

The documents became the centre of a search for a leak in the ministry after Mr Dalyell had passed them to the Foreign Affairs Committee chairman, Sir Anthony Kershaw, who returned them to Mr Heseltine.

Mr Jonathan Caplan, for Mr Ponting, asked Mr Richard Hastie-Smith, deputy under secretary at the Ministry of Defence responsible for civilian staff, why he had taken a letter of immediate resignation from Mr Ponting on the day he made his statement to the police when it was normal for a civil servant in such a position of possible prosecution to be suspended.

Mr Hastie-Smith said: "When I took the letter I did not know whether it would be accepted." He denied having told Mr Ponting that everyone in the ministry thought the case did not merit the Official Secrets Act.

Mr Caplan called a second prosecution witness Mr Richard Mottram, private secretary to Mr Heseltine. Mr Mottram told the court that questions about the Belgrano had been raised by Mr Denzil Davies, the Opposition spokesman on defence, in March and Mr Ponting was asked to draft replies.

Mr Mottram said it was correct that Mr Ponting was asked to draft two different replies on the sinking of the Belgrano for Mr Stanley. One said the ship was detected and sighted before May 2, the other did not give the date.

Mr Mottram said a meeting had considered a reply to questions on whether the Belgrano had been sighted before the day it was sunk. He said: "There emerged at that meeting a general view that information should be revealed."

Mr Ponting prepared draft replies for questions from Dalyell but Mr Heseltine did not use the draft and gave no information. Mr Ponting had included details that the Belgrano had changed course and had spent 11 hours heading for Argentina when it was sunk.

TIMES - 10.10.84.

Lord Lewin challenge on Belgrano

By Richard Evans
Lobby Reporter

Admiral of the Fleet Lord Lewin, Chief of Defence Staff during the Falklands crisis, last night questioned a statement by the Prime Minister about the sinking of the Belgrano.

He disputed her claim that she and Cabinet colleagues were not told that the Argentine cruiser was attacked while sailing towards home until November, 1982, more than six months after it was sunk.

"I think it highly likely that ministers were aware, from a verbal report, of the course of the Belgrano when she was attacked, but because it was not important it did not sink in", he said in a radio interview.

But last night Downing Street sources were quick to point out that Mrs Thatcher's assertion about the details only being made known in November was based on documentary evidence. "There was nothing before that on record to indicate ministers knew, or in their collective memories that they can recall".

DAILY TELEGRAPH - 10.10.84.

BELGRANO CRITICS SUNK

MRS THATCHER IS RIGHT TO STATE, as she does in her letter to Dr DAVID OWEN on the sinking of the Belgrano, that "the proceeds of disclosure will never satisfy those determined to misinterpret the Government's actions." The malice behind such misinterpretation is both too wild and too bitter for the facts to restrain it materially. Fair-minded critics, will concede, however, that the Prime Minister has finally put to flight the remaining doubts about the legitimacy of what was a tragic necessity of war.

The principal charge was that Ministers had deliberately sabotaged peace negotiations by sinking the Belgrano unnecessarily after it had changed course for home port. This allegation had already been refuted on the sufficient grounds that Ministers were unaware of the Peruvian peace initiative until after the sinking and that the Belgrano's threat to the task force was not removed by its (perhaps temporary) change of course. But the seal is set upon this refutation by the revelation that Ministers did not learn of the ship's change of course until six months later. And Mrs THATCHER rightly points out that Ministers could hardly control both broad military and diplomatic strategy if they were intimately involved in local military engagements more than 8,000 miles away.

What, then, remains of the celebrated "cover-up"? This is now reduced to the trivial complaint that Ministers did not correct earlier inadvertent errors concerning a detail which, to repeat, was of no military or diplomatic significance. No doubt the most pettifogging disclosures seem sensible in retrospect, as Mrs THATCHER concedes, because of the storm of controversy that has arisen over the Belgrano. But who is principally responsible for that? Those who were negligent in that they revealed only 99 per cent, of the truth? Or those, like Mr TAM DALYELL, who on the basis of wild suspicions unsupported by evidence alleged that Mrs THATCHER and her colleagues had committed mass murder for the sake of a temporary political advantage?

Leak charges 'will be contested strenuously'

DAILY TELEGRAPH

10.10.84.



Ministers in this department were not prepared to answer legitimate questions from an MP about matters of considerable public concern simply to protect their own political positions.

"I copied the documents on a machine in my department and typed the envelope at my home on a friend's typewriter."

"I wish to express my regret for my actions and any embarrassment it may have caused the department."

The two charges were brought under Section 2 (1a) of the 1911 Official Secrets Act, and it was alleged that he passed information to an unauthorised person in the City of Westminster on or about July 16 this year.

Mr Amiot, said the two documents were an internal memo regarding the rules of engagement for the Royal Navy's task force during the war and a draft of a letter drawn up by Ponting for Mr Heseltine on how he might handle questions on the sinking from Mr Dalzell.

Document marked 'confidential'

During the hearing it was

said that police investigating

the leak found punchmarks in

a memorandum from a "float

file," which was held only by

Ponting and his secretary.

When questioned, Ponting at

first tried to implicate his staff,

but shortly afterwards admitted

photocopying the documents

of a group titled Defence Secre-

tary at the Old Bailey.

The defence took the unusual

course of issuing a statement

after the hearing.

"Not only did he deny doing

it himself—he seemed to be

insinuating that some of his

staff might have done it," said

Mr Roy Amiot, prosecuting.

After his confession—which

the defence said it would chal-

lenge fully is, if anything,

strengthened, and I can confirm was inadmissible — Ponting

he will be pleading not guilty

at his trial."

Ponting made copious notes

as he sat in the dock while the

prosecution outlined the case

"I photocopied two docu-

ments and sent them to Mr

Mr Dalzell.

His wife, also a civil servant,

was in court.

PONTING JOINED TALKS WITH HESELTINE ON BELGRANO'

By GUY RAIS

CLIVE PONTING, the senior Ministry of Defence civil servant accused of leaking confidential papers to a Labour MP on the Belgrano affair, was given a "very full" account of the Argentine cruiser's movements during meetings with Mr Heseltine, Defence Secretary and Mr Stanley, Minister of State Armed Forces, it was said at Bow Street Court yesterday.

Details of the meetings emerged during cross-examination of Mr RICHARD MORTRAM, Mr Heseltine's private secretary, one of two Defence Ministry witnesses called at the request of the defence during committal proceedings.

Reporting restrictions were lifted at the request of the defence. After a hearing lasting two-and-a-half hours, Ponting, 38, an assistant secretary at the Ministry of Defence, was committed for trial at the Old Bailey.

The defence took the unusual course of issuing a statement after the hearing.

"Not only did he deny doing it himself—he seemed to be insinuating that some of his staff might have done it," said Mr Brian Raymond, Ponting's solicitor, said: "His determination to contest these charges fully is, if anything, strengthened, and I can confirm was inadmissible — Ponting he will be pleading not guilty at his trial."

Ponting made copious notes as he sat in the dock while the prosecution outlined the case

"I photocopied two documents and sent them to Mr Dalzell. His wife, also a civil servant, was in court.

"I did it because I believe

it myself—he seemed to be insinuating that some of his staff might have done it," said Mr Brian Raymond, Ponting's solicitor, said: "His determination to contest these charges fully is, if anything, strengthened, and I can confirm was inadmissible — Ponting he will be pleading not guilty at his trial."

Ponting made copious notes as he sat in the dock while the prosecution outlined the case

"I photocopied two documents and sent them to Mr Dalzell. His wife, also a civil servant, was in court.

"Most of the information is unclassified and this business has been blown up out of all proportion,"

Mr Amiot added that Ponting denied leaking the documents to Mr Dalzell, saying: "It is not something I would do. I can't see what in these documents is of significance.

"If I had chosen something, it would have been something better than that."

Ponting added he had far more important information including a top secret review of the Belgrano issue.

But after consulting his wife, he made a written statement admitting sending the documents.

The prosecution called Mr RICHARD HASTIE-SMITH, a Defence Ministry deputy under-secretary and the official responsible for civilian security, as its first witness.

He said he spoke to Ponting twice during the investigation into the leak.

He said that on Friday 10. Ponting had written a letter of resignation from the Ministry.

But Mr Hastie-Smith declined a suggestion from Mr Roy Amiot, defendant, that he had told Ponting his resignation would ensure no prosecution.

Mr Kaplan suggested that at a second meeting, Mr Hastie-Smith had told Ponting his resignation would ensure no prosecution.

Ministers are jumping up and down demanding that the papers be sent to the Director of Public Prosecutions."

Mr Hastie-Smith did not reply.

"This country has nothing to call saying this.

Clive Ponting on his way to Bow Street, where he was committed for trial at the Old Bailey.

All identifying marks had been removed, but Defence police began an inquiry.

On Aug. 8 officers began questioning Ponting and his staff. "He was not a suspect at that stage," said Mr Amiot.

But two days later, they questioned Ponting again and he was cautioned.

Good God, you don't suspect me?

Ponting allegedly replied: "Good God, you don't suspect me?"

A police chief inspector told him examination of the documents showed they had been copied on the machine in his department.

Mr Kaplan suggested that at

a second meeting, Mr Hastie-

Smith had told Ponting his resignation would ensure no prosecution.

Ministers are jumping up and down demanding that the papers be sent to the Director of Public Prosecutions."

Mr Hastie-Smith did not reply.

"This country has nothing to call saying this.

Ponting suggested that details of the course of the Argentine cruiser away from the Task Force were not classified and were best revealed in response to the answers, rather than allowing them to emerge as time went by.

Ponting had said in the draft letter that this would prevent misleading impressions from the information available in London that the rules of engagement had been changed.

He also suggested how they could explain that the Belgrano had been attacked when the rules of engagement had not been altered.

It also referred indirectly to the fact that another Navy submarine, *Splendid*, had failed to make contact with the Argentine aircraft carrier, the May 25.

Mr Dalzell has passed the documents to the chairman of the Commons Foreign Affairs Select Committee, Sir Anthony Kershaw, who had returned them to the Ministry.

Ponting for trial over alleged 'breach of confidence'

No security risk in Belgrano leak, says prosecution

Material leaked on the Belgrano affair by a senior Ministry of Defence civil servant, Clive Ponting, was not a breach of national security but did breach the confidence expected of a government employee, Crown counsel claimed yesterday at Bow street magistrates' court.

Mr Ponting, aged 38, an assistant secretary at the Defence Ministry, is accused of leaking two documents on the sinking of the Argentine cruiser General Belgrano to the Labour MP Mr Tam Dalyell.

The MP has been conducting a campaign against the Government over the sinking of the warship by the submarine HMS Conqueror during the Falklands war in 1982.

Mr Roy Amlot, prosecuting, said that Mr Ponting had at first denied responsibility for the leak when questioned by police but later made a statement admitting it.

In the statement Mr Ponting was alleged to have said: "I did it because I believe ministers in this department are not prepared to answer questions from an MP on a matter of legitimate public interest to protect their own political positions."

He also suggested how they could explain that the Belgrano had been attacked when the rules of engagement had not been altered.

It also referred indirectly to the fact that another navy submarine, HMS Splendid, had failed to make contact with the Argentine aircraft carrier, The May 25.

Mr Dalyell has passed the documents to the chairman of the Commons foreign affairs select committee, Sir Anthony Kershaw, who had returned them to the Ministry.

All identifying marks had been removed but the Ministry of Defence police began an inquiry. On August 10, after questioning, Mr Ponting was cautioned.

He allegedly replied: "Good God, you don't suspect me?"

A police chief inspector told him examination of the documents showed they had been copied on the machine in his department. Further examination of punchmarks in the memo showed it had come from a "float file" which was held only by himself and his secretary.

Mr Amlot said that Mr Ponting at first denied leaking the documents to Mr Dalyell, but after consulting his wife Sally, he had made a written statement, admitting sending the documents.

The two charges are brought under Section 2 (1A) of the 1911 Official Secrets Act, and allege he passed information to an unauthorised person in the City of Westminster on or about July 16 this year.

Reporting restrictions were lifted at the beginning of committal proceedings yesterday.

Mr Amlot said the two documents were an internal memo regarding the rules of engagement for the Royal Navy's task force during the war and a draft of a letter drawn up by Mr Ponting for Defence Secretary Mr Michael Heseltine on how he might handle questions on the sinking from Mr Dalvay.

The documents had been posted in Paddington to Mr Dalvay at the House of Commons in an envelope with a type-written address on July 16.

Mr Ponting, who lives in Islington, north London, was then head of Defence Secretariate 5 which was responsible for advising the naval chiefs of staff.

The first document, the memo from an MoD official to Armed Forces Minister Mr John Stanley about the rules of engagement, had been marked confidential.

The second, the draft letter, had no security classification, said Mr Amlot.

In the draft letter, which in the end was never used by Mr Heseltine, Mr Ponting advised the Defence Secretary how he could handle expected questions from Mr Dalyell.

Mr Ponting suggested details of the course of the Argentine cruiser away from the task force were not classified and were best revealed in response to the answers, rather than allowing them to emerge as time went by.

Mr Ponting had said in the draft letter that this would prevent "any misleading impressions from the information available in London that the rules of engagement had been changed."

He was alleged to have said in the statement: "I copied the documents on a machine in my department, and typed the envelopes on a friend's typewriter. I regret my action, and any embarrassment it may have caused to the department."

Mr Ponting was committed for trial at the Old Bailey.

Mr Richard Hastie-Smith, an MoD deputy under-secretary and the official responsible for civilian security, giving evidence for the prosecution, said he spoke to Mr Ponting twice during the investigation into the leak.

He said that on August 10 Mr Ponting had written a letter of resignation from the MoD. But Mr Hastie-Smith denied a suggestion from Mr Jonathan Caplan, defending, that he had told Mr Ponting his resignation would ensure no prosecution.

Mr Caplan suggested that at a second meeting Mr Hastie-Smith had told Mr Ponting: "Ministers are pumping up and down and demanding that the papers be sent to the Director of Public Prosecutions."

Mr Hastie-Smith did not recall saying this.



Mr Richard Hastie-Smith
— two conversations

Ponting sent for trial at Old Bailey

By Richard Norton-Taylor

MR CLIVE Ponting, the senior Ministry of Defence official accused of sending documents to an MP about Government plans to withhold from Parliament information about the sinking of the Belgrano, was committed yesterday for trial at the Old Bailey.

He is charged under Section 2 of the 1911 Official Secrets Act. He was committed at Bow Street magistrates' court, where Mr Roy Amot, QC, for the prosecution, said there was no suggestion that national security was damaged. Reporting restrictions were lifted.

The court heard that on August 10, Mr Ponting told Ministry of Defence police: "Good God, you don't sus-

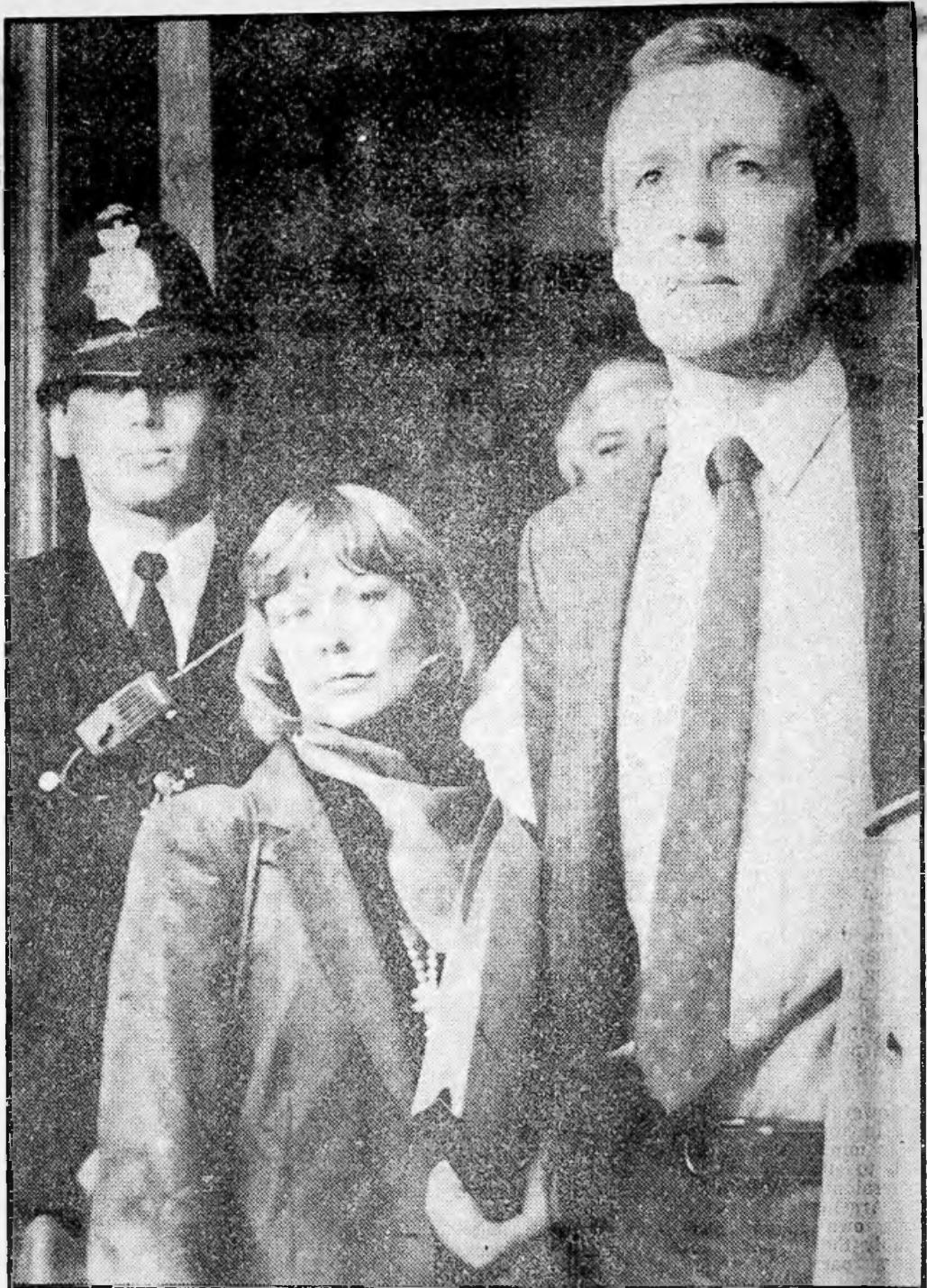
'No security risk,' page 3; letter confirms Pym's doubts, page 2

pect me." Later that day, Mr Ponting made a statement which said: "I am sorry I have breached that trust the department had in me and that I photocopied and sent two copies to Mr Tam Dalyell, MP," the court was told.

"I did this," Mr Ponting allegedly continued, "because I believe ministers in this department are not prepared to answer legitimate questions from an MP about a matter of considerable public concern simply in order to protect their own political position."

Mr Jonathan Caplan, who led for the defence and said he would question later the admissibility of some of the prosecution's evidence and the accuracy of the police evidence, cross-examined Mr Richard Hastie-Smith, responsible for security at the ministry, and Mr Richard Mottram, principal private secretary to the Defence Secretary, Mr Michael Heseltine.

Mr Caplan put to Mr Hastie-Smith that when he saw Mr Ponting on August 10, he began by "telling (Ponting) everyone in the ministry was convinced his was not an Official Secrets case." Mr Hastie-Smith replied: "No, that rings no bell."



Clive Ponting and his wife Sally leave Bow Street magistrates' court after the civil servant was committed for trial.

Picture by Garry Weaser

He agreed that Mr Ponting had handed him a letter of resignation though it was usual practice when a prosecution was being considered for a civil servant to be suspended.

The court also heard that Sir Ewen Broadbent, second permanent secretary at the

Turn to back page, col. 6

GUARDIAN - 10.10.84.

Ponting sent for trial at Old Bailey

Continued from page one
ministry, had a meeting with Mr Heseltine on August 13. Mr Hastic-Smith wrote to Mr Ponting on the following day saying that a prosecution and disciplinary charges were still under consideration. Mr Hastic-Smith said it was wrong to assume that he wrote the letter because of what Sir Ewen had told him.

Mr Ponting is accused of posting on July 16 two pho-

tocated two documents to Mr Dalyell,

Mr Ponting, the court heard, had from last March consistently advised ministers to give fuller information to the Commons about the sinking of the Belgrano and about its course.

There were many meetings to discuss the matter and those who attended included Mr John Stanley, Minister of State for the Armed Forces, and Sir Clive Whitmore, permanent under secretary at

the ministry. There were also discussions with 10 Downing Street.

In April, Mr Ponting asked Mr Mottram why his proposed draft letter to Mr Dalyell was never sent. Asked if he recalled telling Mr Ponting that it was Mr Stanley who said the information should not be released, Mr Mottram told the court: "Mr Stanley's views on that matter are on record whether I told him (Ponting) or not."

Defence Ministry Civil Servant is sent for trial

Belgrano leak 'confession'



The General Belgrano . . . sunk by the Conqueror

WHAT HE TOLD THE MINISTER

By ANDREW McEWEN

TOP Defence Ministry Civil Servant Clive Ponting has confessed that he handed two documents, one of them classified, on the sinking of the Argentine cruiser the General Belgrano to a Labour MP, a court was told yesterday.

Ponting, 38, was committed for trial at the Old Bailey on two charges under the Official Secrets Act of 1911. He was remanded on unconditional bail.

Mr Roy Amlot, prosecuting, alleged that Ponting—head of a division which monitored naval movements—used his position to pass the documents to Labour MP Tam Dalyell, who has been a persistent critic of Mrs Thatcher over the sinking of the cruiser during the Falklands War.

He told Bow Street magistrates that before leaking the documents, Ponting had advised Defence Secretary Michael Heseltine to answer all the MP's questions on the grounds the Government had nothing to hide.'

In his memo, he recommended Mr Heseltine to include details of cruiser's movements

Cause

The most sensitive information to be included was that the cruiser changed course away from The Falklands and headed back towards Argentina, 11 hours before she was sunk and four hours before a Cabinet decision that the submarine HMS Conqueror should be ordered to attack.

But Mr Heseltine did not accept Ponting's advice and sent a reply which gave almost no new information.

Mr Amlot alleged that Ponting,

of Cloudesley Road, Islington, N., then copied two documents and sent them anonymously to Mr Dalyell.

When interviewed by Detective Chief Inspector Glannmor Hughes, of the Ministry of Defence Police, Ponting at first said 'Good God, you don't suspect me'.

Ponting then asked to see his wife Sally, who is also a senior Ministry officer, and is not involved in the allegations. Mr Amlot alleged that he then confessed to 'breaching the trust the department had in me', adding: 'I did this because I believed that Ministers in this department were not prepared to answer legitimate questions from an MP about a matter of considerable public concern, simply in order to protect their own political position.'

Mr Amlot said there was no suggestion that leaking the documents breached national security.

After the case, Ponting's solicitor, Mr Brian Raymond, said: 'I can confirm that he will plead not guilty.'

● MRS THATCHER refused yesterday to disclose the movements of the Conqueror when it sank the Belgrano. Labour MP George Foulkes had asked her to place the submarine's log book in the Commons library but was told the log was 'classified'.



Clive Ponting

The search for peace in the South Atlantic

Cyril Townsend, the first Conservative MP to visit Argentina since the Falklands crisis, argues that we should move towards normalising relations as soon as possible

Over two years ago the guns stopped firing in the South Atlantic. Since then, depressingly little progress has been made in patching up our quarrel with Argentina. It is a most ingenious paradox that the invasion of the Falkland Islands, which was designed to buttress the unpopular and unsuccessfully military regime in Buenos Aires, led to its early and welcome downfall. Today, Argentina is blessed with one of the most liberal Governments in Latin America and a President who had the remarkable courage to speak out against the invasion, as thousands marched through the capital in support of it. Following our visit to the Falkland Islands in 1983, the Select Committee on Foreign Affairs (which had a Conservative majority under the chairmanship of Sir Anthony Kershaw) reported to the House in these words:

"Your Committee do not believe that present policy, however necessary it may be in the short term, offers a stable future for the Islands. Not only are its material and political costs burdensome, but the policy itself is reactive and inflexible and carries with it unfortunate implications for the wider conduct of foreign policy both now and for the future."

The passage of time has made the shortcomings of 'Fortress Falklands' more apparent to the House of Commons, because it risked the danger of delivering the initiative to Argentina.

Starting from a position of great moral and military strength, we now find ourselves very much on the defensive. Sir Anthony Parsons (the Prime Minister's former adviser on foreign affairs) was recently reported as saying:

"I think the international community will be waiting to see how much willingness we are showing to improve the situation. I do not think that means people are necessarily expecting us to make concessions which we would regard as being against our principles and interests. I think that what the international community, which is sympathetic to us, would like to see, would be progress towards normalisation of our relations with Argentina."

His wise words were in the forefront of my mind when I arrived in Buenos Aires on 24th June. I was the Conservative member of an all-party Parliamentary delegation and I was accompanied by George Foulkes MP, and Lord Kennet, a foreign affairs spokesman for the SDP in the Lords. We went under the auspices of the South Atlantic Council, following an invitation from the Argentine

Senate Commission for Inter-Parliamentary Relations.

The aims of the Council are to secure long-term, peaceful solutions to the problems of the South Atlantic, to establish good relations between the British Government and the new democratic government in Argentina, and to safeguard the security and British way of life of the Islanders. I am currently Chairman of the South Atlantic Council which embraces politicians (the majority of whom are Conservative), businessmen, academics, former diplomats and senior churchmen. On two occasions we had talks in the United States, at the University of Maryland, with members of the Argentine Council for International Relations. On the most recent occasion, in April 1984, we had welcomed two Argentine Congressmen to our deliberations; so our discussions in Buenos Aires had been well prepared in advance.

During our meeting in the Argentinian Senate, with the Chairmen of the Senate and the House of Deputies Foreign Relations Committees and some ten of their colleagues, which lasted well over two hours, I put forward for consideration the three clear stages I see ahead. First, we must restore diplomatic and commercial links with Argentina without further delay. That would be in Britain's interest and is Government policy. It would be in the interests of the Falkland Islanders, as it would reduce tension and thus assist the development programme which has been making little headway. It would also be in the interests of President Alfonsin, who seeks to reduce the role of the armed forces, and to continue to scale down his country's defence budget, so as to make more money available for health, welfare and education, and to pay off his country's staggering international debts.

When that stage has been reached, we shall need a new communications agreement between the Falkland Islands and Argentina, as Lord Shackleton made clear in his two admirable economic studies. The Select Committee on Foreign Affairs stated:

"The present situation poses other problems for the population of the Falkland Islands themselves: they are cut off from air links with the South American mainland, deprived of the local educational, health and communications services previously available to them, and dependant for all these, and for the continuation of their normal economic activities, on an expensive, complex and time-consuming lifeline over 8,000 miles of ocean to the United Kingdom."

Finally, although probably not until the

1990s, there will have to be moves towards fruitful negotiations between Britain, the Falkland Islands and Argentina so that permanent solutions to the problems of the region can be found. It was this last suggestion that was to lead to me being described as an "insolent gringo" by one Congressman who had left the meeting early, having remained silent during it.

After a few days of intensive talks with a lengthening procession of politicians from all parties, their advisers, businessmen, trade unionists and those linked with the defence establishment, we sensed deadlock at an official level, although we were encouraged to be told that the channels of communication via the Swiss and Brazilian Embassies were open and in use.

Inevitably we wanted to talk about the immediate steps forward; for our hosts the distant scene was the most popular subject, so we covered both.

On our return to London we suggested to Lady Young, the Foreign Office Minister responsible, that Britain should lift the requirement for Argentinians seeking to visit the United Kingdom to obtain visas. At present Britain operates a far more liberal policy than Argentina and lifting the restriction would cost us nothing (presumably there would be a saving) and it would be seen as a sign of goodwill.

Once again we raised the humanitarian subject of a visit to the war graves in the Falkland Islands by the Argentine bereaved under proper Red Cross control (so it could not be used as a propaganda stunt). The British relatives of the fallen have already visited the Islands. Unfortunately there is evidence that the Argentine Government is making difficulties over such a visit, presumably on the grounds that the relatives should not have to seek permission to visit what is, in their eyes, Argentine territory. We are asking the Churches to try and find a way forward.

A fisheries conservation regime would be in the interests of all concerned. At present the waters around the Falkland Islands are being hopelessly over-fished by factory ships from such countries as Poland and East Germany. The raising of all financial and trade restrictions (especially on books), a major exchange of students and the promotion of a whole range of cultural activities are other obvious steps forward.

A former President of Argentina, whom we called on, put to us an idea he said he had been urging on President Alfonsin. There should be two simultaneous unilateral declarations organised behind the scenes by the Swiss Ambassador but with no strings attached. Argentina would finally declare all hostilities terminated and Britain would at the same moment lift the 150-mile protection zone around the Islands. In themselves these actions are not difficult for the respective governments, for hostilities on land have been officially terminated and hostilities have not taken place in the air or on the sea for over two years. For Britain, little is gained by having a protection zone if there are no hostilities taking place or expected. During his visit to Venezuela, Dr Caputo, their Foreign Minister, said:

"We commit ourselves formally before the international community not to use force

except of a dissuasive or defensive character."

If the political reality in London is that no British Government is going to make a major move over the sovereignty of the Islands in the next four years, the political reality in Buenos Aires is that any Argentine Government that has talks with Britain in the next few years and does not discuss sovereignty is likely to fall, so strong is the popular feeling on the issue. As Lord Kennet wrote on his return in the *Yorkshire Post*:

"There is a collective delusion that the occupation of the Falklands for some ten years before 1833 by the Republic of the River Plate, out of which Argentina was later to grow, establishes that they are 'really' Argentine territory. A century and a half of peaceful and democratic British rule is brushed aside."

The Select Committee on Foreign Affairs in the last Parliament did an admirable and largely unnoticed job of work, listing the large number of suggestions as to how in the long run the dispute with Argentina might be resolved and the future of the Islands secured. These ranged from the idea that the Islands might become independent (nonsense in my view) to the proposal that they be fully integrated in the United Kingdom via a number of international options. To me the search for the ultimate solution is premature,

and one's time is better spent on the immediate steps forward. That being said the possible solutions appear to fascinate many and it is helpful for people in this country and in Argentina to appreciate there are alternatives to the present expensive and disastrous deadlock. During our talks in Buenos Aires most attention centred on United Nations

trusteeship, shared sovereignty (a non-starter for me) and in particular leaseback and the autonomous zone concept.

To that diminishing but vocal minority in our party, who ask why, having won the war, we should ever discuss sovereignty with the losers, I would draw to their attention the editorial in the *Financial Times* on 2nd July following our return:

"...the present policy is enormously costly to the British taxpayer and its longer term aims require increasing justification — especially the drain on the defence budget and its consequent diversion of Britain's military capacity from Nato. The moment is approaching when one should distinguish between the raw aftermath of battle and the longer-term fact that the Islands' future is inextricably linked to Argentine goodwill and to normal relations between the two countries. Sovereignty was discussed for more than a decade before the fighting even when a military junta ran Argentina. To rule out discussion of sovereignty at a future date defies the logic of geography and ignores the economic cost of 'Fortress Falklands', and the political consequences of deadlock with Argentina."

After some eight years of military rule I found Argentine politics were bubbling with both excitement and frustration, excitement that an incompetent and monstrously cruel tyranny had been toppled, frustration that a country so blessed with resources and a well-educated population should be sinking inexorably into international debt. Argentina remains strangely isolated for nobody passes through, and it costs a small fortune to go

there on purpose from, say, New York or Paris. Intellectual life stagnates and myths abound. We had to tell them, over and over again, that we are not importing nuclear weapons into the region and that the Falklands are not, and cannot be, a Nato base.

Our visit to Argentina in June was the first real gesture of reconciliation since the conflict. What was achieved? Dr Caputo praised our visit during a TV interview, and the senior British diplomat left behind in the Swiss Embassy made it known that he had found our visit constructive. We were able to restore relations with the Argentine Congress and explain to them how the dispute was perceived at Westminster. We were able to make contact with a surprisingly large number of opinion-formers in Buenos Aires, the vast majority of whom welcomed our initiative and appreciated the need to improve relations with Britain. Even the small number of nationalist extremists, who demonstrated outside the hotel and pelted me with eggs at our third and final press conference, had their use, for their actions united local pressmen and politicians against them.

Since our visit Britain and Argentina have at last negotiated face to face in Berne. The breakdown in the talks is serious and there is no prospect of a resumption before the issue is debated at the United Nations. The need is for more contacts, better communications and bold confidence-building measures. As the 'Falklands factor' in British politics turns to a minus for the Government the search must be intensified for a just, honourable and lasting peace in the South Atlantic.

The Times 9/10/84

More haste . . .

From Mr Tam Dalyell, MP for Linlithgow (Labour)

Sir, Where did Admiral of the Fleet Lord Lewin (feature, October 2) get his information that the 44-year-old Belgrano was capable of making 30 knots?

Yours etc,
TAM DALYELL
House of Commons.
October 4.

Ponting in court as Thatcher replies to MPs

The following is the partial text of Mrs Margaret Thatcher's letter yesterday replying to Dr David Owen, the Social Democratic Party leader, about the sinking of the Belgrano:

Thank you for your further letter of September 25 about the sinking of the General Belgrano.

As I have explained, ministers took their decision on May 2 to change the rules of engagement in the light of the clear and unequivocal indications of the real and direct threat to the Task Force posed by the Argentine Navy...

It was the case as John Nott [then Minister for Defence] said to the House in May, 1982, and I repeated in December 1982 that "the General Belgrano and a group of British warships could have been within striking distance of each other in a converging from a distance of some 200 nautical miles."

Ministers were aware of the distance between the two groups of ships to the degree of accuracy and probability which was feasible and not see how military operations could be conducted successfully on any other basis.

It was against this background that I have already explained that ministers were not informed at the time of the precise course of the Belgrano when she was sunk. Indeed this information did not come to ministers' attention until the end of November 1982 when all the details were eventually considered to deal with parliamentary questions.

As well as making much of the Belgrano's position, you also refer at length to the question of whether the accompanying destroyers were attacked in any way. The facts are that the original statements by ministers were based upon Conquest's original report that two

Mr Michael Heseltine's private secretary at the Ministry of Defence is to be questioned by lawyers defending Mr Clive Ponting, the official accused of leaking papers on the Belgrano affair, when committal proceedings against Mr Ponting begin today in London.

The legal team representing Mr Ponting, who faces prosecution under section 2 of the Official Secrets Act, have chosen a full committal hearing with reporting restrictions lifted. They have asked for two prosecution witnesses to be called to the hearing at Bow Street Magistrates' Court.

One is Mr Richard Mottram, private secretary to Mr

Heseltine, Secretary of State for Defence, and the second is Mr Richard Hastie-Smith, deputy under-secretary at the Ministry of Defence in charge of civilian staff and security matters involving them.

The committal proceedings before Mr David Hopkin, the Chief Stipendiary Magistrate, are expected to be concluded today, and if Mr Ponting is committed he will face trial at the Central Criminal Court.

His counsel today will be Mr Jonathan Caplin, and Mr Roy Amlot will appear for the prosecution counsel.

Mr Ponting, aged 38, of Islington, north London, a

engagement It covered a change of rules of

of the number of torpedoes seems to have little bearing on the rightness or otherwise of the decisions taken. The attack on the Belgrano occupied three torpedoes. I am aware of reports that the third torpedo hit the destroyer Hipolito Bouchard. All I can say is that the destroyer was on the far side of the Belgrano when the salvo was fired. It is therefore possible that the third torpedo hit her but there is still no conclusive evidence available to us that it happened.

Finally, you suggest that the record should have been corrected

on the eve of the publication of the White Paper on the Falklands Campaign to take account of the knowledge we then had of the exact

course and position of the Belgrano, which is so evident in this argument, it may be that it would have helped to have said something more at that time, consistent with the need to avoid giving information of operational significance.

Law Officers' role

The following is the partial text of the Prime Minister's letter yesterday replying to Mr Belgrano's position, you also refer at length to the question of whether the accompanying destroyers were attacked in any way. The facts are that the original statements by ministers were based upon Conquest's original report that two

changes of course and that three torpedoes had been fired. As I have explained many times, the precise position and course of the Belgrano were irrelevant: we do not have a continuous record of the course Mr Clive Ponting, the civil servant accused of leaking papers on the Belgrano affair.

As regards your other points about the role of the law officers, I made clear to you in my previous letter that the Director of Public Prosecutions first consulted the Solicitor General on August 13, 1984, and briefed him on the facts of this case. I would make the general point that cases involving prosecutions under the Official Secrets Acts are entirely for the Law Officers. That is the constitutional position and it is one which defence ministers scrupulously respected in

the Ponting case as they do in all others concerning their department.

tram, private secretary to Mr Heseltine, Secretary of State for Defence, is accused of passing information to an unauthorized person on or about July 16 in Westminster.

The information at the centre of the case concerns two documents on the Falklands War. One was an internal memorandum about the circumstances of the sinking of the General Belgrano, and the other was a letter drafted by Mr Heseltine.

The letter recommended how the Belgrano should be withheld from the Commons Select Committee on Foreign Affairs. It covered a change of rules of engagement

September 28 in reply to mine of September 19, in which you raise further questions.

As regards Mr Ponting... I can assure you that nothing in your letter causes me to withdraw or amend the account I have given you. Your specific questions could be answered only by publishing the contents of confidential exchanges between officials and ministers, and between the Law Officers and the Director of Public Prosecutions. It would be improper for me to do so

other outside counsel. There is no practice or convention that they should do either in this type of case or in any other. It is only where there is particular difficulty or complexity about evidence or where the law uncertain that the Law Officers or the Director of Public Prosecutions sometimes seek advice from outside counsel. In the Law Officers' view there were no such evidential difficulties or uncertainties here.

You will appreciate that once the Law Officers were satisfied that the evidence was sufficient, the decision whether proceedings would be in the public interest was a matter for their judgment and no one else's. In this context, and given the quite unjustifiable attacks in the media and elsewhere on the role of

Ministry of Defence ministers in this case, I would make the general point that cases involving prosecutions under the Official Secrets Acts are entirely for the Law Officers. That is the constitutional position and it is one which defence ministers scrupulously respected in

sufficient for proceedings, a prosecution under the Official Secrets Act would be in the public interest.

On August 17, the Law Officers received a police report together with the available evidence. The Solicitor General discussed this with the Director of Public Prosecutions and also consulted the Attorney General. The Law Officers satisfied themselves that the evidence before them was sufficient and they then decided that a prosecution would indeed be in the public interest. The papers to be considered were very few by the standards of most criminal cases that come before the Law Officers and the suggestion that the Law Officers did not have time to study them thoroughly before reaching their decision is unfounded.

The Times 9/10/84

Thatcher admits more could have been said on Belgrano

By Richard Evans, Lobby Reporter

Mrs Margaret Thatcher admitted last night that it might have been better if the government had been more forthcoming about the circumstances surrounding the sinking of the General Belgrano when the full facts became known to ministers two years ago.

In a letter to Dr David Owen, the SDP leader, the Prime Minister said she and cabinet colleagues were not told by defence chiefs for six months about the change in course of the Argentine cruiser on the day it was sunk by HMS Conqueror during the Falklands conflict.

Ministers were only told in November 1982 "when all the details were eventually considered to deal with parliamentary questions".

But despite learning about the new information, which contradicted ministerial statements in the House of Commons, no attempt was made by ministers to correct the record

in the White Paper of December 1982 on the Falklands, or later in the Commons.

"With the benefit of the hindsight which is so evident in this argument, it may be that it would have helped to have said something more at that time, consistent with the need to avoid giving information of operational significance," Mrs Thatcher said.

Last month she confirmed in a letter to a Labour MP that the Ministry of Defence knew that the Belgrano had reversed course away from the Task Force on May 2, 1982.

Last night Dr Owen and Mr Tam Dalyell, Labour MP for Linlithgow, demanded to know why the Prime Minister and ministerial colleagues had deliberately misled the House of Commons and why Mrs Thatcher had misled the public on television during the general election.

Referring to a "complex

cover-up" at the MoD, Dr Owen said: "All this could easily be put right if only the Prime Minister would admit to error."

Mr Dalyell, the persistent critic of the Belgrano sinking, said: "The truth has had to be dragged out of her."

● Mrs Thatcher last night denied that defence ministers had been involved in the decision to prosecute Mr Clive Ponting, the senior MoD civil servant charged with the unauthorized disclosure of documents on the Belgrano sinking.

With committal proceedings against Mr Ponting due to start today, Mrs Thatcher, in a letter to Mr Neil Kinnock, the Labour Party leader, criticized "the quite unjustifiable attacks in the media and elsewhere on the role of the Ministry of Defence ministers in this case".

Thatcher letters, page 2

THATCHER'S LETTER TO OWEN ON SINKING OF THE BELGRANO

The Prime Minister's letter to Dr Owen reads:

THANK YOU for your further letter of Sept. 25 about the sinking of the General Belgrano.

The approach that underlies your letter seems to take no account of the circumstances and pressures under which Ministers and their senior advisers have to work when involved in an extremely hazardous military campaign conducted at a very great distance from the United Kingdom.

The overriding responsibility of Ministers during the Falklands conflict was to address the strategy both diplomatic and military, which would meet the wishes of Parliament in relation to the recovery of the Falkland Islands with the minimum risk to those serving in the Task Force.

Ministers could not discharge this responsibility on the basis of minute by minute involvement in events happening 8,000 miles away.

Nor, as events unfolded in early May with the Task Force under great threat, could Ministers devote their time solely to establishing in detail the circumstances surrounding individual operations which had already taken place: their principal concern had to be to look ahead and to seek to anticipate events.

John Nott's statement on May 4 and my own comments at the time must be seen in this context.

You seem to imply that between the evening of May 2 and May 4 the Defence Secretary's sole concern would have been to establish the precise facts about events concerning the Belgrano on the afternoon of May 2.

In fact he had many other concerns and his statement that day covered a number of events since May 1 of which the sinking of the Belgrano was but one element.

As I have explained, Ministers took their decision on May 2 to change the Rules of Engagement in the light of the clear and unequivocal indications of the real and direct threat to the Task Force posed by the Argentine Navy.

They were aware of the general disposition of our own forces and of our assessment of the probable movements of the Argentine Navy.

Even where the position of an Argentine unit was known, as in the case of the Belgrano, this information could be updated only at intervals and between such reports the units concerned could move substantial distances in any direction.

It was the case, as John Nott said to the House in May 1982

and I repeated in December 1982, that "the General Belgrano and a group of British warships could have been within striking distance of each other in a matter of some five to six hours, converging from a distance of some 200 nautical miles."

Conqueror's report of the Belgrano's reversal of course and of her position at 3 p.m. on May 2 does not invalidate this since the Belgrano could have changed course again and closed on elements of the task Force.

Ministers were aware of the distance between the two groups of ships to the degree of accuracy and probability which was feasible and sufficient in the circumstances.

I do not see how military operations could be conducted successfully on any other basis.

If Ministers had sought to monitor every development in the tactical disposition of forces on both sides and tried to control every engagement in detail from London the results would, I believe, have been disastrous.

It was against this background that I have already explained that Ministers were not informed at the time of the precise course of the Belgrano when she was sunk.

Indeed this information did not come to Ministers' attention until the end of November 1982 when all the details were eventually considered to deal with Parliamentary Questions.

As well as making much of the Belgrano's position, you also refer at length to the question of whether the accompanying destroyers were attacked in any way.

The facts are that the original statements by Ministers were based upon Conqueror's original report that two torpedoes had hit the cruiser.

It subsequently emerged that Conqueror had fired one salvo consisting of three torpedoes.

I am aware of reports that the third torpedo hit the destroyer Hipolito Bouchard.

All I can say is that the destroyer was on the far side of the Belgrano when the salvo was fired.

It is therefore possible that the third torpedo hit her but there is still no conclusive evidence available to us that it happened.

There is therefore no need to correct my statement of May 4 since it is a statement of fact that the Conqueror did not attack the destroyer.

Finally you suggest that the record should have been corrected on the eve of the publication of the White Paper on the Falklands Campaign to take account of the knowledge we then had of the exact course

and position of the Belgrano, that there had not been "constant" changes of course and that three torpedoes had been fired.

As I have explained many times, the precise position and course of the Belgrano were irrelevant: we do not have a continuous record of the course which the Belgrano followed but certainly she made many changes of course during May 2 which is all we have ever claimed; and the question of the number of torpedoes seems to have little bearing on the rightness or otherwise of the decisions taken.

The attack on the Belgrano occupied one paragraph in a "White Paper on 'The Falklands Campaign: The Lessons'" and at the time of its publication Ministers and Parliament were more concerned, and rightly so, with the continuing defence of the Falkland Islands and the lessons to be learnt from the campaign.

With the benefit of the hindsight which is so evident in this argument, it may be that it would have helped to have said something more at that time, consistent with the need to avoid giving information of operational significance.

I have to say, however, that the events of recent months suggest that the proceeds of disclosure will never satisfy those determined to misinterpret the Government's actions at the time, but it might lead into areas which could risk irreparable damage to national security.

This has been and will remain a crucial consideration for this Government.

REPLY SENT TO LABOUR LEADER

The Prime Minister, in her letter to Mr Kinnock, writes:

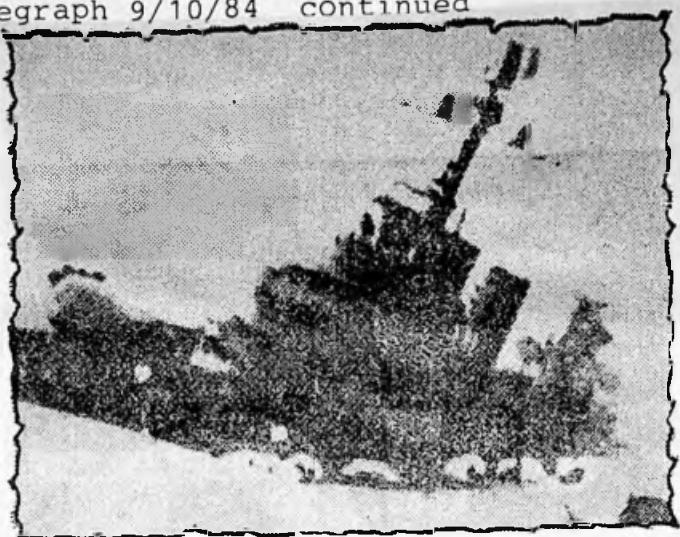
THANK you for your letter of Sept. 28 in reply to mine of Sept 19, in which you raise further questions about the sinking of the General Belgrano, and the prosecution of Mr Ponting.

On the basis of all the information available, the General Belgrano threatened the safety of our forces and the decision to attack the ship was necessary.

I am glad that you accept that information relevant to military dispositions and intelligence should not be made public.

In my letter of September 19 to Mr George Foulkes I gave a detailed account of the events leading up to the decision to sink the General Belgrano, within these security constraints.

I do not accept that, apart



The Argentine cruiser General Belgrano listing on May 2, 1982, after being torpedoed by the submarine Conqueror.

from this consideration, there has been a refusal to deal with doubts raised about the Government's conduct.

As regards Mr Ponting, you say that the contents of my letter conflict with information you have received from other sources.

Since you do not reveal what those sources are I cannot comment on them but I can assure you that nothing in your letter causes me to withdraw or amend the account I have given you.

Your specific questions could be answered only by publishing the contents of confidential exchanges between officials and Ministers, and between the Law Officers and the Director of Public Prosecutions.

It would be improper for me to do so and your questions are anyway irrelevant to the question of the propriety of the actions of Defence Ministers or the Law Officers.

As regards your other points about the role of the Law Officers, I made clear to you in my previous letter that the Director of Public Prosecutions first consulted the Solicitor General on Aug. 13, 1984 and briefed him on the facts of the case.

There was more than adequate time between Aug 13 and Aug. 17 for the Solicitor General to weigh up the question of whether, if the evidence proved sufficient for proceedings, a prosecution under the Official Secrets Act would be in the public interest.

On Aug. 17 the Law Officers received a police report together with the available evidence.

The Solicitor General discussed this with the Director of Public Prosecutions and also consulted the Attorney General.

The Law Officers satisfied themselves that the evidence before them was sufficient and they then decided that a prosecution would indeed be in the public interest.

The papers to be considered were very few by the standards of most criminal cases that come before the Law Officers and the suggestion that the Law Officers did not have time to study them thoroughly be-

fore reaching their decision is unfounded.

It was unnecessary for them to consult Treasury Counsel or any other outside counsel.

There is no practice or convention that they should do either in this type of case or in any other.

It is only where there is particular difficulty or complexity about evidence or where the law is uncertain that the Law Officers or the Director of Public Prosecutions sometimes seek advice from outside Counsel.

In the Law Officers' view there were no such evidential difficulties or uncertainties here.

You will appreciate that once the Law Officers were satisfied that the evidence was sufficient, the decision whether proceedings would be in the public interest was a matter for their judgement and no one else's.

In this context, and given the quite unjustifiable attacks in the media and elsewhere on the role of Ministry of Defence Ministers in this case, I would make the general point that cases involving prosecutions under the Official Secrets Acts are entirely for the Law Officers.

That is the constitutional position and it is one which Defence Ministers scrupulously respected in the Ponting case as they do in all others concerning their department.

Mr Ponting's case is sub judice and the committal proceedings are now imminent.

You will therefore not expect me to go beyond what I have already said about it: it would be wrong for me to do so.

As for the matters raised in the last paragraph of your letter, the information which you asked for is always treated as confidential under every administration.

Daily Telegraph 9/10/84

BELGRANO REPLY BY THATCHER

By GRAHAM PATERSON

MRS THATCHER said yesterday that Ministers in the War Cabinet did not learn of the exact course of the Belgrano, the doomed Argentine cruiser, until six months after it was sunk.

And she added that Ministers could not possibly have been kept in "minute-to-minute" contact with events happening 8,000 miles away during the Falklands' war because of the burden of all their other responsibilities.

She was replying to a letter from Dr Owen, the SDP leader, who had expressed surprise that Ministers were not aware of the course and position of the Belgrano, which sank with a loss of more than 300 lives after being torpedoed by the British submarine Conqueror.

Frank account

In a remarkably frank account of how much detail Ministers were given of the operational side of the war at the time, Mrs Thatcher said that if Ministers had tried to monitor every detail the results could have been "disastrous for the Task Force."

She admitted that "with the benefit of hindsight" after hostilities had ended "it may be that it would have helped to have said something more."

Text of letters—P12

PM reveals Belgrano time lapses

By Martin Linton

The Prime Minister disclosed last night that she had not been told that the General Belgrano was attacked while sailing towards her home port until more than six months after the Argentine warship was sunk.

She had already explained that ministers were not informed of the precise course of the Belgrano on May 2 1982, when the order to fire was given.

But in a letter to the Social Democrats' leader, Dr David Owen, Mrs Thatcher said that this information did not come to ministers' attention until and then only as a result of the end of November 1982,

and then only as a result of nautical miles." details prepared to deal with parliamentary questions.

The significance of the date lies not just in the length of time after the attack, but also in the fact that Mrs Thatcher was informed before publication of the Government's White Paper on the Falklands campaign, and before her statement to the Commons in December 1982.

In this statement, which she quoted in her letter, she defended the sinking on the grounds that "the General Belgrano and a group of British warships could have been within striking distance of each other in a matter of some five to six hours, converging from a distance of some 200

In separate letters which she sent last night Mrs Thatcher said that the fact that Belgrano had reversed course did not invalidate this, "since the Belgrano could have changed course again, and closed on elements of the task force."

She did, however, allow a note of self-criticism to creep in over the fact that the attack on the Belgrano occupied only one paragraph in the White Paper published that month.

"With the benefit of hindsight, which is so evident in this argument, it may be that it would have helped to have said something more at the time consistent with the need to avoid giving information of

operational significance," the Prime Minister said.

But she stuck to her insistence that the precise position and course of the Belgrano were "irrelevant," and added: "If ministers had sought to monitor every development in the tactical disposition of forces on both sides and tried to control every engagement in detail from London, the results would have been disastrous."

In a response to the letter Dr Owen said that since it was now clear that all these facts were known in November 1982, it was impossible to justify not telling the country the true facts in the White Paper of December 1982.

He accused the Prime Minister of

Turn to back page, col. 4

Thatcher reveals Belgrano time lapses

Continued from page one

ter of allowing the Ministry of Defence, from the Permanent Secretary downwards, to be involved in a complex cover-up of the true facts to MPs and to the House of Commons Select Committee, and of deliberately misleading Mrs Diana Gould and the country at large in her answer in the election call TV programme during the 1983 election campaign.

"All this could easily be put right if only the Prime Minister would admit to error and correct the Parliamentary record in the proper way in an oral statement to the House of Commons" he said.

Mrs Gould had asked the Prime Minister why it was necessary to sink the Belgrano, on the programme and had been told by the Prime Minister that the warship was heading towards the British task force.

Mr Tam Dalyell the Labour MP for Linlithgow, said last night: "Just supposing Mrs Thatcher did not know of the Belgrano's change of direction until November 1982, then why, in heaven's name, did she continue lying for another 23 months of incessant questioning?"

Why Clive Ponting should not be in the dock

Sir.—Our organisations have three main reasons for joining the First Division Association of Civil Servants in supporting a Clive Ponting Defence Fund—and they are not related to whether Mr Ponting is technically guilty of the "crime" of unauthorised disclosure, or to the issue of when, if ever, a civil servant is entitled to place his or her own conscience before the traditions of departmental confidentiality.

We resent the continuation of criminal prosecutions with the threat of prison sentences under Section 2 of the Official Secrets Act for the unauthorised disclosure of information that does not adversely affect national security. Even before the Frank Committee in 1972 described Section 2 as "a mess" and recommended its repeal, it had been a discredited piece of legislation.

It is particularly cynical of present ministers to support

its use. The Attorney-General, who made the decision to prosecute Mr Ponting, said on June 15, 1978: "We accept that Section 2 of the Act is outdated and far too widely drawn." The Home Secretary stated in the same Commons debate: "Section II is simply indefensible. Yet it is still there. Why is that? It is there in spite of the Government's assurances, because it has not had the courage to fight and overcome the strenuous rear-guard action mounted in the more obscurantist corners of Whitehall."

It is obvious that unless national security is involved, the unauthorised disclosure of information that does not adversely affect national security. Even before the Frank Committee in 1972 described Section 2 as "a mess" and recommended its repeal, it had been a discredited piece of legislation.

It is particularly cynical of present ministers to support

is difficult to see how the public interest is served by prosecuting Mr Ponting.

The disclosure of information did not endanger any individual or the nation's security. It did, of course, embarrass the Prime Minister, but it has never before been

public policy that this endangers the "public interest."

We are concerned about

the way the decision to pros-

ecute was taken. The Attorney-General also said in 1978, when commenting on whether a minister should be responsible for decisions on

security classification, that it

"would smack too much of

the minister being judge and

jury in his own cause. When

any prosecution is brought

for the disclosure of informa-

tion, the question of whether

the information was correctly

classified at the date of dis-

closure should be considered

not by the minister responsi-

bile but by an independent

committee."

The same point is surely

valid when it comes to prosecutions such as that of Mr Ponting. It is clearly inappropriate for the Attorney-General to continue to be

empowered to consent to a prosecution under Section 2.

He cannot be seen to be exercising a dispassionate "law

officer" function.

We do not accept that

criminal sanctions for the

unauthorised disclosure of

any information are based on

a national consensus—either

about the extent that secrecy

in a democracy is desirable,

or the responsibility of civil

servants torn between the traditions of loyalty to minis- ters and their own

fence Fund, there is clearly no political consensus and, we believe, no public consensus either.

The fact is that repressive measures to impose secrecy do not work; indeed, they have led to more leaks than ever before.

It is not too late for the Attorney-General to withdraw

the prosecution. This should be followed by the replacement of the Official Secrets

Act with freedom of informa-

tion legislation incorporating

exemptions to cover informa-

tion that should still be secret.

Such an approach is more

like that adopted in most other advanced countries, and more consistent with our claims to be a democracy.—

Yours faithfully,
Larry Gostin.
National Council for Civil Liberties.

Des Wilson.
Campaign for Freedom of

Information.

Daily Mail

9.10.84

Six-month gap over Belgrano, by Maggie

By ALAN YOUNG

MRS THATCHER admitted yesterday, 'with benefit of hindsight', that the Government should have given more information sooner about the sinking of the Belgrano.

It was November 1982 before Ministers knew that the Argentine cruiser was heading towards home when it was sunk, six months earlier, by the submarine Conqueror with the loss of 368 lives.

But Mrs Thatcher agreed that more might have been said about the sinking in the Falklands White Paper that December, which devoted only one paragraph to the subject.

She told SDP leader Dr David Owen who has accused her of misleading the Commons: 'With the benefit of hindsight, it may be that it would have helped to have said something more, consistent with the need to avoid giving

information of operational significance.'

'I have to say, however that the events of recent months suggest that the process of disclosure will never satisfy those determined to misrepresent the Government's actions, but it might lead into areas which could risk irreparable damage to national security.'

And she maintained: 'If Ministers had sought to monitor every development in the tactical disposition of forces on both sides and tried to control every engagement in detail from London, the results would, I believe, have been disastrous.'

Dr Owen immediately repeated his demand for a Commons statement.

Labour MP Tam Dalyell, who began the campaign against Mrs Thatcher over the Belgrano, said: 'She has admitted that the Government has been misleading Parliament, Press and people.'

The Guardian 8/10/84

Labour demands full Belgrano inquiry

By Julia Langdon,
Political Correspondent

The Labour Party conference yesterday stepped up the pressure on the Government over the sinking of the Argentine cruiser, Belgrano, by demanding a full judicial tribunal of inquiry into the circumstances surrounding its destruction.

The unanimous decision was taken at Blackpool with the full endorsement of the Labour executive and after the party's deputy leader, Mr Roy Hattersley, had accused the Prime Minister of deceiving the House of Commons and the British people.

The motion carried required the next Labour government to enter immediate negotiations with Argentina over the Falkland Islands. Any solution should not commit Britain, the resolution said, to "a cripplingly expensive and morally indefensible colonial role."

Delegates gave a hero's wel-

come to the Labour MP for Linlithgow, Mr Tam Dalyell, who has been in the forefront of the campaign for an inquiry.

Mr Hattersley said that the sinking of the ship itself justified an inquiry but that the subsequent revelations of Mrs Thatcher's "web of deceit" made such a move essential.

He specifically endorsed Mr Dalyell's proposal that the necessary forms of inquiry should be under the 1921 Tribunals of Inquiry Act—the formula used for the massive investigation into the operation of the Crown Agents.

Mr Hattersley said the Government tried to justify the £600 million expenditure this year in the Falklands by the debt owed to troops. "Decent people resent the political exploitation of their sacrifice," he said.

Conference reports, page 4;
Kinnock uneasy and Sketch,
back page.

Ridley's 'ideal' compromise safeguards flotation plan

Air route deal is victory for BA

By Michael Smith,
Industrial Editor

States and Casablanca in
Morocco.

British Airways and British Caledonian are to exchange a package of international air routes to settle the long-running controversy over the future of the UK airline industry.

The compromise package, agreed after a series of meetings early yesterday morning, offers little of the Government's promised greater competition among airlines, and will infuriate private operators who have been pressing for a radical shake-up.

It will also annoy some backbench Tory MPs, who are likely to question the failure of the Transport Secretary, Nicholas Ridley, to reduce BA's monopoly of the industry at the Tory Party conference in Brighton next week.

The formula unveiled in a white paper yesterday by Mr Ridley keeps BA's huge route network largely intact, and therefore safeguards next February's £1 billion privatisation of the state-owned airline.

The compromise is a crushing victory for BA's chairman, Lord King, in his battle with BCal's chairman, Sir Adam Thomson. It is also a bitter blow to the Civil Aviation Authority, the industry's regulatory body, which had urged greater competition and the transfer of some BA routes to BCal.

The key element in the plan is for BA to give BCal its lucrative air routes to Jeddah and Dhahran in Saudi Arabia, which should increase BCal's profits by £18 million a year. In return, BCal is surrendering all its services to South America and its unused licences to fly to Denver in the United

British Airways has also been awarded a potentially profitable contract to operate twice-weekly scheduled services between London and the Falklands Islands when the new airport is finished next spring.

BA is also prepared to offer private airlines—other than BCal—up to £450,000 in grants over three years to help develop services from Manchester, Birmingham, Newcastle, Glasgow, Edinburgh, and Aberdeen.

In support, the Government is planning to liberalise licensing procedures and has called in the Office of Fair Trading to back up the CAA in ensuring that there are no predatory fare wars.

Mr Ridley admitted last night that the net effect of the proposals was to reduce BA's share of the market only from 62 to 60 per cent, while BCal's stake will go up by the same margin to 14 per cent. However, he insisted that the package was the ideal solution."

British Airways said the effect on the airline's profits would be insignificant, cutting around £4 million off the expected £300 million profit for the current year.

BCal's chairman, Sir Adam Thomson accepted that the formula represented a way of boosting his airline, but said it was nevertheless a Government compromise.

"I think they have lost an historic opportunity to restructure the industry to the benefit of the airlines, the airports and the consumer," he said. The Civil Aviation Authority said it was "naturally disappointed" that the Government had rejected its proposals

The Times 8/10/84

Falklands ours before 1989, says Argentine

Buenos Aires (AFP) - Argentina will regain control of the Falkland Islands from Britain "before 1989", Señor Rau Galvan, Under-Secretary for the Interior, said yesterday.

He said that regaining the Falklands was the next aim of the Government after the settlement of the territorial dispute with Chile over islands in the Beagle Channel.

Señor Galvan was "announcing to the world" that it would regain the Falklands before the end of President Alfonsin's term in 1989.

THE GROMYKO VISIT

What It Accomplished

What It Accomplished

Newsweek

October 8, 1984

THE INTERNATIONAL NEWSMAGAZINE

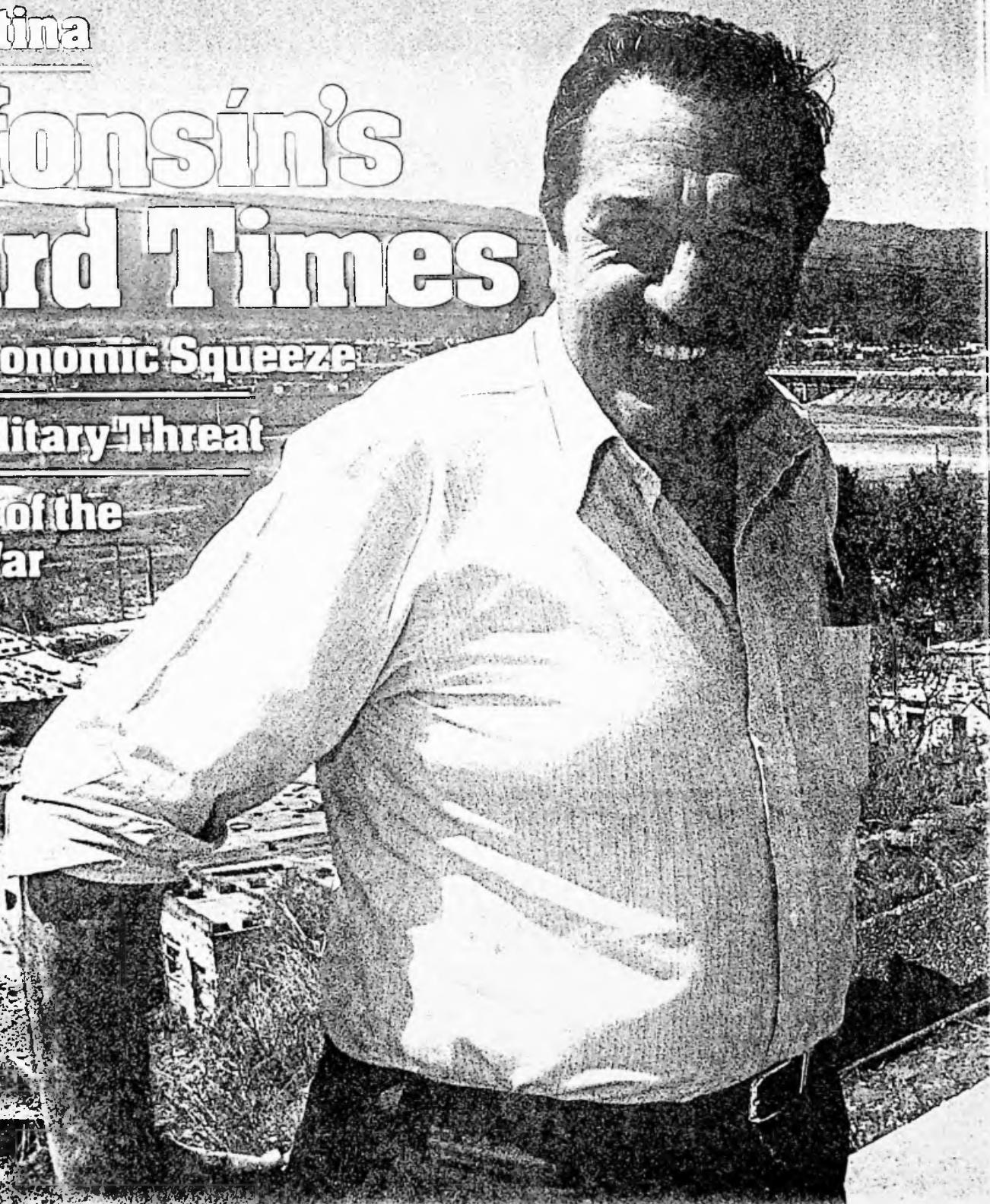
Argentina

Alfonso's Hard Times

The Economic Squeeze

The Military Threat

Ghosts of the Dirty War



7. Dard	10.00 Mk
Arabs	12.00 F.
All. Library	4.30 DM
Cambodia	80 p
Caribbean	140 Drs
Denmark	40.00 Kr.
East Germany	1.00 E.
Egypt	380 L
Finland	2200 L
Germany	70 LF
Guernsey	4.25 FI
Hebrides	11.00 £
Norway	11.00 kr.
Portugal	175 Esc
S. Africa	17.00 rand
Spain	200 pesetas
Sweden	100 kr.
Switzerland	12.00 Fr.
United Kingdom	1.00 £
U.S.A.	1.00 \$

Raul Alfonsin's Time of Trial

To pull through the crisis, the Argentine president will depend on his deft touch—and popular support.

It is a time of reckoning for President Raúl Alfonsín. About \$25 billion of Argentina's \$45 billion foreign debt is falling due. Inflation is running at the hyperactive annual rate of more than 700 percent. And Argentines are clamoring for justice after seven years of repression by the previous military regimes. Last week Alfonsín was trying to grapple with all the troubles at once. He was visiting the United States and wrapping up a politically risky accord with the International Monetary Fund when the news reached him from Buenos Aires: a military tribunal that he had appointed announced that it was absolving top military officers of primary responsibility for human-rights abuses during the "dirty war" of the 1970s. The rush of developments seemed bound to

cy. And despite the worsening economic news, labor unrest and mounting anger over the issue of military abuses, Alfonsín himself remains almost jovially optimistic about the future of the country. Democracy in Argentina, he told a group of NEWSWEEK editors last week, is "very firmly established for at least the next 200 years."

His confidence is based on his assessment of the sentiments of most Argentines about the contrast between dictatorship and democracy. From 1976 until 1981, a succession of military juntas countered the threat of left-wing guerrillas with their own brand of right-wing terror. Thousands were tortured, and at least 9,000—*los desaparecidos*—presumably murdered. The legacy of the dirty war, says Economy Minister Bernardo Grinspun, is that most Argentines now believe that even an impoverished democracy is better than a repressive military regime. "Argentina lived without peace, without liberty and with repression and persecution," he said. "It would be difficult for things to get any worse than that. It is better to have economic difficulties than to have... prosperity without liberty."

Wages: That proposition is about to be tested. Alfonsín's agreement with the IMF requires that he clamp severe austerity measures on Argentina, including cuts in public spending, higher taxes and a hefty currency devaluation. The touchiest part of the accord has to do with wages. Alfonsín has repeatedly promised workers that their wages would rise in real terms at a rate of 6 to 8 percent a year, and he maintains that the IMF agreement concedes this point. Actually, the memo of understanding is vague on the subject. Alfonsín's hope, apparently, is that he will be able to trim inflation sufficiently so that he can argue that wages are worth more even if they seem to be steadily dropping in numerical terms.

In any case, the austerity package will not go down easily, not least because Alfonsín



Demonstrating en masse in Buenos Aires to

himself led Latin America's battle against the IMF for months, criticizing its plans as "recessionary." But threatened with a loss of future credits, Alfonsín had little choice but to agree to measures he had resisted. When word of the accord reached Argentina, the powerful Peronist opposition launched its attack. "Today in the north," said Peronist Deputy Rubén Cardozo, "they have signed the death certificate for our economic recovery."

Many foreign bankers and American officials think just the opposite—that the IMF plan could revive Argentina. They breathed a collective sigh of relief last week after the agreement was finally reached. Alfonsín had earned a reputation as the most recalcitrant of the Latin debtors. He had even gone so far as to organize meetings of debtor nations to discuss the idea of joining forces to bargain for more lenient terms from the



Alfonsín with Reagan: Drawing on a reserve of good will

shake Argentina's fragile young democracy just as it was beginning to take root.

To pull through the crisis, Alfonsín will have to draw on the considerable reserve of good will that Argentines have set aside for him. It was nearly a year ago that the military—disgraced in the Falklands war with Britain and despised for its repression—stepped down and permitted the first election in a decade. Alfonsín swept into office in an unexpected landslide. Ever since, he has been immensely popular at home and abroad, a beacon to those who hold that an autocracy can transform itself to a democra-



Protest a bill to reorganize trade unions: A combustible mix of labor unrest, austerity and anger over the abuses of the military

creditors. But the feared "debtors' cartel" never materialized. Just last month, two other major Latin debtors, Mexico and Venezuela, hammered out individual deals with the creditors. Some bankers now see the agreement with Alfonsín as a watershed: if not the end, then the beginning of the end of the Latin debt crisis.

Boost: In anticipation of the accord, Washington went out of its way to reward Alfonsín. U.S. Treasury Secretary Donald Regan met with him and said Washington was willing to propose an IMF-World Bank meeting on Third World debt next April—a conference that the Argentine leader has been pushing for. Alfonsín got another boost early last week when he met with President Reagan, who expressed strong support for Argentina's fledgling democracy.

The IMF accord is now supposed to pave the way for the 320 banks with loans out-

standing to Argentina to craft a follow-up rescheduling plan. In a series of gatherings in New York, first at Henry Kissinger's home and later at the Waldorf-Astoria Hotel, Alfonsín met with representatives of the creditor banks and hammered out a quick agreement to pay some \$200 million in interest on loans that had already fallen due. But some bankers still seemed jittery about future negotiations over much larger Argentine debts. "The Argentine government has kicked the banks around so extensively," said one U.S. Treasury official, "that there are a lot of nervous bankers around the world who simply want out."

As the debate on the IMF accord heats up in Argentina, Alfonsín will be particularly vulnerable to the charge that his months of negotiating were, in fact, a waste of time. Some of his opponents argue that if Alfonsín had accepted the IMF plan at the outset,

inflation could have been slowed by now. "What is clear is that, despite the rhetoric and the delay, better conditions have not been obtained," said Alvaro Alsogaray, leader of the right-wing Union of the Democratic Center Party.

Illusion: That point may be debatable, but the sad reality is that Argentina is far poorer than it ought to be, given its abundance of grain, cattle, minerals and other resources. In the early 1900s it was regarded as one of the world's fastest-developing nations, often compared to Australia and Canada. But the eclectic blend of trade-union populism and fascism invented by the charismatic强人 Juan Perón eventually led to chronic political and economic instability. More recently, military governments artificially inflated the value of the peso, fostering the illusion of wealth while the economy founded. In a speech last week, Interior Minis-

LATIN AMERICA

ter Antonio Tróccoli tried to prepare businessmen for the hardships ahead. "Refinancing will eat up 50 percent of our export earnings," he warned. "People must realize that Argentina is a much poorer country than it was 10 years ago."

The biggest potential threat to social peace could turn out to be the Peronist labor unions. Last June some 2 million workers in government and in almost every major economic sector launched strikes, slowdowns and other job actions. The unrest was in part over Alfonsín's moves toward acceptance of the IMF accord. Eventually Alfonsín managed to calm the workers, partly by promises to protect their wage increases and partly by cultivating ties with some of the more moderate or pliable leaders.

Despite the current truce, if austerity and labor trouble combine with the combustible issue of the human-rights abuses, the mix could prove to be dangerous. Until recently, Alfonsín seemed to have the fallout from the dirty war under control. He handled the problem with deftness and caution. Just three days after he was inaugurated, the president ordered courts-martial for nine ex-junta members whose policies he said were responsible for the torture and death of so many Argentines. It looked like a savvy move: it focused national attention on a few top brass, without threatening more than 1,000 other high- and low-level officers who could, if cornered, still cause a great deal of trouble for the country. And by turning over the cases to the military courts, he gave the armed forces an opportunity to clean their own house and regain national respect.

A Searing Inquest: At the same time, Alfonsín appointed a nonmilitary National Commission on the Disappearance of Persons—headed by the acclaimed novelist Ernesto Sábato—to investigate the years of the dirty war. The commission's 50,000-page report, which Sábato presented to Alfonsín two weeks ago, asserted that at least 1,080 government security officers were involved in the systematic murder and torture of civilians. In ghastly detail, it told of atrocities and secret prisons, of tortures "unknown in other parts of the world" and of "ethical principles . . . trampled and barbarously ignored." It was a searing inquest that reflected the country's pent-up rage and chronicled a prolonged horror that was, the document said, "the greatest, most savage tragedy of our history."

The Sábato report ignited emotions only days before the military tribunal came out with its own limp findings. In an official statement, the tribunal concluded that the former military members of three juntas that led the country since 1976 did not themselves violate the law when they issued orders for the repression of the opposition. At worst, said the tribunal, they could be held indirectly responsible for their failure to stop or punish illegal acts of those under their command. The military judges added

their opinion that evidence taken from victims, their relatives and human-rights activists would be suspect, since those people were perceived as "potential national security risks."

Reliable military sources say, however, that the members of the tribunal may have issued such a weak statement in part because they feared for their own safety. In recent weeks the judges have become the targets of anonymous death threats. Some have received letters containing four feathers—a traditional Argentine military insult that brands the recipient as a coward. The threats, and four recent bombings in the provincial capital of Mendoza, are said by official and diplomatic sources to be the work of rightist groups both within and outside the military. The backlash is organized, said James Neilson, editor of the Buenos Aires Herald, by "men who are experts



Mother of one of the missing: A 'dirty war'

in the area, who are not inhibited by scruples or respect for life and have all the technical means they need."

Some officials worry about what will happen if Alfonsín does turn the cases over to the civil courts. Such a move is bound to heighten tensions between the military and the civilian government. "If the civilians keep pushing, things will get much worse," said one top-ranking retired officer. "And they ought not to count on the police to step in to help." Alfonsín brushes aside such dire predictions. "I am the commander in chief," he told NEWSWEEK, "so I think everything should work out really well."

There are also groups in Argentina who say that Alfonsín should move with even greater boldness against many more officers. The most persistent calls for strong action come from a small and dedicated group of relatives of los desaparecidos. Many are mothers of victims; they have been marching in the Plaza de Mayo ever since the days of the generals, and they are

For Us, Debt

Since he took office 10 months ago, President Raúl Alfonsín has been wrestling with Argentina's massive foreign debt and the political fallout from the military's "dirty war." In New York last week, he spoke with a group of NEWSWEEK editors. Excerpts:

NEWSWEEK: What is your view of Argentina's agreement with the IMF?

ALFONSÍN: You must understand the difficulties we've had . . . with the IMF. We felt that the measures that were originally requested of us were strongly recessionary. Our country had already gone through an adjustment that was very stringent. Applying stricter policies would have destroyed our production capacity. We were of course persuaded of the need to apply austerity; but austerity without recession. This, I think, is what we have been able to achieve in our new agreement with the IMF.

Q. Are you concerned that the plan might imperil Argentina's stability?

A. There is always the possibility of social conflict if one applies policies that are completely unpopular. But we believe that that will not happen—first because we are not going to apply those kinds of policies and also because we believe that the Argentine people are coming to understand the difficulties . . . and are willing to make more of an effort to help us solve those problems. We want to end forever this idea that authoritarian governments are a guarantee for security because they suppress social tensions. The only guarantee [for democracy] is the participation of the people.

Q. Mexico and Venezuela have both reached agreements with their lenders, and there seems to be a sense of optimism about the debt crisis. But the dollar is rising, interest rates are likely to increase and trade protectionism is growing. Is this a false sense of optimism?

A. I wouldn't say it's false optimism. What you have here are two different ways of looking at the same situation. When [the banks] reach an agreement, they have to feel more optimistic about it. But for us debt is poverty, stagnation, lack of investment.

Q. Do you think the IMF process is basically fair?

A. In the final analysis, yes.

Q. But do you believe the international financial system can be better organized to alleviate some of these problems?

A. In the case of Latin America, what we are suffering right now is a discrimination

Is Poverty'

in foreign trade. The terms of trade work against developing countries. We have a problem in finding markets for our products in the north. That is what we have wanted to discuss with the north: the possibility of forming a new international economic order . . . so we won't have to pay more each time for what we buy and receive less each time for what we sell.

Q. What has your strategy been for dealing with military abuses during the "dirty war"?

A. More than strategies I would rather talk about an ethic. We are convinced that in order to build our country we cannot go back with a sense of revenge. But



Slums: Argentina is a country 'much poorer than it was 10 years ago'

neither can we build a democracy without ethical standards. And that would have been the case if we had acted as if nothing had happened in Argentina. We will be working within the framework of due process of law to find the truth.

Q. A great deal is still not known about what occurred during the years of military rule. Is there anything your government knows that has not been told to the people of Argentina?

A. There are certain things that of course one does not know. We have found unmarked cemeteries, but we are really far from knowing what happened to "the disappeared." The [military] governments had ordered the destruction of many records, so many things are unknown. But the government has nothing more than what has already been given to the [Sábató] commission.

Q. Doesn't the scale of official terror suggest that many people were involved?

A. I think there are different levels of responsibility. We said that in the presidential campaign [last year]. What we are doing right now is exactly what we told the Argentine people we would do. In my opinion, those who gave the orders and established the political climate in which the military felt compelled to act this way are fundamentally responsible. Those who exceeded the orders out of cruelty or just to take advantage of the situation are also gravely responsible. And those who carried out the orders, thinking they were legitimate, share a third level of responsibility.

Q. Your critics say that you have been slow in taking the military to task and that

the possibility—not the possibility but the certainty—of appealing to the civil courts. So in the final analysis, it will be the [civilian] judicial branch that will judge these cases.

Q. Doesn't that suggest an increase in the tension between the civilian government and the military?

A. No, I don't think so. I'm the commander in chief—so I think everything should work out really well . . . We all want to work for the prestige of the armed forces. Some believe mistakenly that working with . . . the armed forces implies that what some of the members of the military did—using the terrorism of the state to combat terrorism—was right. But in my opinion, we can add prestige to the armed forces by showing that what was done badly has nothing to do with the majority of the armed forces.

Q. Has the time come for some new effort in negotiating the future status of the Malvinas [Falklands]?

A. What we want as a first objective is to return to the prewar situation. Of course we will get the Malvinas back. I don't think there is anyone in the world who has studied the subject who would say that Argentina is not on the right side of this problem. But leaving aside the question of sovereignty . . . we don't want the continued [British] fortification of the islands. We want the elimination of the exclusion zone, which is a great threat . . . We are ready to follow the spirit of the resolutions that were adopted by the United Nations. We also want to establish some sort of bilateral contact . . . We have already reached the possibility that a delegation from Great Britain and Argentina will discuss [the Falklands problem] with an open agenda, but [British Prime Minister Margaret] Thatcher insisted that she will not discuss the problem of sovereignty. I don't need to explain to you that the president of Argentina cannot accept that provision.

Q. After your inauguration you suggested that it was Jimmy Carter's human-rights policy that helped the democratic forces in Argentina. Do you feel in the years since the Carter presidency, the United States has been as active as it should have been in promoting human rights?

A. By the end of the Carter administration, the problem was notably alleviated. The worst part was already behind.

Q. You don't believe that the Reagan administration should take a more active role in the human-rights issue?

A. Why do you want me to criticize a candidate? I'll criticize the president, but not a candidate.

LATIN AMERICA

not likely to quit anytime soon. They have harshly denounced Alfonsin, accusing him of not pressing the military hard enough to turn over information about the missing victims. Alfonsin has described the mothers' group and other human-rights leaders as people who can never be satisfied. "I'm afraid the government is not going to be able to do anything to accomplish what they ask," he told reporters in Argentina recent-

ly, "because what they want is to have their children back alive."

For all his difficulties, the betting in Buenos Aires is that Alfonsin has a good chance of holding things together. "I think Alfonsin has been a very good president," says Peronist deputy Julio Bárbaro. "He . . . is slow to get things done. But there is one thing that is not up for discussion, and that is his great effort and his honesty in this very difficult period for democracy." Even more encouraging was a speech last week by Army Chief

of Staff Gen. Ricardo Pianta, who gave a group of high-ranking officers a ringing defense of the military's role in democratic Argentina. If, despite economic disaster and social unrest, the Peronist opposition and the armed forces are willing to stand behind an elected president, then Alfonsin may well accomplish his aim of supplanting the Argentine dictatorial tradition with something refreshing: a lasting democracy.

KIM ROGAL with MARTIN ANDERSEN in Buenos Aires and RICH THOMAS in Washington

Stopping the Generals

By JACOB TIMERMANN

Raúl Alfonsin's surprise election victory last Oct. 30 showed just how deeply Argentines desired democracy. What is happening these days, nearly a year after those elections, shows just how difficult it is to return to democratic rule.

The idea of a democratic reconstruction has its historical antecedents: West Germany, Italy and Japan in the postwar period, Spain in the post-Franco era. Given those successful examples, everything seems possible. More so in Argentina, where democracy was reattained by the most democratic means possible—elections.

Reality is not, however, so simple. In Germany, Italy and Japan, totalitarian powers were smashed by the end of the war. In Spain, Francoism in the political, social and economic realms was already dead even when Franco was still living. And with his death, totalitarianism was defeated, even if a few military men didn't realize it at the time.

In Argentina, however, democracy emerged because a totalitarian power—one run by the military—thought it better to effect an orderly return to the barracks and, for the moment anyway, cede its political position in order to keep its firepower intact. But the horror of seven years of military repression is no longer history. It has become a part of current events. Now we know what happened—every detail of the tortures and the assassinations that were the task of the armed forces.

No Shame: But something more is known too: even now, no one in the military believes that the policy of repression was an error or that the massacre could have been avoided. As more information comes out, the military becomes more aggressive in its defense of what it did. The military architects of right-wing terror know no shame. An example: every year the family members of victims of left-wing terrorism celebrate a mass. This year, a few days ago, the former generals of the dictatorship made an appearance for the first time. And for the first time, young officers appeared in uniform. One of those who attended the event was heard to exclaim, "At last, they've come."

At last they've come. No Argentine can ignore the meaning of these words. He knows well what they mean, because the military have come a number of

times, too many times—like the dread knock on the door.

The threat to Argentina is not economic. Whatever austerity measures Argentines face as they try to pay off their foreign debt, hard times alone will not change the feeling of stability felt by the people. Argentina is a rich country, and its people continue to enjoy advantages unknown to most countries. The debt burden will undoubtedly be managed more by increasing sales of exports abroad than by economic hardship at home—a more palatable solution than those demanded of other debtor nations in the Third World.

No, the real threat to Argentina comes from a more familiar quarter: the military. Just one year after having voted for a democratic reconstruction, after having come to believe that Argentina's principal problem was an economic one, Argentines have discovered once again—as they had dozens of times before—that their problem is the military. And surely Raúl Alfonsin has found that he must invent a new response to the problem, because those that his hapless civilian predecessors came up with over the last 50 years were of little use then and are of no use now.

But there is something new in Argentina's political atmosphere. They are disappearing, those feelings of resignation that became almost indifference each time a civilian president was overthrown by the military. Spring has just begun in our southern hemisphere, and with it, it would seem, has come a message for Raúl Alfonsin: that he will not be alone, that there are signs that a new civilian response to the military threat is being born. If Alfonsin calls upon his fellow civilians, he will be listened to.

Images: Every political analyst in Buenos Aires knows the extent to which President Alfonsin has studied and followed the events that occurred in Spain. And even if the conditions in Argentina today are not those found in Spain after Generalissimo Francisco Franco's death, Alfonsin must retain very vivid images of the civilian hordes that flocked into the streets and plazas of Spain's major cities to protest coup mongering by the military. A million people in the streets of Madrid made Spain's military think again. A million Argentines in the streets of Buenos Aires could change Argentine history more than the electoral act that carried Raúl Alfonsin to the Casa Rosada presidential palace.

But two questions remain: if there are rumors of a coup, will Alfonsin call on the people? I think so. And if Argentines are called out by Alfonsin, will there be a million people on the streets of Buenos Aires? I'm convinced there will be.



Alfonsin views a mannequin-soldier: Dealing with the military

DIEGO GOLDBERG-SYGMA

Wild horizons, watchful mountains, penguins, albatross and elephant seals... this is the Falklands... you love them or loathe them

THE wide, wild horizons... mile after mile of moorland studded with peat bogs, stone runs, sudden holes and treacherous streams.

Watchful mountains and weather that seems to change as rapidly as the colours in a child's kaleidoscope. Penguins, elephant seals more than six yards long, albatross.

That is the Falklands. You love them or loathe them. Here is a paradise for the horse-rider, the shooter of wild geese, the fisherman who fancies trout two-feet long and the lover of natural history but hell for the city dweller who likes snart shops, streets and pavements.

When I arrived for my son Richard's wedding, the sleet was falling horizontally and the wind was bitter. Typical, I thought in my ignorance.

Richard had gone to the islands nearly eight years ago as a travelling teacher. He had fallen in love—with both the place and a local girl called Toni Pettersson—and was now celebrating his marriage by buying Sussex, a small (by Falkland standards) farm of 7,500 acres.

He drove me to his future in-laws' home where I was to stay.

There I met Toni. Her father, Tony, a marksman, carried the Falkland flag at the last Commonwealth Games in Australia, when he was one of the two men representing the islands.

DEMAND

Her mother, Heather, is like all Falklanders, horse mad and now the proud owner of a blood Arab stallion from Surrey.

Falkland homes are designed differently from ours. They all have sculleries, used exclusively for washing up, washing clothes, preparing food and storing utensils. Cooking is done in the main living-room—called a kitchen—on a modern peat-burning stove which also works the central heating. Beside every stove, ready to sweep away the fallen ash, is a goose wing.

In the sitting-room, furnished with couch and easy-chairs, is the television set used to play back video film for which, because there is no television, there is an insatiable demand.

Toos and bathrooms are downstairs and both front and back doors have an area set apart where boots and muddied clothes can be discarded.

Meals usually consist of huge helpings of delicious lamb or mutton with potatoes and at least one other vegetable. There is no shortage of beef or pork. In one house I visited the deep freeze was filled to the brim with enormous trout.

Fresh fruit is not easy to come by—the Falklands



Terrence Phillips and his wife Carol, who fooled the Argentinians with a broomstick.

climate is not suitable for much more than berries. So "pudding" is usually tinned fruit, cheese or cake.

In all the homes I was in, the custom was for the food to be cooked, carved where necessary, then left on the stove or table for people to serve themselves—often to several helpings!

Falklanders have the easy, relaxed manner and behaviour of people with confidence in themselves and their neighbours. Life can be hard—but it is the same for everybody. So there are no social pretensions or pressures.

In every Falkland home I visited, hanging in pride of place was a metal picture of a Harrier jump jet flying over the Fleet. To the islanders, the Harrier is a symbol of liberation as it was the first contact most of them had with the avenging British forces.

The day of the wedding, winter in Stanley, was like a perfect autumn day in Britain, sunny with just a slight nip in the breeze. A

His son's wedding took JAMES STEVENS to the South Atlantic. Now he is saving up to return

their way among the guests and gatecrashers alike offering refreshments and, of course, cake.

One marvellous surprise for the newly weds was a greetings telegram from the SAS man who had shot up the farm where they were staying during the conflict. He and his group had come down from the mountains to investigate what they thought was unusual Argentinian activity at the settlement.

For those inside it was a terrifying experience. They were playing Monopoly. There had been Argentinians in the area.

Suddenly the lights went out. There were flashes, bangs and the sound of firing. Then came a hammering on the door and shouting. Confusion reigned and one of the farmer's daughters banged her head scrambling under the table to safety. She began to cry.

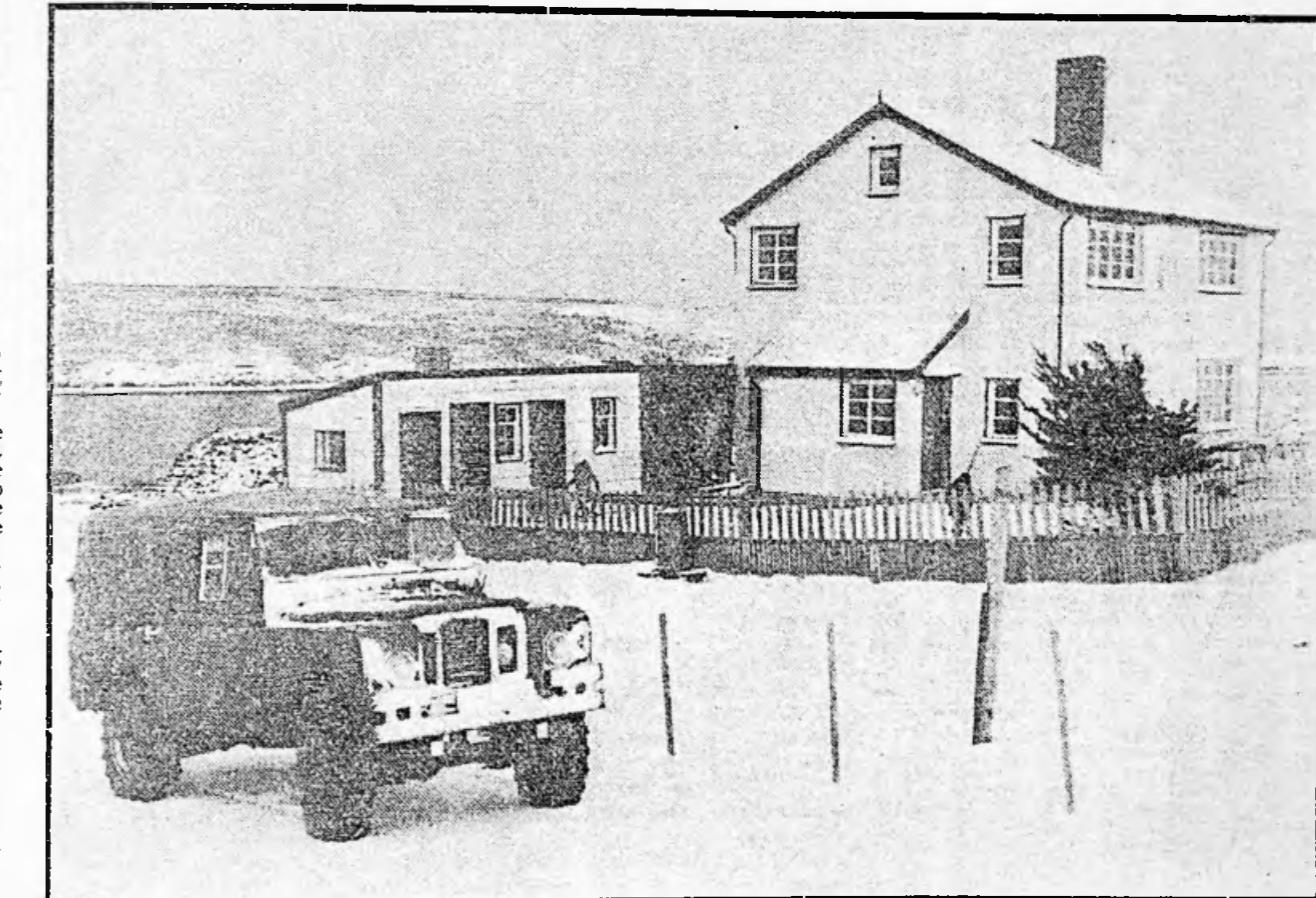
Then the door burst open. "Sorry we woke the baby, love," said the SAS man.

This happened at Estancia where several days earlier a young Argentinian conscript had staggered in ravenously hungry and with frost-bitten feet. The family gave him first aid and food.

Later, as is apparently the custom in the Falklands, the immediate family, best man, bridesmaids and close friends went back to the bride's home for a photographic and video session before going on to Stanley's only hotel, The Upland Goose, for a slap-up meal.

INFORMAL

But that was just the start. Afterwards it was time to go or to the town hall for the reception proper—the cake-cutting, canapes, drink and to meet what seemed like half the population of Stanley who wandered in and out and sometimes back again, danced or stood around talking in what was a strangely informal sort of occasion. The bridesmaids in pale-blue off-the-shoulder dresses weaved



Home for the newly weds... Sussex, the farm bought by Falklands settler Richard Stevens.

gateway in a wire fence or a rickety bridge crossing a treacherous stream.

At Green Patch, to the North of Stanley, Terrence and Carol Phillips keep a visitors' book. This revealed that in July alone, 70 people, mainly servicemen, dropped in for a cup of tea, a drink, a meal, or even a night's lodging. Hospitality given freely and happily.

But their saddles and tack—they call it gear—are very different from ours. The saddle, for example, is more like an armchair, a sheepskin spread over a wooden frame.

My first real experience of camp—the name Falklanders give to the vast acres of moorland that form their world outside their settlements—came with a journey to Green Patch. The weather was still superb, yet Richard's Land-Rover bogged four times in less than two hours.

I began to realise that the word "track" in the Falklands is an elastic term covering anything from a mile-wide valley to a narrow ford (water up to the wheel) where you pick your way as best you can between two fixed points, usually a

they never thought of the broomstick.

Although for long-distance camp travel the motorcycle is beginning to make its mark, no Falkland farm is without its troupe of sturdy local horses, still invaluable when it comes to fence inspection or rounding up sheep.

But their saddles and tack—they call it gear—are very different from ours. The saddle, for example, is more like an armchair, a sheepskin spread over a wooden frame.

On my next camp trip it took eight hours from Stanley to reach Richard's future farm at Port Sussex, but three days to get back. The weather broke and so did the fan belt of the accompanying Land-Rover and our sleeping bags.

The approach to Port Sussex is down a precipitous bank of treacherous blue clay banked into a creek aptly named Hell's Kitchen. At low tide a Land-Rover can run along the boulder-strewn seabed, round the point at the seaward end and up a gentle slope to the house—an easy drive by Falkland standards.

The Argentinians knew someone was transmitting from Green Patch and searched her home several times. But

High tide means a further two hours of camp travel and all that that involves. Or you can abandon the Land-Rovers, paddle across the shallow bit, scramble up a young mound across a country mile of moorland, keeping a sharp lookout for peat bogs, hidden holes, sudden streams and the occasional dead sheep.

Next day we limped into Fitzroy in pitch darkness with the snow still falling. Tired, hungry and cold, with tempers beginning to fray, we met wonderful Fanny Ford. She found us a room to sleep and promised hot soup in 20 minutes.

The hot soup turned out to be a massive feast but Fanny was unimpressed by our thanks. "The most I've ever fed in one night was 118," she said, referring to the conflict.

She also had 18 men billeted on her, but refused any compensation. So a policeman was sent out from Stanley to try to persuade her to change her mind.

Fanny Ford... Gladys Robins... the Petterssons... the Phillipses... Andy Clarke... just five of many good reasons quite apart from my own flesh and blood why I shall never forget my visit to the Falklands and why I am already busy saving up for the next.

BLIZZARDS

We chose the latter, grabbing what we could in the way of cooking pots, food, candles and one-time Argentinian stoves so that we could create some feeling of comfort in the deserted building while waiting for low tide and the chance to fetch the Land-Rover and our sleeping bags.

The journey back was no joke. The sick Land-Rover fought its way gamely through blizzards, but several times it was bogged and once hung up as it forded a stream.

On the first night we staggered into Goose Green where local teacher Andy Clarke and a kindly Gladys Robins who is in charge of the

The Observer 7/10/84

Falkland rebuilding

As acting head of the Falkland Islands Government, I was most concerned to read what Councillor Terry Peck is alleged to have said to *The Observer* (23 September).

The authorities are not engaged in any cover up of the true financial position in the Islands. Councillor Peck is a member of all the committees which are responsible for the administration of the Islands' finances. He has access to any information he requires. Only recently I sent him a four-page letter with entirely frank and detailed answers to a number of points which he had raised on expenditure matters.

Far from seeking details of Government expenditure in the Legislative Council several times this year and never receiving satisfactory answers, as he alleges, he has asked one supplementary question, the answer to which, the records show, satisfied him.

The Islands are desperately short of manpower particularly because of the shortage of housing. As a result, it has been reluctantly but realistically accepted by Councillors that much of the development work which needs to be done has to be done by expatriate labour.

This labour is inevitably expensive; the figure which Councillor Peck quotes for the electrician includes, in addition to his emoluments, travel, messing, protective clothing, insurance and, of course, the contractor's markup. If the work were not done by expatriate labour, it

would not be done at all. As Councillor Peck knows, the team of expatriate tradesmen building the power station cannot necessarily all be employed at all times on that work. However, just because such labour is so expensive, great efforts have been made to ensure that, if not employed at the power station, it is employed on the many other jobs which need to be done and for which there is no local labour available.

There is indeed a considerable tonnage of cement stored in the open. A very small proportion has become unusable because of damage during off-loading. The rest is adequately protected and is being used to build the power station.

Stanley roads were not, of course, built to take the enormous volume of military and contractors' traffic which they have had to bear following the Conflict. Their rehabilitation was necessarily one of resurfacing and not of wholesale excavation to relay all mains services, the cost of which would have been horrendous.

Councillor Peck has given considerable service to the Falkland Islands over the years, as your article indicates. His present allegations do no service at all to the Islands; they can only have the effect of discouraging all those who, like myself, are committed to building a better future for a place which he has chosen to leave.

David Taylor,
Acting Civil Commissioner,
Government House,
Stanley,
Falkland Islands.

Will the Belgrano buck stop here?

SIR ANTHONY KER-SHAW sits in a committee room, drumming his fingers on the end of the long table. In the corner of the room is his lawn raincoat, the collar edged with black velvet; on top we can comment freely as MPs are a briefcase holding his tickets for Hong Kong and China, and a trilby with a sportingly curled brim.

The chair *knock* lie on, like all the others, *kears* the House of Commons Portcullis; emblem of sudden and violent discretion.

The Belgrano buck has temporarily stopped here; as chairman of the Commons Select Committee on Foreign Affairs, Sir Anthony decided that—in deference to the wishes of its Labour members, his committee, already working on a report on the future of the Falklands, should produce a marsupial paper on the sinking of the Belgrano — probably by Christmas.

There are so many embarrassing questions to put to him that it is hard to know where to begin. For a start, Sir Anthony is in trouble for apparently prejudging the Belgrano issue.

In two television broadcasts ("Daytime," Thames, September 18, and "A Week in Politics," Channel Four, September 21) he gave the strong impression that the Select Committee would endorse the

Government's action; he then attacked the quixotic Labour MP Tam Dalyell, the man who has kept the issue afloat, in a curiously personal way. Not exactly impartial chairmanship? "Although we're not allowed to discuss evidence before it goes to the House of Commons, we can comment freely as MPs on public affairs. Secondly, our select committee procedure is still unclear whether the chairman should vote with his party or like Mr Speaker."

Having loosed his twin torpedoes, Sir Anthony goes on to attack the escorting question, namely: Isn't he a Foreign Office poodle? "We have been critical of the Government on several occasions: on Canada, on Central America and on Grenada, when we infuriated Sir Geoffrey Howe by calling him lethargic," says Sir Tony that after each session, the War Cabinet must have known of progress when they ordered the Belgrano to be sunk. "Irrelevant. The Peruvian plan was completely unacceptable to Galtieri anyway. He would have been lynched if he had withdrawn his forces, as the plan suggested,"

Sir Anthony is not an admiring mirror of General Haig's clarity. The four Labour MPs (Ian Mikardo, Denis Canavan, Mick Welsh and Nigel Spearing) cannot bring out a minority report, but they can voice disquiet through a lengthy amendment which will amount to the same thing.

The majority report will then be debated in the House of Commons and the Government sinking of the Belgrano is a will be exonerated. So what point of Sir Anthony's Defence matter and can only be brought within the remit of committee? "It allows MPs to specialise and to shine." And

After a week of continuing controversy over the Belgrano sinking, the Labour party has called for an "immediate, objective and open" inquiry. Here SEBASTIAN FAULKS interviews the parliamentarian currently compiling a select committee report on the affair.

After the war he practised at the Bar until becoming MP for Stroud in 1955. "My legal work? Oh, just knockabout stuff."

He is like Neil Kinnock in negative: experienced, unambitious, knowledgeable and laconic to the point of bluntness. He will retire at the end of this Parliament. And what will he do then? "Well, retire."

His secretary looks in, anxious to get him away to China: Time for one more attempted Exocet. Will his report bring pressure to bear for a change in the Official Secrets Act? After all, when Heseltine gives evidence he can cry "Foul!"

His secretary replies: "I imagine the Kershaw defence

system repels: "I imagine the Government is happy with the

Government's definition of what about the public good?"

"It focuses a strong light on a public issue for a short time."

And then the light goes off? "That's it."

There were 80 applications for six Tory places on the committee: "Enoch Powell also

wanted to be on it. The appli-

cants are selected by—obvi-

ously—a committee, this one

chaired by Sir Philip Holland,

knighted last year for his success in quango-hunting.

Sir Anthony (born 1915; Eton, Balliol and the 16th/5th Lancers) was PPS to Mr Heath

and a junior minister in the Foreign Office from 1970 to 1973. Even Tam Dalyell thinks

he has not been for the taint of Heath.

He is a very fair committee, this one could do with polygraph test-

ing. The Kershaw defence

system repels: "I imagine the

Government is happy with the

Government's definition of what about the public good?"

"It focuses a strong light on a public issue for a short time."

And then the light goes off? "That's it."

There were 80 applications

for six Tory places on the

committee: "Enoch Powell also

wanted to be on it. The appli-

cants are selected by—obvi-

ously—a committee, this one

chaired by Sir Philip Holland,

knighted last year for his

success in quango-hunting.

Sir Anthony (born 1915;

Eton, Balliol and the 16th/5th

Lancers) was PPS to Mr Heath

and a junior minister in the

Foreign Office from 1970 to

1973. Even Tam Dalyell thinks

he has not been for the taint of Heath.

He is a very fair committee, this one could do with polygraph test-

ing. The Kershaw defence

system repels: "I imagine the

Government is happy with the

Government's definition of what about the public good?"

"It focuses a strong light on a public issue for a short time."

And then the light goes off? "That's it."

There were 80 applications

for six Tory places on the

committee: "Enoch Powell also

wanted to be on it. The appli-

cants are selected by—obvi-

ously—a committee, this one

chaired by Sir Philip Holland,

knighted last year for his

success in quango-hunting.

Sir Anthony (born 1915;

Eton, Balliol and the 16th/5th

Lancers) was PPS to Mr Heath

and a junior minister in the

Foreign Office from 1970 to

1973. Even Tam Dalyell thinks

he has not been for the taint of Heath.

He is a very fair committee, this one could do with polygraph test-

ing. The Kershaw defence

system repels: "I imagine the

Government is happy with the

Government's definition of what about the public good?"

"It focuses a strong light on a public issue for a short time."

And then the light goes off? "That's it."

There were 80 applications

for six Tory places on the

committee: "Enoch Powell also

wanted to be on it. The appli-

cants are selected by—obvi-

ously—a committee, this one

chaired by Sir Philip Holland,

knighted last year for his

success in quango-hunting.

Sir Anthony (born 1915;

Eton, Balliol and the 16th/5th

Lancers) was PPS to Mr Heath

and a junior minister in the

Foreign Office from 1970 to

1973. Even Tam Dalyell thinks

he has not been for the taint of Heath.

He is a very fair committee, this one could do with polygraph test-

ing. The Kershaw defence

system repels: "I imagine the

Government is happy with the

Government's definition of what about the public good?"

"It focuses a strong light on a public issue for a short time."

And then the light goes off? "That's it."

There were 80 applications

for six Tory places on the

committee: "Enoch Powell also

wanted to be on it. The appli-

cants are selected by—obvi-

ously—a committee, this one

chaired by Sir Philip Holland,

knighted last year for his

success in quango-hunting.

Sir Anthony (born 1915;

Eton, Balliol and the 16th/5th

Lancers) was PPS to Mr Heath

and a junior minister in the

Foreign Office from 1970 to

1973. Even Tam Dalyell thinks

he has not been for the taint of Heath.

He is a very fair committee, this one could do with polygraph test-

ing. The Kershaw defence

system repels: "I imagine the

Government is happy with the

Government's definition of what about the public good?"

"It focuses a strong light on a public issue for a short time."

And then the light goes off? "That's it."

There were 80 applications

for six Tory places on the

committee: "Enoch Powell also

wanted to be on it. The appli-

cants are selected by—obvi-

ously—a committee, this one

chaired by Sir Philip Holland,

knighted last year for his

success in quango-hunting.

Sir Anthony (born 1915;

Eton, Balliol and the 16th/5th

Lancers) was PPS to Mr Heath

and a junior minister in the

Foreign Office from 1970 to

1973. Even Tam Dalyell thinks

he has not been for the taint of Heath.

He is a very fair committee, this one could do with polygraph test-

ing. The Kershaw defence

system repels: "I imagine the

Government is happy with the

Government's definition of what about the public good?"

"It focuses a strong light on a public issue for a short time."

And then the light goes off? "That's it."

There were 80 applications

for six Tory places on the

committee: "Enoch Powell also

wanted to be on it. The appli-

cants are selected by—obvi-

ously—a committee, this one

chaired by Sir Philip Holland,

knighted last year for his

success in quango-hunting.

Sir Anthony (born 1915;

Eton, Balliol and the 16th/5th

Lancers) was PPS to Mr Heath

and a junior minister in the

Foreign Office from 1970 to

1973. Even Tam Dalyell thinks

he has not been for the taint of Heath.

He is a very fair committee, this one could do with polygraph test-

ing. The Kershaw defence

system repels: "I imagine the

Government is happy with the

Government's definition of what about the public good?"

"It focuses a strong light on a public issue for a short time."

And then the light goes off? "That's it."

There were 80 applications

for six Tory places on the

committee: "Enoch Powell also

wanted to be on it. The appli-

cants are selected by—obvi-

ously—a committee, this one

chaired by Sir Philip Holland,

knighted last year for his

success in quango-hunting.

Sir Anthony (born 1915;

Eton, Balliol and the 16th/5th

Lancers) was PPS to Mr Heath

and a junior minister in the

Foreign Office from 1970 to

1973. Even Tam Dalyell thinks

he has not been for the taint of Heath.

He is a very fair committee, this one could do with polygraph test-

ing. The Kershaw defence

system repels: "I imagine the

Government is happy with the

Government's definition of what about the public good?"

"It focuses a strong light on a public issue for a short time."

And then the light goes off? "That's it."

There were 80 applications

for six Tory places on the

committee: "Enoch Powell also

wanted to be on it. The appli-

cants are selected by—obvi-

ously—a committee, this one

chaired by Sir Philip Holland,

knighted last year for his

success in quango-hunting.

Sir Anthony (born 1915;

Eton, Balliol and the 16th/5th

Lancers) was PPS to Mr Heath

and a junior minister in the

Foreign Office from 1970 to

1973. Even Tam Dalyell thinks

he has not been for the taint of Heath.

He is a very fair committee, this one could do with polygraph test-

ing. The Kershaw defence

system repels: "I imagine the

Government is happy with the

Government's definition of what about the public good?"

"It focuses a strong light on a public issue for a short time."

And then the light goes off? "That's it."

There were 80 applications

for six Tory places on the

committee: "Enoch Powell also

wanted to be on it. The appli-

cants are selected by—obvi-

ously—a committee, this one

chaired by Sir Philip Holland,

knighted last year for his

success in quango-hunting.

Sir Anthony (born 1915;

Eton, Balliol and the 16th/5th

Lancers) was PPS to Mr Heath

and a junior minister in the

Foreign Office from 1970 to

1973. Even Tam Dalyell thinks

he has not been for the taint of Heath.

He is a very fair committee, this one could do with polygraph test-

ing. The Kershaw defence

system repels: "I imagine the

Government is happy with the

Government's definition of what about the public good?"

The Sunday Telegraph 7/10/84 cntd



SIR ANTHONY: "We have been critical of the Government on several occasions . . . we infuriated Sir Geoffrey Howe"

ATTICVS

From the Winter Gardens at Blackpool, Atticus brings you what must be the most interesting contribution for some months to the exceptionally tedious analysis of *l'affaire Belgrano* which masquerades as investigative journalism.

Jim Callaghan, only reluctantly allowed to speak to the brothers and sisters, was later standing around chatting to some friends, when one asked the ex-Labour prime minister, "Jim, we haven't heard from you on the subject of the Belgrano, have we? Why have you not spoken up?"

A very good reason, Callaghan replied. "If I'd been in Number 10 at the time, I'd have sunk the thing too."

And yet another Belgrano exclusive: Atticus's gritty, purposeful investigations reveal that when Michael Heseltine took over the Ministry of Defence, he decided, being a minister of some political acumen and more than a little brain, that this was an issue where there might be trouble — and he knew very little about it.

He asked for a detailed brief, and eventually got a 40-page document. Heseltine was so impressed with this excellent bit of work that he asked for the name of the civil servant who did the work.

At the time the name meant little to him, and he could not have anticipated that this would be the very same man for whom the three opposition leaders, Messrs Kinnock, Owen and Steel, have now sponsored a defence fund: no less a person than Clive Ponting, now charged with leaking confidential information on the Belgrano from the Ministry of Defence.

Falkland lobbying hots up

by Maria Laura Avignolo
Buenos Aires

ARGENTINA is lobbying Britain's European allies furiously to back a United Nations resolution challenging Britain's hold on the Falkland Islands.

Past attempts to sway west European countries over to Argentina's side in the Falklands dispute have failed. But this time, the Argentine foreign minister, Dante Caputo, has side-stepped the thorny issue of sovereignty altogether. Copies of the resolution, which Argentina will put forward at the UN general assembly in November, were circulated to all European embassies in Buenos Aires last week.

President Raul Alfonsin of Argentina will himself seek backing for the resolution later this month when he visits the French president, François Mitterrand, and gives a speech to the European parliament in Strasbourg.

Argentina wants the UN to mediate in the dispute. Its latest demands are moderately phrased compared to its last two unsuccessful resolutions put before the UN. The British are no longer referred to as "colonialists", and the issue of sovereignty has been delicately phrased as the "controversy that exists in the Malvinas/Falklands".

An Argentine foreign ministry source said this toned-down version would enable "France and other key members of the Common Market to apply pressure on Britain" to reach a settlement on future ownership of the south Atlantic islands.

LABOUR PARTY CONFERENCE

• Falkland

Hattersley backs inquiry into Thatcher's conduct over Falklands

Reports by Alan Wood, Robert Morgan, Sheila Beardall,
Stephen Goodwin and John Winder

Nothing was more likely to bring the law into disrepute than the prosecution in a show trial under outdated and discredited Acts of Parliament of civil servants who believed they had a moral duty to expose deception, Mr Roy Hattersley, deputy leader of the Labour Party, said on the last day of the Labour conference in Blackpool.

He made that clear reference to the prosecution of Mr Clive Ponting under the Official Secrets Act in his reply to a debate on the Falkland Islands.

A national executive statement deplored Conservative government policy towards the islands was approved by the conference, with a motion call for an inquiry into Mrs Margaret Thatcher's conduct of the Falklands war.

Mr Hattersley urged support for both, speaking on behalf of the national executive. "The sinking of the General Belgrano should be the subject of an immediate, objective, open inquiry and that inquiry should be under the terms of the 1921 (Tribunal of Inquiries) Act because that is the best hope we have of getting the full truth".

He said that the Commons should look at the conduct of its foreign affairs select committee on the matter when it returned. The central issue, the sinking of Belgrano, the loss of life, and

the effect on negotiations at the time, justified the inquiry. It was beyond dispute, now, that the Prime Minister had deceived the Commons and, through the House, the people.

"The Government consciously and cynically first withheld and distorted the truth and then wove an elaborate web of deceit to cover up the initial deception."

Mr Thatcher posed as the guardian of the law, but nothing was more likely to bring it into disrepute than prosecution under outdated and discredited Acts of civil servants who believed they had a moral duty to expose deception.

"Such prosecutions are meant simply to deter other exposures of truth about this Government. They amount to show trials and show trials should have no place in a proper democracy."

The Government must talk to Argentina about the Falklands' long-term future. Negotiations had to begin sooner or later and should begin now.

The annexation of the islands by Argentina had to be resisted, but Britain's proper response to that act of aggression did not mean that Fortress Falklands could be supported for ever.

The £600m annual cost of the policy was the price they paid for Mrs Thatcher's pride. Four years ago, with the Junta in

power, the Government had been prepared to give the islands to Argentina and have them leased back but now it would not talk seriously about the island's future.

Mrs Eileen Macdonald Livingston, moving the resolution, said they now knew there was a possibility of a negotiated settlement and that the vessels which went to the South Atlantic carried nuclear weapons. The Tories were terrified that the truth would out.

Mr Dick Jones, Chelsea, said that the Prime Minister was in charge of formidable military forces, including nuclear weapons, and from what they knew of her actions in the South Atlantic she was not fit to control a penknife.

Mr Jim Slater, general secretary of the National Union of Seamen, said they wanted to know whether an honourable peace was deliberately and cynically sunk along with the Belgrano.

Mr Tam Dalyell, MP for Linlithgow, said it was a question of: "Oh what a tangled web we weave when first we practise to deceive." He continued: "Ministers and the Prime Minister have told identifiable lies and we have to call them to account."

Swiss mediation, page 5

Leading article, page 9

The Times 6/10/84

Swiss hint of Falkland mediation

From a Correspondent
Buenos Aires

Speculation about efforts to bring Britain and Argentina back to the negotiating table has been aroused by the three-day visit here of the Swiss Foreign Minister, Mr Pierre Aubert.

Mr Aubert met top Argentine officials and local British diplomats. Switzerland has officially represented British interests in Argentina since the conflict over the Falkland Islands. Talks between Argentina and Britain began in Berne last July but soon broke down.

The speculation in the Argentine press increased on Thursday when Mr Aubert met Señor Dante Caputo, the Foreign Minister.

But despite Mr Aubert's public affirmation that his country is willing to provide its "good offices" once again for talks, a local diplomatic source familiar with the visit cautioned against concluding that this was the purpose of Mr Aubert's presence in Buenos Aires.

Many people here believe that support for Argentina's call for a negotiated settlement to the Falklands dispute has been greatly strengthened by the announcement late on Thursday that Argentina has reached a diplomatic solution to its long-standing territorial dispute with Chile over jurisdiction in the Beagle Channel.

THE SUNLIT EMPIRE

Imperial tub-thumping being rather out of fashion, the old boast about the sun never setting on the British Empire has almost gone the way of other superannuated political clichés, like "the white man's burden" and "two acres and a cow". So has its subversive corollary, which alleged that the reason for the empire's happy state was that God, seeing what the British got up to by broad daylight, wasn't going to trust them in the dark. It would be natural to assume that after almost 40 years of launching former colonies into independence, the boast ceased to be strictly accurate long ago, except in an attenuated sense, applied to a self-governing Commonwealth.

But this is not the case. Whether by chance or through the unobtrusive ingenuity of the Foreign Office, the few remaining dependent territories under British rule still constitute a thin, red, dotted line stretching round the world, disposed in such a way that before the sun has set in St Helena it has risen in the Falklands, and before the gloaming has gathered there, the skies are bright over Pitcairn. Before the parrots have gone to roost in Pitcairn, the rickshaw-men are up in Kowloon – and so on. To forestall a pounce from Mr Tam Dalyell, alleging yet another shameful secret behind the Falklands war, it should be said that possession of the Falklands is not essential to this rather haunting continuity, for that longitudinal chain can be traced

equally well through the West Indies.

But what about when the Union Jack comes down in Hongkong in 1997? Understandable disquiet has been expressed in some quarters about the possibility that the sun's next staging-post (the almost uninhabited Chagos archipelago south of India, now given over to turtles and the US Navy) is so far west of Pitcairn that night will at last fall briefly on the empire from time to time in the depths of the Southern winter, after a day lasting well over 200 years.

Happily these fears are groundless. According to the Royal (of course) Observatory, there is an overlap of some forty minutes' daylight between Pitcairn and Chagos, even under the most unfavourable astronomical circumstances. Nevertheless, it will be a near thing, and contingency planning is indicated in case of any further erosion of the line in future. It is a particularly mortifying reflection that if our title lapsed, it could still be claimed by our old rivals, the French, by virtue of their own handful of sub Antarctic rocks, their paradisal Tahitian territories, and the scarcely fortuitous disposition of several *Départements* of Metropolitan France in the West Indies. Thus the great colonial rivalries which convulsed European history for half a millennium would at last be resolved, on the strength of Devil's Island.

It would be small consolation then to reflect that we were

neither first nor last to earn the title, which neither Caesar nor Alexander could ever lay claim to. While our empire was confined within a few embattled stockades in the New World, some Spanish adventurer of the 1590's coined it, contemplating Spain, Mexico, Peru and the Philippines on the Globe. Captain John Smith, who embroidered that very good story about Pocahontas, recorded in 1631 that: "The brave Spanish soldiers brag, the sunne never sets in the Spanish dominions, but ever shineth on one part or another we have conquered for our king". Later the Dutch inherited the boast, and indeed had as much right to it as we did till the 1940s.

Felicitously uniting hyperbole with astronomical fact, the cliché is too good to lose. What is needed is a scheme, which need only be held in reserve in case it ever becomes necessary, for the launching of a British satellite into a stationary orbit approximately on the meridian of Hongkong (or wherever else a gap presents itself). Three such satellites could cover our title against any eventuality short of Star Wars. A simple reflective object would suffice (perhaps containing a small quantity of British soil and flag) similar to those mirror-globes which in imperial days, before the advent of laser-discos, used to revolve aloft in ballrooms, darting rainbow rays to the darkest corners of the be nighted world. The protection of the cliché would be worth the cost.

The Times 6/10/84

Pope prompts pact on Beagle Channel

By Henry Stanhope
Diplomatic Correspondent

Chile and Argentina have reached broad agreement in the 100-year dispute over ownership of the Beagle Channel, with the help of mediation by the Pope, the Vatican said yesterday.

But rumblings of discontent in Buenos Aires mean that parliamentary ratification is not a foregone conclusion.

Britain will be watching the reaction closely for the possible effects of the final treaty on the Falklands dispute.

No text has yet been released but it is understood the terms allow Chile to retain sovereignty over Lennox, Picton and Nueva, three islands in the channel. Argentina is said to have been granted oil and mineral rights on the Atlantic



continental shelf to the east of the islands.

The dispute over the islands and, more recently the rights to exploit the surrounding territorial waters, began when sovereignty was given to Chile in 1881.

A referendum has to be held before final agreement is given to the draft proposals which should be ready within days.

Civilians try junta case

From a Correspondent Buenos Aires

Argentina's civilian federal appeals court has taken over from a high military court the trials, involving alleged human rights abuses, of nine commanders from three military juntas that ruled successively from 1976 until the end of the Falklands conflict.

The civilian court decided to intervene directly in the trials because "unjustified delays" in the Supreme Council of the

Armed Forces' summary courts martial proceedings.

President Raúl Alfonsín ordered the courts martial last December. The former commanders are charged with committing kidnapping, torture and murder in connexion with the disappearance of at least 9,000 Argentines during a military campaign against dissidents known as "the dirty war".

Hattersley condemns 'cynical deception' over Belgrano

MR ROY HATTERSLEY, Labour's deputy leader, yesterday gave full support to claims that the Prime Minister misled the House of Commons over the sinking of the Argentine cruiser General Belgrano during the Falklands War.

Mr Hattersley told conference it was beyond dispute that Mrs Thatcher deceived the Commons and the country "consciously and cynically."

The Government withheld and distorted the truth and wove a web of deceit to cover up its initial deception, he said.

Conference called for an independent judicial inquiry into the circumstances surrounding the sinking of the Belgrano.

A statement approved by delegates said allegations that the Belgrano was sunk to abort a peaceful solution to the conflict had been met with "a Government orchestrated campaign of obfuscation and deceit in which ministers made statements to the House of Commons which were later admitted to be untrue."

The statement said it was an affront to democracy for the Government "to continue with this cover-up in the teeth of such widespread public disquiet about this affair, and of the shattered morale of senior civil servants who have been induced to participate in a campaign to hide the truth."

Conference called for new talks with Argentina on the future of the Falkland Islands, and deplored Britain's "cripplingly expensive and morally indefensible colonial role."

Delegates gave an ovation to Mr Tam Dalyell, MP for Linlithgow, who has conducted a long campaign against the Government's conduct of the war.

Mr Dalyell was applauded as he attacked Conservative members of the Commons Foreign Affairs Committee for publicly defending the sinking of the Belgrano in advance of the committee's investigation.

He urged conference to instruct the next Labour Government to release all documentary evidence on the sinking, and called for an early parliamentary debate on the prosecution under Section 2 of the Official Secrets Act of Mr Clive Ponting, a senior civil servant



Mr Tam Dalyell: Given a standing ovation for his persistent questioning over the Belgrano

accused of leaking confidential information relating to the war.

Mr Dalyell told delegates: "Ministers and the Prime Minister have told identifiable lies. We have to call them to account."

Mr Hattersley, speaking for the national executive committee, said the behaviour of the committee was "one of the extraordinary things which has to be investigated."

He said the use of the Official Secrets Act against civil servants who believed they had a responsibility to tell the truth, was likely to bring the law into disrepute.

The Official Secrets Act meant show trials, which should have no place in a democracy.

Ms Eileen MacDonald, from Livingstone, opening the debate, said Mrs Thatcher had begun the Falklands War for her own political purposes at a time when the Government was extremely unpopular.

Mr Jim Slater, general secretary of the National Union of Seamen, said the Government's decision to attack the Belgrano while it was outside the Falklands total exclusion zone had created a precedent for other countries to ignore war zones, which could threaten the lives of British seamen.

INQUIRY CALL INTO 'WEB OF DECEIT' OVER BELGRANO

By WILLIAM WEEKES

A JUDICIAL inquiry into the sinking of the cruiser General Belgrano was demanded by the Labour conference which ended in Blackpool yesterday.

Mr Roy HATTERSLEY, deputy leader of the party, said an inquiry under the terms of the 1921 Tribunals of Inquiries Act was the best hope of getting the full truth.

"The fact of the sinking, loss of life and the effect on the prospects of a negotiated peace in itself justifies an inquiry," he claimed.

"Since that demand was first made and the truth began to drip out, another fact has emerged to make the inquiry essential.

"It is now beyond dispute that the Prime Minister deceived the House of Commons, and through the House of Commons deceived the people of this country.

"The Government consciously and cynically withheld and distorted the truth, and then wove an elaborate web of deceit to cover up the initial deception."

Price of pride

The behaviour of the Commons Select Committee on Foreign Affairs was "one of the extraordinary things which has to be investigated."

Mr Hattersley agreed that the Government had been right to resist the Argentine invasion, but he followed other delegates in condemning the £600 million annual cost of fortress Falklands.

"Mrs Thatcher would rather spend her money building an airfield on the Falklands than

Editorial Comment — P14

houses in Great Britain. The £600 million is the price we pay for Mrs Thatcher's pride."

The resolution demanding an inquiry also urged the Government to start new talks with Argentina to try to get a settlement.

It committed the next Labour government to start immediate negotiations to seek a permanent and peaceful solution to the status of the islands without committing Britain to a "cripplingly expensive and morally indefensible colonial role."

Mr TAM DALYELL, MP for Linlithgow, who has refused to let the Belgrano issue be forgotten, received an ovation from delegates.

He declared: "Ministers and the Prime Minister have told identifiable lies. We have to call them to account."

Mr JIM SLATER, general secretary of the seamen's union, said some of his members died when the Atlantic Conveyor was hit by an Exocet after the sinking of the Belgrano.

"British seamen want to know whether an honorable peace was deliberately and cynically sunk along with the Belgrano. We want to know whether British and Argentine lives were sacrificed to save Mrs Thatcher's political face and political future."

ARGENTINA LETS CHILE HAVE ISLES

By MARY SPECK
in Buenos Aires

ARGENTINA and Chile, with the help of the Pope, have reached agreement to end a century-old dispute over islands off Tierra del Fuego which led them to the brink of war in 1978.

A dozen tiny islets in the area of the Beagle Channel, at the tip of South America, are to go to Chile.

News of the agreement was announced simultaneously in Buenos Aires, Santiago and Rome.

The Chilean and Argentine delegations in Rome will continue to work on final touches



to the proposed treaty which has never been made public, according to an official statement.

Foreign ministry sources said the treaty gave sovereignty over about a dozen islands at the eastern mouth of the Beagle Channel to Chile, which has occupied most of them since the end of the 19th century.

But the agreement also reportedly guaranteed Argentina rights to the waters between the continents of South America and Antarctica.

Argentina had previously rejected any agreement which violated the so-called "bi-oceanic principle," giving Argentina rights to the Atlantic and Chile rights to the Pacific.

The Pope's mediation began in 1979, after incidents between the two countries brought them close to war.

Troops were mobilised on both sides of the Andes at the end of 1978, after a series of frustrated negotiations.

DECISIONS OF THE WEEK

By Our Political Staff

AT this week's conference the Labour party supported the "historic struggle" of striking miners, and accused police of "organised violence" on the picket lines.

It also rejected the proposals, backed by Mr Kinnock, for constituency parties to have the option to ballot members on reselection of sitting Labour MPs. It also:

DEMANDED an independent inquiry into the sinking of the General Belgrano, and condemned the "Fortress Falklands" policy;

Inquiry urged into the Belgrano sinking and 'Thatcher cover-up'

FALKLANDS

LABOUR'S deputy leader, Mr Roy Hattersley, yesterday accused the Prime Minister, from the party conference platform of deliberately misleading the Commons and the country over the sinking of the Argentine cruiser, General Belgrano.

In a Falklands debate dominated by the sinking, Mr Hattersley said: "It is now beyond dispute that the Prime Minister deceived the House of Commons and, through the House of Commons, deceived the people of this country. The Government, consciously and cynically, first withheld and distorted the truth, then wove an elaborate web of deceit to cover up the initial deception."

He demanded an "immediate, objective and open" inquiry into the affair, and condemned the Government's prosecutions of civil servants.

He said, in an implicit reference to Clive Ponting, accused of leaking documents referring to the Belgrano: "I say this to Margaret Thatcher: she poses as the guardian of the law, but nothing is more likely to bring the law into disrepute than prosecution under an outdated and discredited act of civil servants who believe it their moral duty to expose deception."

"Such prosecutions are meant simply to defer other exposures of the truth about this Government. They are show trials — and show trials should have no place in a proper democracy."

He demanded that the Government open immediate negotiations with Argentina on the Falklands' future. Four years ago, when the junta was in power, the Tory Government was willing to give the Falklands to Argentina and lease it back. "Now," he said, "they will not even open serious talks.

"I have always believed that annexation of the Falklands by the Argentine junta had to be resisted. But our proper response to that act of aggression does not mean that the policy of fortress Falklands can be supported forever, certainly not at a cost of nearly £600 million this year."

Mr Hattersley called that the price we pay for Thatcher's pride."

Mr Tam Dalyell, MP for



Mr Tam Dalyell — posed five questions to national executive on Falklands policy

Linlithgow, was received with tumultuous applause. He made it clear that he did not regard the matter as closed by using his time to put five questions to Labour's national executive.

He asked whether the NEC would reaffirm its existing policy of demanding an inquiry and Mr Hattersley confirmed that he felt it was "the best hope we have of getting the whole truth."

Mr Dalyell then asked the NEC to query the propriety of the chairman of the Select Committee on Foreign Affairs in the House of Commons prejudging the Belgrano issue on The Week in Politics television pro-

gramme on Channel 4 in September.

Labour's representative on the select committee, Ian Mikardo, Nigel Spearing, Dennis Canavan and Mick Welsh, had restrained themselves in their pronouncements, he said, but he was concerned by the remarks made by Sir Anthony Keishaw, the committee chairman, Ivan Lawrence, and Norman St John Stevans.

He asked whether the next Labour government would give a specific undertaking to publish the documents known as The Crown Jewels—the intercepted orders of the Belgrano and the log

book of the submarine Conqueror which sank her.

Would it also undertake to release the full details of the Peruvian-American peace proposals, he asked, and would the NEC also commission a full report of the action taken by the police against newspapers like the Observer and the New Statesman, which published documents relating to the Belgrano?

He called for a full debate on section 2 of the Official Secrets Act in Parliament before the trial of Clive Ponting.

The motion was overwhelmingly carried.

JOHN GITTINS on
a Chinese puzzle

Who'll lead the new Hong Kong?

THE Chinese posters in the Hong Kong metro urge people to register as voters so that they can express "the voice from your hearts." Suddenly, after 140 years, democracy is a public issue and will become more so in the build-up to 1997.

Could it lead to heart-to-heart speeches from election platforms in Statue Square, which would surely disturb the colonial spirits of long-dead judges of the Supreme Court and directors of the Hong Kong and Shanghai Bank?

Or in spite of the growing call for untrammeled direct elections and full democracy by 1997 from articulate pressure groups—taking Peking's slogan of Hong Kongers ruling Hong Kong at face value—will it be a rather, more subtle process?

"Whatever you call the new system," says someone who may become active in it, the Chinese will be the elders. You can't get too far out of line. But it's up to the people of Hong Kong to arrange things intelligently so that they don't have to go up to the New China News Agency (Peking's unofficial embassy) for everything."

The Sino-British agreement states simply that "the legislatures of the Hong Kong special administrative region shall be constituted by elections," which is a good deal clearer than many

had expected. But the route to this destination still has to be worked out.

In July this year the Hong Kong government, which for years had claimed that its consultative processes were the summit of democracy, produced a Green Paper on representative reform. It was largely a holding operation, which helped ensure that the government will have a stake in the necessary process of change towards 1997.

It proposes a cautious shift to indirect elections for part of the at present wholly appointed legislative council, with a review of the political system fixed for 1989. A White Paper on the same subject, promised for mid-November, is unlikely to yield much to the growing demand for an element of direct elections, but may hint at greater post-1989 change.

The Governor of Hong Kong, Sir Edward Youde, said yesterday that changes to the system of government should not be introduced too hastily so as to "endanger Hong Kong's stability at this crucial time."

He gave no support to public calls, expressed since the Green Paper on representative government was published in July, for direct elections. In his speech to the new session of the Legislative Council he did hold out the possibility of advancing the date for a review of the process by two years to 1987.

Zhao Ziyang, the Chinese premier, has publicly supported the principle of democratisation in Hong Kong. Chinese officials are avoiding comment on the Green Paper, saying that they do not intend to interfere, but they appear to share Sir Edward's insistence on the need to proceed cautiously.

Yet the real constitutional authority for the administrative structure after 1997 must derive from the basic law to be drawn up over the next few years in Peking. Interim reforms in Hong Kong may be discussed by the joint Sino-British liaison

The Guardian 5/10/84

group which is empowered to consider all matters relating to the smooth transfer of government in 1997. It is not clear how these different strands of decision-making will mesh together.

District board elections next March will help pave the way for an electoral college to choose the first non-appointed Legislative Council members. The registration campaign for it has been quite successful — with the Green Paper for the left-wing trade unions for the first time encouraging their members to sign up. Over 600,000 new voters are enrolled, making a total of about one and a half million, or fifty per cent of the number of eligible voters.

Young Hong Kong professionals — doctors, academics, lawyers and business people — are beginning to weigh their careers against a political plunge. Many of them first found their voice when the Sino-British negotiations began two years ago, with the Hong Kong Observers Group in the lead.

A number of the younger and more recently appointed members of the Legislative Council may also submit to the democratic test, and a shake-out of the council could occur in September next year when the two-year appointed terms of all its members expire.

But the lawyers and other professionals who are often cynical about China and the agreement, and the "Legco" members who praise Peking's sincerity and the "fine print" in the agreement, agree on one thing.

"We just don't know what they really want," said one of the latter group, "but we somehow have to evolve a system of administration which will dovetail into Chinese strategy." At the moment Hong Kong's democratic reforms are in a holding pattern, circling until the pilot gets the right signals from Peking airport.

The pressure groups who are calling for direct elections, with their broader social base among church and welfare organisations, either Chinese tolerance or are more determined to preempt any objections at the New China News Agency.

In the more optimistic view, the Chinese are playing it by ear. "How much they allow," says a leading pressure group figure, "depends on how much the Hong Kong people want to get."

It would be nice to believe that China supports an untrammeled system of a directly-elected legislature and government. But its reservation about the number one job is already written into the joint agreement. The post-1997 chief executive will be "selected by election or through consultations held locally" — a distinct echo of China's own consultative process.

Some local politicians claiming to be in tune with Peking are more in favour of indirect elections and the "functional constituencies" (business and other professional bodies) proposed by the Green Paper for the Legislative Council.

Britain's motives for encouraging democracy in Hong Kong after so many years are not very flattering to China, nor to the people of Hong Kong who have no illusions about it. We had a good system going, say the British, with Hong Kong ruled by Letters Patent from the Crown, and by the "constraint of custom." But one cannot transfer unwritten rules to China, and so one encourages reforms some of which were spoken of not so long ago with amused contempt by Hong Kong government officials.

If in the next few years Peking leans too heavily on Hong Kong's hesitant democrats, or the British behave too cynically, it would be a fatal start.

It will be hard enough anyhow to find real potential leaders for the future in sufficient number. "We have to look for people," says one pressure group leader, "who have retained an independent way of thinking under a colonial administration which has so often repressed ability."

Business leaders and Government supporters look warily on the whole prospect, in some cases fearing the emergence of radical ideas with a primitive horror. In fact there is no chance of it. Those who are concerned about the polarisation of wealth, the gaping holes in Hong Kong's social security net, the high rents and sometimes dreadful working conditions, know that they must put their case with care.

No one wants to give the impression of advocating what is often called a "free lunch" society. It is noted by Hong Kong visitors to China that some welfare provisions — particularly pensions in the large state sector of industry and commerce — are way ahead of Hong Kong. Chinese wages may be low, but so are rents and medical fees. Peking's own visitors to Hong Kong have endorsed the need for reform but cautiously. Perhaps it is balanced by their concern for the continued health of entrepreneurial capitalism.

Opposition leaders rally round Ponting

By Richard Norton-Taylor

The leaders of all three main opposition parties — Mr Neil Kinnock, Mr David Steel, and Dr David Owen — gave their support yesterday to a campaign to have the prosecution of Mr Clive Ponting under the Official Secrets Act withdrawn.

The campaign, which has set up a defence fund to help Mr Ponting fight the case, is being organised by the First Division Association, which represents about 8,000 senior civil servants (including Mr Ponting), the 1984 Freedom of Information Campaign, and the National Council for Civil Liberties.

It is believed to be the first

time that leading political figures have joined publicly to support a civil servant charged under the widely-discredited section 2 of the act. Mr Ponting, an assistant secretary in the Ministry of Defence, is accused of sending documents to the Labour MP, Mr Tam Dalyell, which showed how the Government intended to mislead the Commons about the sinking of the Belgrano.

There was clearly no political or public consensus about section 2, yet the criminal law was being used here in the name of the public, Mr Larry Gostin, NCCL general secretary, said yesterday.

In a letter to Mr Gostin the Attorney-General, Sir Michael

Havers, insists that it is in the public interest to prosecute Mr Ponting. He says that he would not want to prosecute simply as a result of unauthorised disclosure of official information.

"If I did that I would have to prosecute civil servants almost every day of the week," Sir Michael says. But in reply to Mr Gostin and Mr Des Wilson, chairman of the Freedom of Information Campaign, reminded Sir Michael yesterday that six years ago Mr Leon Brittan, the present Home Secretary, described section 2 as "indefensible," and that he himself had called it "outdated."

They reminded the Attorney-

General that he had also told the Commons six years ago that "when any prosecution is brought for the disclosure of information, the question of whether the information was correctly classified should be considered not by the minister responsible but by an independent committee."

Mr John Ward, general secretary of the FDA, said that this Government had shown itself to be more secretive than its predecessors at a time when informed opinion was moving in the other direction. "A big gap is opening up between the Government and the public, and this puts civil servants in an extremely difficult position," he said.

The Guardian 4/10/84

TAM DALYELL produced yet another leaked document during the course of a lunchtime fringe meeting—a document with a difference, since it was once intended for open publication. The document blankly stated that Mrs Thatcher was not at Chequers but at the operations room of naval HQ at the time the Belgrano was sunk.

Mrs Thatcher, says the document, "eager to be in on the kill," slipped into Northwood on her way back to Downing Street that evening." It adds: "The Churchillian atmosphere was further enhanced... by the abandonment of sophisticated electronic mapping equipment, which none of their lordships could handle, in favour of a large table-map, cardboard cut-outs of the ships, and billiard cues to push them around."

The document in question was an article already printed, and due to appear in the Times of August 23. Mr Dalyell told the meeting that the item was pulled out by the Editor of the Times "after, I understand, a conversation with Mr Murdoch." Mr Dalyell added that the claim in the article had been corroborated by two independent sources. Downing Street has always denied the story.

The Times 5/10/84

Argentine crisis

ARGENTINA'S ruling Radical Party yesterday lost its majority in Congress when three of its deputies quit the party to form an independent bloc. The Radical Party will now have to make alliances with other parties to push through legislation. — EFE.

The Times 4/10/84

Future of Hongkong

From Mr Arthur Gavshon

Sir, Sir Geoffrey Howe, the Foreign Secretary, told the United Nations General Assembly on September 26: "The Falkland islanders, like any other people, have the right to self-determination."

Fair enough; but *any* other people?

At a news conference in New York the same day Sir Geoffrey said the British-Chinese agreement on the future of Hongkong is not open to amendment or revision and will have to be accepted by the people in its entirety or not at all.

Understandable in the circumstances, too; but aren't his standards becoming dangerously double?

Yours faithfully,

ARTHUR GAVSHON,
19 Stormont Road, N6.
September 28.

Daily Mail
4.10.84

Andrew's pupils

ST HELENA: A new school is to be named after Prince Andrew who visited the South Atlantic island earlier this year as part of celebrations marking 150 years as a British colony.

The Times 5/10/84

Opposition chiefs back Ponting aid fund

By Richard Evans
Lobby Reporter

A Clive Ponting Defence Fund was launched officially yesterday with Mr Neil Kinnock, Dr David Owen and Mr David Steel as its patrons.

The open support of the three Opposition party leaders for a civil servant charged under Section 2 of the Official Secrets Act is believed to be unprecedented.

Mr Ponting, aged 38, an assistant secretary at the Ministry of Defence, is alleged to have passed unauthorized documents concerning the circumstances surrounding the sinking of the Argentine Cruiser, the General Belgrano, to Mr Tam Dalyell, the Labour MP for Linlithgow.

The Times 3/10/84

Latest appointments

Latest appointments include:

Mr A. E. Hutchinson, QC, to be a Circuit Judge on the North Eastern Circuit.

Mr M. D. Kennedy, QC, to be a Circuit Judge on the South Eastern Circuit.

Mr Peter Davis to be a special adviser to Mr Kenneth Baker and Mr William Waldegrave, at the Department of the Environment.

Mr Alastair Cameron, a Falkland islander, to be the Falkland Islands Government representative in London from October 1,

GDN

Hong Kong banknotes to drop royal arms

From John Gittings
in Hong Kong

The word "colony" will be struck from Hong Kong banknotes and the Royal Coat of Arms will disappear from the \$100 note from February, the next Chinese lunar year, the chairman of the Hong Kong and Shanghai Bank, Mr Michael Sandberg, announced yesterday in Peking.

It was a nice gesture to make at the end of the first visit by a Hong Kong government delegation to China. The colony's Chief Secretary, Mr Philip Haddon-Cave, discussed Hong Kong's future for nearly two hours yesterday with the Premier Mr Zhao Ziyang. He

also visited the Bank of China. Sir Philip said his talks with Mr Zhao were "very cordial and instructive." The Premier had emphasised that the responsibility for the colony up to 1997 rested firmly and squarely with the British Government, operating through the Hong Kong Government.

It was a perfectly acceptable message, but it is also a reminder that, from now on, the Chinese leaders are going to feel much freer to pronounce on Hong Kong.

The Chief Secretary had a problem on arriving in Peking for the National Day celebrations over an off-the-cuff remark from one of the main Chinese negotiators, Mr Lu

Ping, who said that Hong Kong must solve its deficit problems; the Chinese are prudent housekeepers who do not like to see an asset wasted in other hands.

Sir Philip said that Hong Kong planned to turn in a balanced budget over the next couple of years. He was rather neatly able to thank China for supporting, in the joint agreement with Britain, Hong Kong's policy of selling land at extremely high prices to keep government expenditure out of the red.

Meanwhile, China has had some explaining to do about the "50 years of capitalism" to its domestic audience. A serious theoretical explanation

has appeared in the People's Daily written by the influential foreign policy adviser, Mr Huan Xiang. Just as Chinese socialism can now tolerate small-scale private enterprise and foreign joint companies and investment on the mainland, so it can perfectly well coexist, he said with Hong Kong's capitalism.

Another article employed the analogy of peaceful coexistence and competition between socialism and capitalism on a world scale. The difference, it says, is that the outcome has been deferred in Hong Kong's case until 2047 at the earliest. Those who oppose the idea are compared with John Foster Dulles and his policy of confrontation in the 1950s.

The Times 3/10/84

'Dirty war' dossier handed over

From a Correspondent
Buenos Aires

Dossiers on the summary courts martial of nine former Argentine military junta members were turned over yesterday to the civilian Federal Appeals Court by the Supreme Council of the Armed Forces.

The council has been trying the officers since December on charges of human rights violations connected with the disappearance of at least 9,000 people after the 1976 military coup.

The transfer of the documents followed the Supreme Council's declaration last week that it was unable to pass sentence on the accused officers by the October 11 deadline set by the Federal Appeals Court.

That declaration, which included what many observers here consider a thinly-veiled defence of the former junta members, has been generally taken as a signal that the military court has no intention of continuing the prosecution of those officers.

Now that the Appeals Court has the 60,000 pages of court-martial information it can decide to terminate the military trial and transfer the prosecution of the former commanders to civilian courts.

It is highly probable that the Appeals Court will authorize civilian courts to carry on the prosecution not only of the former junta members but also of hundreds of upper and middle-ranking officers who have also been implicated in the torture and murders that characterized the "dirty war".

The Daily Telegraph 3/10/84

Where the sun will set

SIR—One consequence of the ending of British sovereignty over Hongkong in 1997 will be that we shall no longer have a network of dependent territories around the world on which the sun never sets.

At present it is always day over either Gibraltar, or the Falklands, or Pitcairn, or Hongkong, or the British Indian Ocean Territory, and then Gibraltar again. But when Hongkong drops out, as there is a time difference of about 11 hours between Pitcairn and the BIOT. During the long winter nights the sun will at last go down on our colonial empire.

S. M. GORDON CLARK
Carlton Club.

The Times 3/10/84

Powell blames defeatists for Belgrano controversy

By Colin Brown,
Political Staff

Government ministers and civil servants who were opposed to Britain's military recovery of the Falkland Islands were at the heart of the controversy surrounding the sinking of the Argentine warship, the General Belgrano. Mr Enoch Powell told Young Conservatives at Epsom, Surrey last night.

He suggested that it was because of their doubts that the Government had limited its military operations to such an extent that they came perilously near to a policy of minimum force which, Mr Powell said, was incompatible with the principles of war.

The row about the Belgrano's position and course derived from the decision of the war cabinet to avoid the destruction of the Argentine navy. This decision had an essential political background — the elements in government who were opposed to the military action.

"So far from complainir

that the General Belgrano was sunk, we might rather have complained that the 25 de Mayo remained afloat," Mr Powell said. "Some of us, in fact, did wonder why it did."

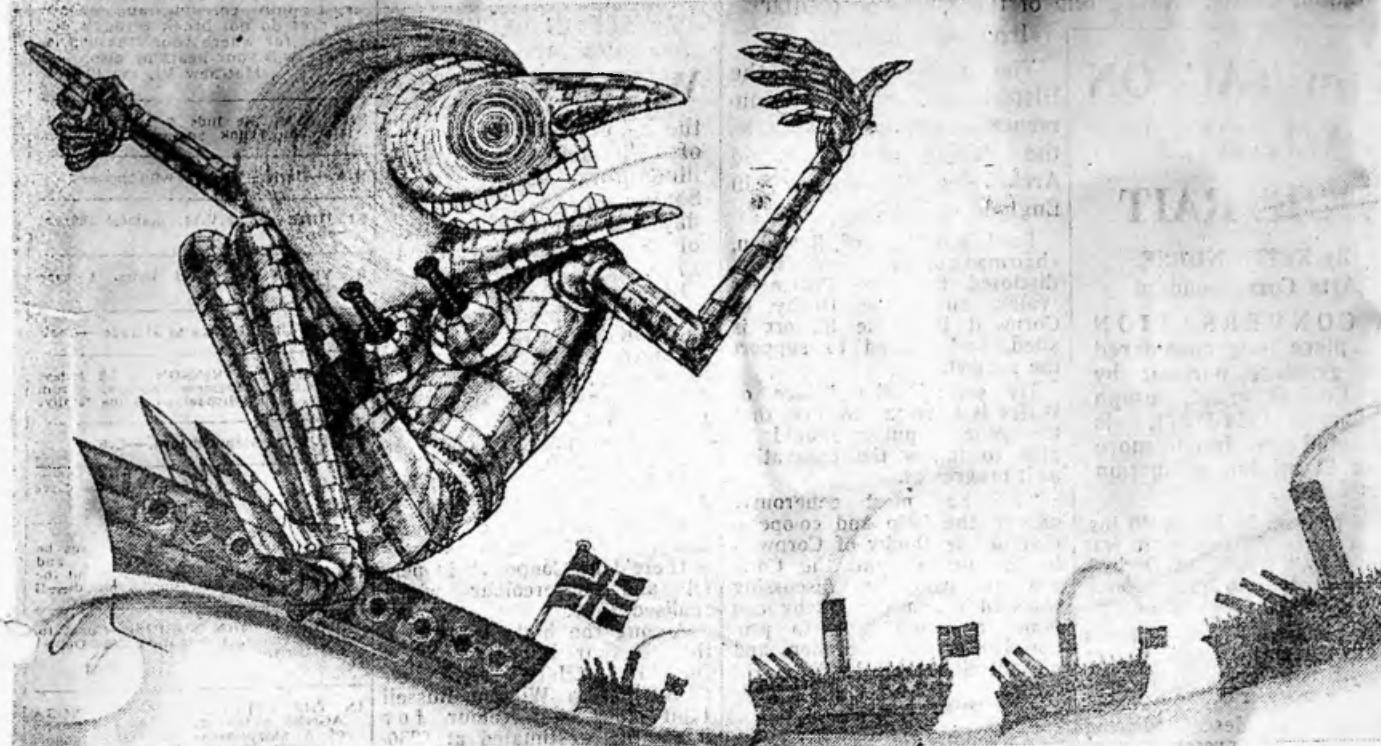
Richard Norton-Taylor adds: Mrs Thatcher brushed aside attempts by members of the war cabinet to persuade her to consider the Peruvian peace plan during the Falklands conflict, Mr Dalyell said yesterday.

He said the information came from Lord Whitelaw — a war cabinet member—at a private function at Windermere in the Lake District in June.

Lord Whitelaw, according to guests at the function, said that while her colleagues urged Mrs Thatcher to pursue the Peruvian peace initiative the Prime Minister made it clear that she did not want to have anything to do with it.

Lord Whitelaw's office said that although he had not addressed a meeting on the Belgrano he might well have answered questions about the controversy.

No light at the end of a tunnel vision



Setting sail in Raymond Briggs's "The Tin-Pot Foreign General and the Old Iron Woman."

**NICHOLAS
GARLAND**
on a fellow artist's
over-simple view of
the Falklands War

RAYMOND BRIGGS, a much-loved illustrator for children, has said goodbye, or perhaps au revoir, to the world of children's books.

His chilling horror comic, "Where the Wind Blows," had already reached a borderline between his earlier work for children and something close to CND propaganda. Now, with "The Tin-Pot Foreign General and the Old Iron Woman" (Hamish Hamilton, £4.95), he has produced a straightforward extended political cartoon about the Falklands war.

He expresses his passionate feelings with a new savagery. The war is connected in the author's mind with a violent sexual encounter.

The Old Iron Woman, naked but for suspender belt, stockings and high-heeled shoes, screams with rage when she hears that her island has been invaded. With her legs bent up and wide apart and her fists clenched, she fires spurts of red smoke from her swollen metal breasts. The Tin-Pot Foreign General carries an upright dagger which, forever dripping shiny red blood. In her moment of victory, The Old Iron Woman has become grossly pregnant while, in defeat, The General shrinks and his weapon is broken.

But behind the sexualised imagery the two main points of the cartoon are very clear, namely that the war resulted in nothing but pointless butchery and the desolation of the disputed territory; and that there is nothing to choose between General Galtieri and Mrs Thatcher.

The first of these two assertions is frequently made and quite defensible, though it is expressed here with such extreme viciousness that it makes me wonder how deep the author's pacifism goes; the second point is less convincing.

Political cartoons always simplify matters. They are not designed to put forward complicated ideas or to make subtle distinctions. It is from their very simplicity that what power they have grows. By cheerfully ignoring seven-eighths of what is going on, a cartoonist with his tunnel vision is able to make easily understood and therefore powerful comments. (But the paradox that confronts cartoonists is that politics are only interesting when they are complicated. Too much crammed into a cartoon will make it incomprehensible, too much left out will make it misleading and eventually just dull. Good cartoonists hover between these two extremes, seeking to be as fair as they can while making their unfair jibes and putting the boot in as honestly as possible.)

If one follows political events long enough, one will notice that in a way nothing changes

very much. Like chessmen, politicians move across the same old ground and confront variations of the same old problems. Each move in the game offers a choice from an infinite number of responses, and new players try different combinations of attack and defence. But there are never absolute solutions to political problems. They are only better and worse ways of dealing with them. A checkmate in politics is invariably followed by a new game. That is why politicians who pretend that all our troubles would be over if only This or That basic change would be accepted should be treated as scoundrels, because they are lying.

Of course, everyone knows that politicians lie. It's part of the fun working out when they are and when they are not. But those who are most fond of pointing out this important ancient truth have a weakness for a lie of their own: Their lie is the one that goes, "ALL POLITICIANS ARE THE SAME."

This absurd statement and many closely related mendacious simplifications, are extraordinarily common. I have heard quite adult and mature people say, "The USA and the USSR are just the same really!" or "The police are just the same as the pickets."

It is essential for a political cartoonist to be able to continue to discriminate between politicians, however many times they give the tired old excuses for making the old familiar cock-ups. Once begin to be overwhelmed by their similarities you can no longer make any kind of statement about them except that they are all various kinds of blarney. But there is a difference between Tony Benn and Gerald Kaufman, and between David Owen and Roy Jenkins, which has to be noted, even if not always emphasised. And there is also a very great difference between General Galtieri and Mrs Thatcher no matter what similarities can be found.

However, in Mr Briggs' case I suspect that his point that the Falklands War was caused by two identical evil politicians and fought by passive uncritical fools is not a simplification forced by the medium. His is a relentless political naïveté and it jars uncomfortably against memories of the real complex tragedy.

Mrs Thatcher is not vulnerable to this kind of raucous abuse. No one is. If abuse becomes too violent it has the property of shaping itself into a portrait of its author, not its target. Mr Briggs may move some readers to sympathise with Mrs Thatcher, even those still wincing at her appalling cry, "Rejoice! Rejoice!"

For all its fine colour, beautiful printing and careful drawing this whole book does not pack half the wallop of, say, one of Michael Heath's wags, and comic little pocket cartoons. The effectiveness of a cartoon depends on its accuracy and its wit, not on its size and display of anguish.

Belgrano: there was no alternative

The Belgrano controversy drags on, wearying the great majority who have long understood the military imperative that convinced responsible ministers that HMS Conqueror should be authorized to attack. It is difficult to believe that the motives of those who still doubt the relative unimportance of the Belgrano's course at any particular time are other than political, but it might help them clear their minds if some of the professional aspects were spelt out in more detail.

A commanding officer making contact with the enemy reports to his operational commander in the traditional form, "What, where, whither, when". "Whither" is an estimation of the enemy's present course and speed. It is no sure indication of his future movement.

All that can be said with certainty when the signal is received—after a variable delay—is that the enemy must be within a circle whose centre is the reported position (where) and whose radius is the enemy's known maximum speed (30 knots in the case of the Belgrano) multiplied by the time that has elapsed since "when".

This circle is called the "furthest-on circle" and it expands as time passes. The sensible operational commander, which Admiral Woodward certainly was, must take account of the most dangerous possibility, that the enemy could be at the point on the circumference of the circle nearest to him.

Let me ask the doubters to put themselves in the position of the War Cabinet on Sunday, May 2, 1982, in possession of all the intelligence that is summarized in paragraphs 1 to 8 of the annex to the Prime Minister's letter of September 19 to Mr George Foulkes MP (report, September 20), but with none of the information now available with hindsight.

Particularly fresh in ministers' minds are the air attacks on our ships the previous day, the reported detection and attack on an Argentine submarine close to the task force, and knowledge that virtually all the Argentine fleet is at sea. They are aware of the intelligence appreciation that the Argentines are attempting a pincer movement on the task force.



Lord Lewin, Chief of the Defence Staff
During the Falklands war, puts the military case for sinking the Argentine cruiser and argues that all subsequent evidence has shown the Cabinet decision was right

They have been briefed on the limitations of communicating with submarines deep in the South Atlantic. The Chief of Defence Staff gives details of HMS Conqueror's report that she is in contact with the Belgrano and asks for political approval to attack. This is given.

Would the doubters have wished to apply a caveat to the decision? If so, what? "Do not attack if she is steaming west?" But the Belgrano and her consorts remain a threat as long as they are afloat and undamaged. Course and speed can be changed in minutes. They may split and go in different directions. That HMS Conqueror will remain in contact cannot be guaranteed. Communication between the submarine and Northwood is far from immediate. In war, opportunities must be taken while they exist; there may not be a second chance.

At 3.40 pm on May 2 Northwood received an amplifying report from HMS Conqueror, still in touch with the Belgrano and her escorts. The position gave a new datum for furthest-on circles; this, together with course and speed, gave an indication that the Argentine ships were moving relatively slowly westward. None of this was reported to ministers, in my view correctly.

But suppose this latest information had been reported, what action would the doubters expect the ministers to take? Cancel the previous approval to attack? There is no new intelligence of Argentine intentions on which to base a reappreciation. At 30 knots, the Belgrano could still reach our ships

during the night. Recently refuelled, she might be preparing to pass south of the task force to attack our recently reestablished small garrison in South Georgia, protected by a single frigate.

Admiral Woodward had no reconnaissance aircraft to warn him of the Belgrano's approach other than anti-submarine helicopters, busy against another very real threat. He had no direct communication with HMS Conqueror and was feeling somewhat exposed.

To carry the hypothesis further: suppose ministers, against strong military advice, did decide to withdraw approval to attack. They would have been reminded that the signal reversing the order could take some hours to reach HMS Conqueror (we know now that the original signal took more than four hours from decision to reception). Since, when the permission to attack was received, the commanding officer of HMS Conqueror would immediately start the tactical manoeuvres for his approach to a firing position — these would be incompatible with exposing an aerial to receive further signals — it would be virtually certain that the attack would be completed before the cancellation order was received.

We now have much more information about Argentine actions and intentions on May 1 and 2 than were then available. From Admiral Lombardo's appearance on *Panorama* on April 16 we know that the Argentine fleet had been ordered to attack the task force and that Admiral Woodward's assessment

The Times 2/10/84 continued

that it was attempting a pincer attack was indeed correct.

We also know from Admiral Lombardo that Super Estandard aircraft, armed with Exocet missiles, had taken off from shore bases on May 1, but that the attack failed because the necessary in-flight fuelling was unsuccessful. We know that, because lack of wind prevented the launching of the Skyhawk aircraft from the Argentine carrier, the warships were called back; Captain Bonzo of the Belgrano tells us that he had been ordered to a waiting position and was conducting "anti-submarine tactics" on passage, presumably because he thought he might be attacked.

Against this must be set the present knowledge that the Peruvian president was putting forward what, in the light of the detailed formulae that had been exchanged and dismissed in the Haig shuttle, can only be described as tentative proposals for further negotiations. There has been no suggestion that the Argentine command rescinded the orders for their own ships and submarines to attack because this initiative was in progress - and they certainly knew about it while we did not. They do not appear to have been concerned about the effect the torpedoing of a British warship by an Argentine submarine on May 2 might have had on the British attitude to negotiations.

If all this had been known by ministers at the time, surely it could only have reinforced their resolve that, for the better safety of our own people, the opportunity to remove the Belgrano from the Argentine order of battle should be taken.

That the Belgrano should be sunk with such heavy loss of life is indeed tragic, but the responsibility lies squarely with the junta which launched the invasion of the Falklands, and which, when called upon by the United Nations to withdraw, poured in reinforcements, demonstrating that what it had intended to hold. These men are now under trial in Argentina for crimes against their own people. Which of our politicians would have been prepared to take the risk that the Falkland islanders should be left under their administration?

© Times Newspapers Limited, 1984

The Times 2/10/84

Dalyell claims Thatcher vetoed peace plan

By Our Political
Correspondent

Lord Whitelaw, the Lord President, has said that Mrs Thatcher personally vetoed any pursuit of the Peruvian peace plan during the Falklands conflict according to Mr Tam Dalyell Labour MP for Linlithgow.

Mr Dalyell said in Blackpool yesterday that Lord Whitelaw's comment had been made at a private luncheon party at Windermere during the summer.

One of the guests present at the lunch, which took place in June, last night confirmed that Lord Whitelaw had said that while all the members of the so-called War Cabinet had thought that the Peruvian proposals were worth considering, the Prime Minister had been very firmly against them.

Government sources said last night that Lord Whitelaw would not comment on Cabinet discussion.

But Mr Dayell said he had been told that Cabinet ministers had discussed the plan on May 2, 1982, the day the cruiser, General Belgrano, was torpedoed.

No alternative, page 14

As debate about the Belgrano continues, ARTHUR GAVSHON, veteran American correspondent and co-author of *The Sinking of the Belgrano*, talks to two of the principal protagonists in the drama, Admiral Lewin, left, and Alexander Haig, right

The perfidious alliance

LEWIN — Neither side was going to step down, so that was it

ACCORDING to Admiral Lord Lewin, the British war cabinet abandoned hope of negotiating a Falklands settlement with Argentina at least a week before the sinking of the Belgrano on Sunday, May 2, 1982. This suggests that a military solution was then decided upon — so conflicting with official British policy as stated at the time. This was that minimum force would be used in pursuit of a diplomatic outcome.

In the course of a six-hour interview about the Falklands conflict Lord Lewin, Chief of the Defence Staff during the South Atlantic crisis, also said that British ministers concluded something of a deal with Alexander Haig, the US Secretary of State, while he was still formally mediating.

Speaking of the situation around April 23 or 24, after Haig had twice conferred with Argentine leaders in Buenos Aires, Lewin said: "Haig gave the war cabinet the impression that the junta were incapable of delivering a settlement which would stick and be acceptable to our Parliament ... It was agreed that he would publish something to show how reasonable the British had been and how intransigent the Argentines were which would justify the Americans coming out on our side and showing that the British had been as reasonable as could be expected

"I was convinced we were dealing with a government in Buenos Aires which could not agree to a settlement keeping them in power and Mrs Thatcher in power. Neither side was going to step down,



so that was it. From my point of view that was the end of negotiations."

Haig fulfilled the secret arrangement to the letter. Early on April 27 he submitted a Memorandum of Agreement to both sides. It embodied his formula for a solution. He asked for responses by midnight although he had London's prior assurance that his plan would be considered. Two days later Argentina proposed certain amendments which Haig construed as a rejection.

On Friday, April 30 — the day Britain's Total Exclusion Zone came into force — he announced the end of his mediation, praising Britain's "complete understanding" and assailing Argentina's "failure to accept a compromise." President Reagan at the same time suspended military exports and financial credits to Argentina and offered Britain logistic help — which finally involved \$75 million worth of missiles and other arms and material.

Less than eight hours after these US announcements a

British Vulcan flew from Ascension Island with a load of 21 1,000lb bombs for the first major attack on Argentine positions in the Falklands. "As far as Whitehall was concerned, negotiations were at an end," Lewin recalled. "The only thing to do was to land on the Falklands and repossess."

The Admiral stressed that others in the British political and military hierarchy shared his appraisal: "What I want to convey is the feeling in the war cabinet, and certainly in the military by April 25 and 26, that a negotiated settlement was not on. There was no way you were going to get an agreement which would keep both governments in power, and it was unthinkable that the Conservatives would settle for something that would mean they would be defeated in Parliament and would have to go to a general election."

Lewin's frank disclosures came during an interview arranged primarily to permit him to offer criticisms of what

he termed inaccuracies in *The Sinking of the Belgrano*, a book I co-authored with Desmond Rice.

He felt his own role had been portrayed less than fairly. Some of his suggestions for better balance will be incorporated in any new editions that may be published. Other of his more controversial proposals for change clash with our own independent researches. They do not affect our central argument for a judicial inquiry into the circumstances surrounding the sinking which we believe has been more than justified by the recent spate of revelations contradicting the government's changing cover stories. Our intention, nevertheless, is to use as much of Lewin's material as possible.

Among the main points Lewin made:

(Sir) John Nott was "talking nonsense" when he told the Commons on April 3, 1982, that preparations for dealing with Argentina's challenge had been going on for weeks. "Quite untrue ... it was a party political thing during

The Guardian 2/10/84 (2)



the debate (a day after Argentina invaded), when he put up such a disastrous show." Preparations hadn't been made because "we didn't think they'd invade... obviously a misjudgment."

HMS Conqueror sighted the Belgrano and her escorts in the late morning of Saturday May 1, but the submarine's report did not reach Northwood Naval Headquarters until after midnight (London time). He and the Fleet Commander, Admiral Sir John Fieldhouse, were both asleep and were informed only on Sunday morning. There had been no reason for them to be awoken.

British ministerial claims that the Belgrano was engaged with Argentina's aircraft carrier 25 de Mayo were essentially speculative. It was an appreciation based on activated broadcasts and monitored call signs combined with "an assessment of what you would do if you were Argentina."

The Task Force had no satellite coverage from the US as widely supposed, because "all satellites are

targetted against the Russians in the Northern Hemisphere." He said that GCHQ monitoring support and facilities also were limited because they, too, were directed against the Russians.

Chileans and Americans were providing some intelligence information among other unidentified countries. US naval authorities, for instance, warned of a tricky Argentine tactic once used against US nuclear submarines during joint naval exercises. "The two German submarines the Argentines had were very quiet... they sat at the bottom of the sea, very quietly, until a nuclear submarine came clanking by and they fired at it. So we were warned."

Formally, the Americans offered the British no advice on how to deal with the Argentine invasion; informally, though, the Thatcher government was encouraged to act against the "terrible undermining of our western ethic of deterrence" if the aggression of a military dicta-

torship were to be allowed to succeed.

He was convinced President Leopoldo Galtieri's strategy had been to stall, knowing an Antarctic winter was approaching, and that inside two months "the Brits would be finished," unable to keep wallowing around those stormy South Atlantic waters. "We were scared stiff... and even if hypothetically, we knew Galtieri was ready to negotiate. I bet the war cabinet would have said 'we'll attack the Belgrano anyway and that'll make him think even harder.' We had no expectations whatsoever that a negotiated settlement would ever be found which could be accepted and kept this government in power."

Lewin was asked how Haig, in the light of these considerations, could have identified himself so closely with the peace proposals of the Peruvian President Fernando Belaunde Terry. After all Haig was on Britain's side.

"That's what Haig says now," Lewin replied. "But that's not what Pym says. Pym didn't get that impression."

But was Pym, in Washington on Sunday May 2, told of the Chequers decision changing the Rules of Engagement so that the Belgrano and all other Argentine warships could be attacked outside territorial waters?

"Certainly he knew," Lewin answered, "Sir Anthony Acland, the head of the Foreign Office, was deputising for him at Chequers and phoned him, either around lunchtime (London time) or after the war cabinet's afternoon session ended. He was advised of what went on." Pym saw no need to transmit this sort of operational information on to Haig.

At another point in our discussion Lewin was asked if he would have favoured delaying the attack on the Belgrano if he had known (a) that Galtieri had accepted in principle Belaunde's proposals with their provision for an Argentine withdrawal, and (b) that the whole Argentine junta was due within hours either to ratify or reject that acceptance.

"Yes, if I'd known all that," Lewin said.

Then he quickly added a quipster. "It wouldn't have been my decision. My job was to give military advice. I would have said this is not a military matter. All I can say is that we think we are now in a position to sink the Belgrano."

And what if Mrs Thatcher then were to have asked whether the cruiser could still be attacked in four hours?

"I would have said yes, not as good a chance as we have now but a reasonable chance, because once a nuclear sub is hooked onto a surface ship it should be able to tail her," Lewin responded.

HAIG — There wasn't any tension between Pym and myself

ALEXANDER Haig rejects the proposition that Britain's war cabinet ordered the sinking of the Belgrano in order to wreck the Peruvian-American initiative for peace in May 1982.

"I would have been the most outraged of all... infuriated... had I suspected any collusion, believe me," he said. "But it would have been inconceivable for me to believe that perfidious Albion was still alive and well."

The general-turned-politician who once was Supreme Commander, Allied Forces Europe (SACEUR) acknowledges that to be "one man's opinion." He stresses his unwillingness to be drawn into the current controversy because "clearly I don't know all the details."

Three times this year the former US Secretary of State has, nevertheless, disclosed information which has fuelled the controversy. Protagonists and antagonists of Mrs Thatcher's rationale for the sinking have been able to handpick bits from Haig's observations to reinforce their arguments over whether essentially military or essentially political factors motivated the attack.

Haig's position as mediator in the Falklands crisis consequently has been difficult to fathom. He says he lost his job as Secretary of State because some of President Reagan's advisers judged his Falklands diplomacy had failed.

He also disputes that his Falklands diplomacy failed. A major achievement, he related in an interview, was to prevent the breakup of the Nato alliance. "They [member-nations of Nato] were ready to break from Day One," he says and cites France, West Germany and Italy in that context.

Haig's contributions focus on the events of the fraught weekend of May 1 and 2. It was then — after US mediation had formally ended — that President Belaunde of Peru and Haig launched a last-ditch attempt to head off a shooting war. Their simplified peace plan provided among other things for a mutual force withdrawal, an administration of four outside powers, and talks on the islands' future with no mention of the sovereignty issue.

Haig said Britain's Ambassador in Lima, Charles Wallace, "was in on every bit of the negotiations in Peru. He was right in with the President." Closely questioned, Haig said that Wallace had been in Belaunde's office while he, Haig, was negotiating telephonically with the President about the peace terms. He assumed Wallace was reporting to London.

If true, Mrs Thatcher's insistence that ministers learned of the peace plan only after Belgrano went down would be suspect. Wallace himself says he learned of the proposals about two hours after the sinking (at about 20.00 hours London time).

In his memoirs, "Caveat," Haig says flatly that Britain and Argentina accepted the Peruvian proposals in principle. But then Conqueror sank the cruiser outside the blockade zone "and the Argentines, reacting angrily to the bad news, rejected the new peace proposal." Francis Pym, who met Haig twice on May 2, contradicts this — saying Belaunde's plan was never more than a "sketchy outline" offering a promising basis for peace but needing more work.

In the BBC's Panorama programme (April 16, 1984) Haig said he and Pym "arrived at some articulations that appeared they [the peace proposals] might" be accepted by Britain. "We were down to words, single words," he recalled. Pym, also on Panorama, disagreed, saying

there was "no text... no actual words."

Haig repeatedly expressed his own "profound scepticism" over the prospect of the Argentine junta confirming Galtieri's acceptance of the Belaunde proposals. But he had told Panorama of the "enthusiasms" he, Belaunde and the British felt when they thought they saw the chance of a breakthrough to peace.

Haig once told the Council on Foreign Relations in New York: "If you knew everything I know you'd agree with everything I'm about to say." That was the impression he gave me in our talk.

Yet he was cautious enough to withhold lots of things he obviously knew. He was asked why, after two meetings with Pym on Sunday, May 2, he then telephoned to speak to him as he was about to fly to New York. Pym declined the call and asked Ambassador Sir Nicholas Henderson to respond. Blandly Haig explained: "There was no reason for it... just to be sure all parties, if there was a last effort that might succeed, would be willing to give it a fair shake."

At one point Haig volunteered: "There wasn't any tension between Pym and myself on any issue." That is not the way some British authorities saw things.

In fact Haig throughout the crisis was portrayed by those with whom he dealt as explicitly supporting Britain and admiring Mrs Thatcher. He made no secret of this to Argentine leaders.

From a US standpoint it made sense. The Thatcher government had taken the lead among the European allies in backing the deployment of US cruise missiles as a counter to Soviet SS20s. It also had supported Reagan's militant anticommunism.

Against this background Haig, the Europeanist, reckoned — against the advice of Washington's Latin American lobby — that he could safely look past the protests of America's hemispheric friends and tilt towards Britain. He could not risk the unpredictable dangers of a hostile, disenchanted Britain.

From the outset he conveyed to Mrs Thatcher that, notwithstanding the President's public posture of neutrality over the Falklands crisis, Reagan in the end would stand foursquare behind Britain.

With that assurance Thatcher did not need to concede on such fundamental issues as self-determination or sovereignty. It would be Argentina which would have to yield. For Haig, in what he called "three bloody goddam horrible weeks" of mediation, this was a fact of life and he felt free to pass it on to the Argentine junta.

Militarily, he told them, Britain was superior and, if it came to war, the British would win. Politically, he warned, Americans could not drop their most stable European ally. If the junta could not see that they should not complain when retribution came. It was impossible for both the junta and Mrs Thatcher to survive if neither gave ground. And Mrs Thatcher — "a lady who can outface statues" — was not about to yield.

Haig appeared philosophical about his loss of office after 18 months packed with intrigues against him at home and tensions abroad. He displayed no bitterness towards the President. But scars remain. One showed when Haig recently addressed the National Press Club in Washington. "I support President Reagan," he told his listeners straight-faced. "I will work for his re-election. I would like him to read my book. That's why I wrote a short one."

The Financial Times 1/10/84

Tory MP calls for Belgrano statement

MR CYRIL TOWNSEND, Conservative MP for Bexleyheath, said yesterday the Prime Minister should consider whether more information could be made public about the sinking of the Argentine cruiser General Belgrano during the Falklands War.

He said on the ITV pro-

gramme Weekend World: "Various statements have been made by Government ministers and replies have been given to letters. There has been a serious leaking of an official document to an individual. Many of these statements contradict each other. There is a certain amount of confusion in

the public mind about what happened.

"I think the Prime Minister would be wise to consider with her Cabinet colleagues what more can be brought into the public domain, make a statement to the House of Commons, answer questions and then shut up on the matter."

Thatcher is challenged on sinking

By Richard Evans
Lobby Reporter

Mrs Margaret Thatcher was urged yesterday to tell the House of Commons when it assembles later this month why her ministers "lied" to MPs on at least six occasions about the circumstances surrounding the sinking of the Argentine cruiser the General Belgrano, during the Falklands conflict.

Mr Denzil Davies, Labour's chief defence spokesman, said a full inquiry, set up under the Tribunals and Inquiries Act, might ultimately be the only way to "get behind the facade and smokescreen the Government is putting up".

Speaking on the Independent Television programme *Weekend World*, he said that half a dozen statements had been made to Parliament by ministers which were "clearly untrue".

In a further development, Mr George Foulkes, Labour MP for Carrick Cumnock and Doon Valley, who last month obtained the fullest account so far from Mrs Thatcher about the affair, including the admission that the Belgrano had been sunk while heading away from the task force, yesterday wrote again to the Prime Minister expressing his dissatisfaction at her explanation and demanding replies to 15 more questions.

According to a report in *The Mail on Sunday* yesterday, defence chiefs kept Mrs Thatcher in the dark for six months about the change of course by the Belgrano before it was sunk. Last night, Ministry of Defence and Downing Street spokesmen would not comment

Daily Telegraph 1/10/84

Argentina seeks \$3-\$4bn of new loans

By ANNE SEGALL

ARGENTINA is seeking \$3-\$4 billion of new loans from its international bank creditors as part of a \$20 billion rescheduling package put forward at key meetings in New York over the weekend.

British banks could be asked to provide around \$350 million as their share of the new loans.

To sweeten the pill, Argentina has agreed to bring its interest arrears further up to

date by paying off roughly \$150 million owing for the month of April.

The size of the call for new money has come as a shock to bankers who are still punch-drunk after nine months of inconclusive talks with the new democratic government of president Raul Alfonsin.

It follows hard on the heels of last week's surprise agreement between Argentina and

the International Monetary Fund on a \$1.4 billion standby credit, with tough economic conditions attached.

The move by Argentina to pay off one month's interest still leaves the country owing roughly \$1 billion in overdue interest.

Argentina is the world's third largest debtor, owing banks and other governments a total of \$43.6 billion.

Daily Telegraph 1/10/84

'THATCHER LIED' SAYS BENN

Daily Telegraph Reporter

The allegation by Mr Tam Dalyell that Mrs Thatcher had lied to the Commons over the Belgrano affair was supported by Mr Wedgwood Benn at a Labour conference fringe meeting in Blackpool last night.

"I think there is no doubt she is a liar and a liar should not be Prime Minister," said Mr Benn. He and Mr Dalyell called for an inquiry into the Belgrano sinking.

Daily Mail
1st October 1984

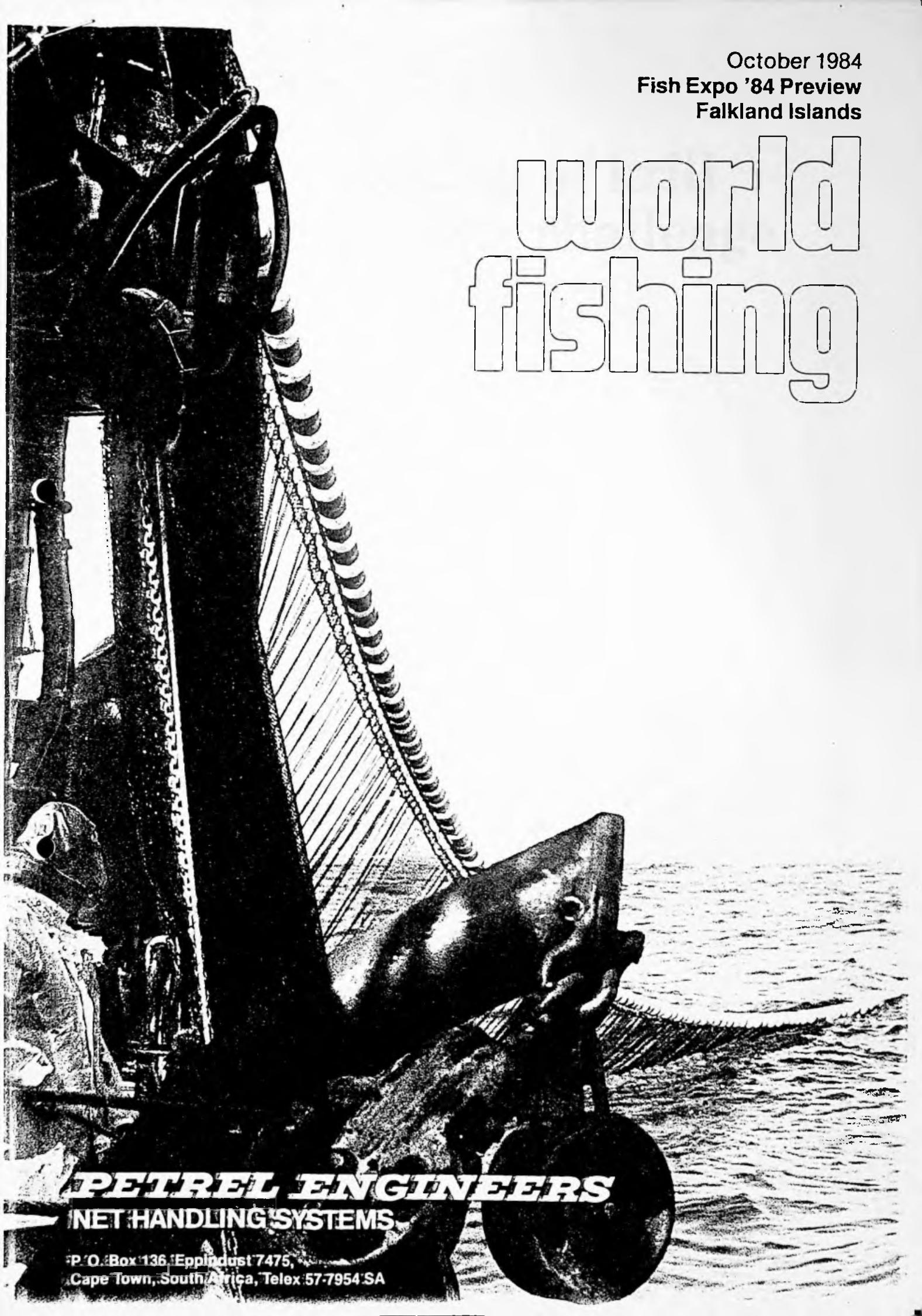
Maggie 'guilty of murder'

LABOUR MP Mr Tam Dalyell last accused Mrs Thatcher of calculated murder.

Speaking at a Labour party conference fringe meeting in Blackpool he returned to his familiar theme that the government was operating a cover-up of the facts about the sinking of the Argentine cruiser General Belgrano

Using the strongest language of his campaign Mr Dalyell said: 'The British Prime Minister is guilty of gross deception, of lying to the House of Commons, and, I choose my words with extreme care, of calculated murder for her own domestic political ends.'

Mr Dalyell was enthusiastically backed by Mr Benn. He told the meeting: 'There is no doubt she is a liar and a liar should not be prime minister.'



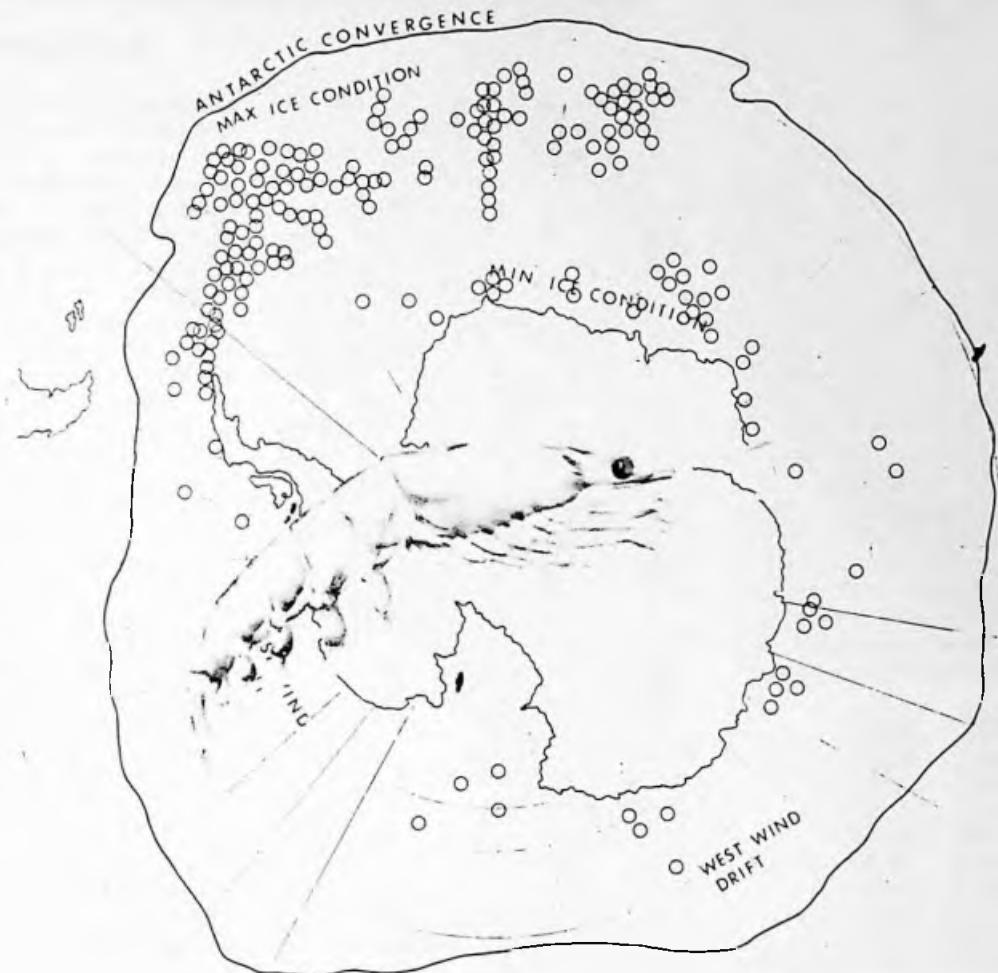
October 1984
Fish Expo '84 Preview
Falkland Islands

world fishing

PETREL ENGINEERS
NET HANDLING SYSTEMS

P.O. Box 136, Epping 7475,
Cape Town, South Africa, Telex 57-7954 SA

Harvesting of krill — the Antarctic challenge



Krill — the food of tomorrow

The krill is a tiny crustacean rich in protein, a food reserve still to be exploited. The catch areas are within the Antarctic Convergence where severe weather conditions and icy waters make fishing a real challenge.

Successful operation in these waters requires purpose-built vessels with characteristics matching the grim conditions and equipped with special trawl gear designed for ice-operation.

Prolonged fishing periods in severe weather conditions call for comfortable accommodation facilities, sheltered working areas and highly sophisticated machinery to process and store the catch.

A substantial research and development program combined with Wärtsilä's deep involvement in polar shipping has made it possible for the company to offer vessels for krill catching and processing.

WÄRTSILÄ

Shipbuilding Division

TURKU SHIPYARD • PERNO SHIPYARD
SF-20810 TURKU 81 FINLAND
TELEX 62-173 wty sf

THE FALKLAND ISLANDS

A British fishing company has a plan to conserve valuable fish stocks and give a boost to the islands' economy — if the UK declares a 200-mile EEZ

By Major R N Spafford

Perhaps one of the most remarkable and costly failures of the British Government is their omission to have declared a 200-mile fishing limit around the Falkland Islands and their Dependencies. Their failure to do so is almost certainly costing the Falkland Islanders a healthy income of larger proportions than that gained from sheep farming, the Islands' staple economy. Further, because, at present, the British claim only a three-mile territorial sea around the islands, at least six foreign nations have for some years been over-fishing as hard as they can before any restrictions or controls are imposed. They are still doing so.

The situation is remarkable because everyone with any interest in the area has been informing successive British Governments about this situation for some years, and yet Britain remains tight lipped and apparently inactive.

Squid

The White Fish Authority Report of 1979* estimated the annual fishing potential around the Falkland Islands and Dependencies at £108M. However this was for fin fish only, particularly the potential of *Notothenia rossii* (Antarctic cod), *Merluccius hubbsii* (Patagonian hake) and *Micromesistius australis* (Blue whiting), the latter being so heavily parasited that it was unsuitable for marketing except as fish meal.

One benefit of the 1982 Falkland Islands War was the discovery by a Polish fishing fleet, driven from their familiar fishing grounds around the Falklands, of large stocks of squid off South Georgia. No one had previously considered fishing for squid and no investigations had been made. Two types of squid are found off the Falkland Islands and Dependencies, *Loligo patagonica* and *L. illecebrosus*.

Squid is a highly desirable commodity in certain countries, currently selling at around £400 per ton. The chief markets are in Europe

for 100 000 tons/year (Spain 40 000 tons, Italy 30 000 tons) and in the Far East, principally Japan.

While on a recent visit to Hull — once Britain's main fishing port — I was told that they had that day purchased from Russia 25 000 tons of Falklands squid 'tube', which is about 50 per cent of the squid, representing some £10M. They said that this was not abnormal. J Marr and Sons Ltd trade in fish on a worldwide commodity basis, exchanging bulk fish stocks between countries, and constantly monitoring the world market; their conservative estimate of the annual squid potential within 200 miles of the Falkland Islands and Dependencies is 250 000 tons a year, or some £100M.

If this is true, it dramatically doubles the fishing potential around the Falkland Islands and Dependencies from £108M to a conservative figure of £200M per year, and makes for a financial operation which it would be scandalous for the British Government to allow the Falkland Islanders to miss.

The Falkland Islanders themselves are already fully employed with the sheep farming industry; they have no traditional interest in fishing and have no desire to catch any fish themselves, neither do they eat a great deal of fish.

British fishing fleets are not organised to catch fish 8000 miles from home. In view of recently increased costs and present wage levels it would not be economic for ships with British crews to do so. However the fishing fleets of such countries as Russia, Poland, East Germany, Spain, Japan and Taiwan are organised for a distant operation with crews spending exceptionally long periods at sea, and, because of lower wage levels, they still find such operations economic. Furthermore they are already doing this successfully and fishing as hard as they can. Indeed, Simon Lyster, Secretary of the Falkland Islands Foundation, has produced statistics to show that over-fishing by these foreign fleets around South Georgia since



1969 is already, and increasingly, seriously depleting the fin fish stocks there. This statement is based on assessments of catches, by type, of fin fish over successive years and these show a marked decline, though equally it could be argued that this is because of a change to squid fishing, for which figures have not been included. However, in a letter to *The Times*, published on June 29 this year, he reported a conversation he had in January with a Polish skipper who "thought we had completely lost our senses but was determined to profit from the bonanza while it lasted".

The revenue from harbour dues received from foreign trawlers by the Harbour Master at Port Stanley over successive years reveals the escalating fishing interest.

1974/75	£1,561
1975/76	£1,756
1976/77	£1,940
1977/78	£4,683
1978/79	£20,331
1979/80	£80,005
1980/81	£89,896
1981/82	£44,507
1982/83	£163,910
1983/84	£261,324

(figures for March 1984 not included)

Current opinion favours a Falklands fishing industry licensing of these foreign vessels, and indeed others such as those of Chile or even Argentina. Such licences would allow them to catch fish within a 200-mile limit, with associated quotas to ensure that the fish stocks are adequately conserved, and that the industry is preserved in a viable economic form for the foreseeable future. This makes sense not only for the future of the Falkland Islanders, but also for the future prospects of the fishing fleets themselves.

Clearly the first step in organising the Falkland Islands fishing industry is to declare a 200-mile limit. The next stage is to employ a system of surveillance and policing. Although some testing of fish stocks in the area has been carried out over the last ten years, no really detailed long-term research has

FRV G A Reay, owned by J Marr & Son and said to be ideal for stock assessment studies and surveillance in a Falkland 200-mile zone



been undertaken, using a proper research vessel, and no research at all has yet been done on Falklands squid, which has now assumed such importance. It would take time, and a vessel employed solely on this task would be expensive.

J Marr and Sons, who now own and are presently refitting the fisheries research vessel G A Reay, confidently believe that the necessary surveillance and control could be exercised by such a vessel while carrying out detailed research over a continuing period, and operating in conjunction with a particular type of Dornier aircraft that they have in mind. This vessel has the capability of sailing to the Falklands without refuelling, and would carry on board a complete module for the maintenance and repair of the plane, as well as all the long term spares needed, and a special workshop facility. Thus they see the boat and the place as a complete team both for operation and maintenance.

The 2500hp G A Reay, gross tonnage 998.92, was built in 1968 as an Ice Class 3 Research Vessel, and is fitted out with adequate dry and wet laboratories and with very comprehensive navigation and detection equipment. She has a service speed of 14.5 knots and an endurance of over 40 days. The G A Reay was previously operated by the Torry Research Station of the Ministry of Agriculture, Fisheries and Food, and was mentioned in Lord Shackleton's Falklands Islands Economic Study of 1982 as being a vessel of suitable size, and suitably equipped for such a task.

J Marr and Sons say that the G A Reay, or a similar vessel, could be adequately fitted out to operate around the Falkland Islands and Dependencies at a cost of less than £5000 per day, or under £2M a year. The plane would cost a further £1M a year, making a total cost for surveillance, policing and research of £3M a year.

The precise license fees would have to be calculated on the Total

Allowable Catch, and this cannot accurately be determined until more detailed and extensive research has been carried out.

J Marr and Sons suggest a license fee of 5 per cent, paid in advance, which, if their conservatively estimated annual TAC of £200M per year proves to be correct, would produce a revenue to the Falkland Islands of £10M, which makes the industry very profitable.

The Russians and the Poles, lacking western currency, like to pay their licence fees in fish, and if such a firm as Marr were controlling the operation for the Falkland Islands Government, there would be no problem: Marr would sell the fish within their normal business operation and hand over the cash to the Falkland Islands Treasury.

Fish meal

Licensing regulations could also include other conditions; for example if there was a requirement for fish meal for animal feed or as a fertiliser to improve the soil of the Islands, then a condition could be made that the first licences would be issued to those vessels carrying a fish meal plant. Once a licensing system has been established, there may be other side benefits to the Islands which could be made conditional.

It would be desirable to consider other penalties in addition to fines in cases of regulation infringements. The withdrawal of a licence, even temporarily, is a very serious penalty for a Russian or Polish ship, for this can mean the recall of the vessel to the home port, and the skipper would almost certainly never appear in the area again.

Assuming that Marr's estimates are correct, license fees (5 per cent of TAC) would earn £10M a year which, less cost of surveillance, policing and research at £3M would leave profit to the Falklands of £7M.

The present income to the Colony from sheep farming is £3.5M per year, and the addition of £7M would

mean that many of the desired projects in developing the Islands could be achieved out of the Falkland Islanders' own pockets.

Other sources of income to the Islands might include: charges to seamen for medical and hospital treatment; sale of electrical spares for navigation and detection equipment; sale of replacement fishing gear; bunkering facilities; sale of tourist goods, clothing, liquor etc.

Urgent action required

It is hard to understand why the British Government have been so dilatory over the declaration of a 200-mile fishing limit, and one can only surmise that they had been holding it as some sort of trump card in possible negotiations with Argentina. The latest attempt at talks have now failed with little prospect of any further attempt being made for some years to come, so it would seem that any obstacle has now been removed. Certainly, failure to declare the limit two years after fighting a costly war to regain the Islands, must make other nations wonder if Britain now doubts her own sovereignty claim. But until a 200-mile limit has been declared, all other efforts towards establishing a fishing industry are pointless. Meanwhile we have to sit back and watch, while countries of the Eastern Bloc take freely that which rightly belongs to the Falkland Islanders, and then sell it back to the West.

Perhaps the Polish skipper was correct, and the British Government has taken leave of its senses, for unless action is taken urgently, the rape of the Falklands seas will continue, and very soon, there will be no fish left to catch, and a profitable industry will have been lost.

* *Fisheries Opportunities in the South West Atlantic, White Fish Authority Industrial Development Unit, ODA, 1979.*

Krill and the Falklands

See page 12

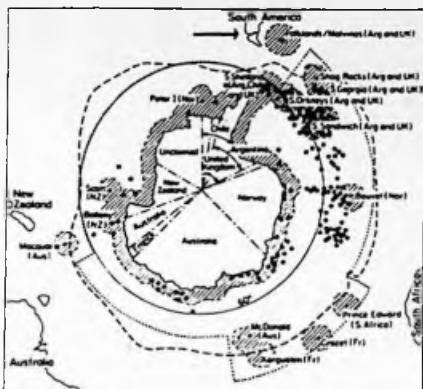
FALKLANDS — the krill factor

Although the relatively new krill fisheries lie outside the possible 200-mile Falkland Islands EEZ, the 200-mile zone around the associated South Orkneys and South Sandwich Islands would include some of the most fished of the krill grounds. Although Britain has not so far expressed much interest in krill, there would seem to be equally attractive back-up opportunities available to the islands as exist in the case of foreign squid and fin fish fisheries.

To put the krill fishery in perspective, combined Soviet and Japanese catches seem to be running in the

region of 36 000 tons a year, involving nine factory trawlers, 10 catchers and a mothership in the 1979/80 season (*Marine Policy* Vol 8/3). Other nations have mainly been fishing for experimental purposes, and include Poland, Norway, Argentina and S Korea.

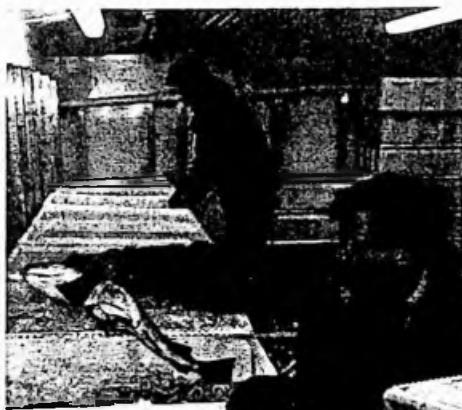
Although the Soviet fleet has been using bases in the Kerguelen Islands in the southern Indian Ocean, the adjacent grounds do not appear to be so prolific as those nearer the S American continent. Facilities at S Georgia, S Sandwich and S Orkneys are limited, and harbours may not be ice-free all



Dots Indicate krill grounds (Falklands arrowed). Courtesy *Marine Policy*

year, whereas the Falklands can offer a reasonably well equipped operational base. ED

PERS BOX



Boxing at Sea

This modern technique helps preserve the fish and keep it free from bruising or tainting. The most hygienic and economical way to handle a sensitive product and bring it in perfect condition to an increasingly demanding market. A better product means better prices. Can you afford to go without?

... the key to

Quality Fishhandling

Ask for our new colour brochure which gives full details of equipment for Quality Fishhandling.

PERS BOX

Per S. Strømberg A/S, N-2011 Strømmen, Norway
P.O.Box 65, Telephone: + 47 (0)2-716278, Telex: 17238 pers n

PEAT MARWICK has undertaken work for the Falkland Islands Government (FIG) since 1971, when a transportation study considered, amongst other things, links with Argentina. Following that, we were appointed auditors of FIG and have normally visited Stanley in alternate years to audit the accounts for two years together. However this time, the routine was somewhat put out by the ten week stay of uninvited guests from Argentina in 1982 and Harold Rowlands, the Financial Secretary, had requested that the audit be delayed for a year to allow time for things to settle down again. So in January of this year the audit team from London office, headed by James Orr (London manager) and comprising William Maltby (Matthew's department), Crispin White (Newall's department) and Francis Miller (Johnston's department) found themselves in Stanley auditing the accounts of the last three years.

At the same time, John Parsons from MCF was carrying out a three month consultancy assignment aimed at streamlining the procedures in the islands' Treasury with help from Barrie Collins (MCF senior manager) in two week-long trips. Most of the procedures had remained unchanged for nearly 50 years and Harold Rowlands believed that in order to cope with the increased volume of activity since the end of the conflict, the procedures needed updating. He therefore asked the Overseas Development Administration if they would finance a study, with a request that it should be carried out by Peat Marwick.

Neither Colin Wright, the audit partner involved, nor John Fielden,

1. James Orr, Francis Miller and William Maltby at the summit of Two Sisters on a tour of the battlefields.
2. A Magellan penguin at the entrance to its burrow.
3. James Orr with some equipment left by the Argentinians.
4. The Upland Goose hotel, Stanley.
5. A scarf produced by The Falkland Mill sent to John Parsons' wife for 'field testing'.

the consultancy partner, felt that they could justify the cost of travelling all the way to Stanley - or perhaps they did not relish the somewhat unconventional journey involved.

The Falkland Islands lie about 500 miles north-east of Cape Horn in the South Atlantic. They consist of about 200 islands, far the largest of which are East Falkland and West Falkland, and cover an area of 4,700 square miles which is about two thirds the size of Wales. The population is about 1,800 of whom 1,000 live in Stanley and the rest are scattered between about 30 settlements in Camp, (everywhere outside Stanley is called Camp from the Spanish word 'campo' meaning countryside).

The settlements are devoted to farming the islands' 650,000 sheep. Each settlement is almost totally self-sufficient with its own store, electrical generator, social club, and produces its own milk, eggs, butter, vegetables and mutton. Although it is possible to reach some settlements by Land Rover, it is an extremely slow method of transport. Settlements rely on the quarterly boat for bulk stores and on the Islander aircraft of FIGAS (Falkland Islands Government Air Service) for mail and passenger travel. Nearly every settlement has its own grass landing strip. Even the time is different in Camp — Stanley puts its clocks forward an hour in summer but Camp does not.

The climate of the Falklands is characterised by a narrow temperature range with maximum temperatures of

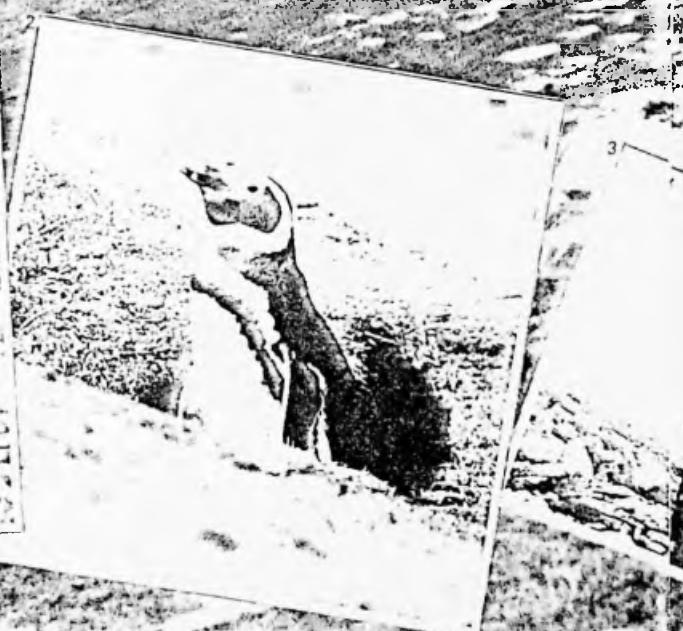
about 70°F, strong winds and a fairly low rainfall evenly distributed throughout the year. The mean annual rainfall and the average annual hours of sunshine are nearly the same as London. Snow has been recorded in every month of the year except February but seldom lies for long.

The first stage of the 8,000 mile journey to the Falklands is a fairly conventional flight in an RAF VC10 to Ascension Island, with a refuelling stop in Dakar. After a short night in the tropical heat of Ascension Island, passengers were woken in time for a greasy breakfast at 4.15 am, before embarking on the 'Airbridge' for a flight of about 13 hours to Stanley. The Airbridge is a Hercules, which is refuelled in flight so that it always has enough fuel to return to Ascension if it cannot land at Stanley due to fog or strong wind.

The Hercules is barely equipped for passengers with canvas lattice bench seats down the sides and middle of the plane. The Peat Marwick team were thankful for the inflatable cushions they had been advised to buy. The person opposite you is so close that you have to interlock your knees with his. However, apart from take off and landing, one is allowed to move around the cramped aircraft, where you find people swinging in hammocks, perching on top of piles of luggage and sleeping on the floor.

The audit team's first flight took 18 hours because there was a 60 mph wind at Stanley and

THE FALKLANDS INVESTING IN THE FUTURE



they had to turn back. On the second attempt, the Hercules tanker that was to refuel the Airbridge failed in its attempt to be refuelled by a Victor tanker, and so they were back to the volcanic dust of Ascension again after eight hours absence. They landed successfully on the third attempt and only just missed the Airbridge record of 42 hours.

It was necessary to take out an enormous quantity of 'audit supplies' since the contents of the audit cupboard left by the previous team had not survived the conflict. General Menendez had personally demanded the keys. The Argentinians apparently became particularly excited at discovering a book of random numbers which they clearly thought was a codebook for spies. They also took the 'audit gumboots' to give to the poor. Harold Rowlands suggested to the General that he was more likely to find poor people in need of gumboots in Argentina than in Stanley.

The Peat Marwick staff stayed at the Upland Goose, the only proper hotel in Stanley, with a beautiful view

of the harbour and an interesting

variety of guests ranging from the disc jockeys on the British Forces radio station to engineers from Cable and Wireless. There was also a constant stream of journalists from national and provincial newspapers being flown out by the Ministry of Defence. The diet at the hotel was, not surprisingly, mainly mutton.

However, one benefit of arriving in the middle of summer was eating strawberries from the hotel garden several times a week. As autumn approached, local sea trout also became a regular feature on the menu.

When we came to start our work, we were amazed to discover how little the hostilities had affected the business of the Treasury. Harold Rowlands, the only senior Government official allowed to remain in Stanley, together with most of his staff, had managed to keep the Treasury operating throughout the occupation. There were one or two gaps in the audit trail but these could have been caused by Harold quietly disposing of the more sensitive documents which he did not want the Argentinians to see.

One of the most fascinating aspects of our work lay simply in the fact that our client was a complete central government in microcosm. Although its budget, which normally balances, is only about £3½ million, it has to finance all aspects of a modern state from that sum. Services provided by the Government include pensions, health service, education, post office, police, telephone, broadcasting, air service, roads, water, electricity and housing. It also has its own judiciary headed by an Attorney General.

One of its biggest sources of revenue is the Philatelic Bureau. Stamps raise nearly a £1 million a year. Another large source apart from taxation is harbour dues from Polish, Spanish, Russian and Japanese factory ships which anchor just outside Stanley to collect catches from their trawlers.

Before starting this audit it is unlikely that any of the Peat Marwick

*continued
overpage*



staff had given much thought to how a central bank disposes of damaged notes. In Stanley we were able to witness the process taking place in the Treasury. By law, *each note* has to be stamped 'cancelled' on both sides in the presence of two witnesses, and then individually burned by two other people. An old age pensioner on hearing of this complained to the Financial Secretary that instead of burning money the Government should give it to the poor!

As well as enabling Peat Marwick to sign the audit report and write a long, and hopefully, constructive management letter, the audit work provided invaluable input to the consultancy study. Carrying out the fact finding and analysis stage of the consultancy work concurrently with the audit helped to identify the changes needed. Potential management letter points were taken into account and new ideas were discussed extensively with the audit team before being incorporated into the proposed procedures.

The long term objective of our recommendations on accounting procedures must be to transfer all Treasury accounting to a microcomputer system, but with software and hardware support 8,000 miles away this is not something to be rushed. The study therefore concentrated on tightening up the existing manual systems in preparation for later computerisation. The Treasury procedures were all documented for the first time in a detailed manual which incorporated a small number of important changes. It was essential all along to ensure that the changes we recommended were capable of being implemented.

The detailed work of producing the procedures manual was largely done

by Francis Miller who stayed on in Stanley after his fellow auditors had left. Having gained a detailed knowledge of FIG's operations during the audit already, he was able immediately to make a valuable contribution to the consultancy study.

It was a great advantage during the assignment to be able to have regular discussions with senior members of the Government. These included several meetings with Sir Rex Hunt, the Civil Commissioner, who took a keen interest in our recommendations.

The Falkland Islands have only one chartered accountant and he is in the private sector. So a number of people in the Government took advantage of the sudden influx of Peat Marwick staff to seek advice on matters not strictly within our terms of reference. We were, of course, delighted to be able to help them.

One of the most important developments in the islands since the conflict is the setting up of the Falkland Islands Development Corporation (FIDC) to encourage the development of new businesses. This is headed by David Taylor who is on secondment from Booker McConnell for a three year contract as Chief Executive of FIG. He is currently giving a high priority to getting FIDC operational; James Orr and John Parsons were able to assist him in this by preparing two short papers covering the presentation of the financial accounts, accounting systems and management reporting.

One of the first businesses that FIDC has helped with loan finance is the Falkland Wool Mill being set up at Fox Bay in West Falkland by an enterprising and energetic couple, Richard and Griselda Cockwell. They are going to spin Falkland wool and then produce knitted garments for export — both the raw material and

the labour will be local. John Parsons was able to help the Cockwells in a small way, when staying the weekend with them, by giving them some accounting instruction around their kitchen table.

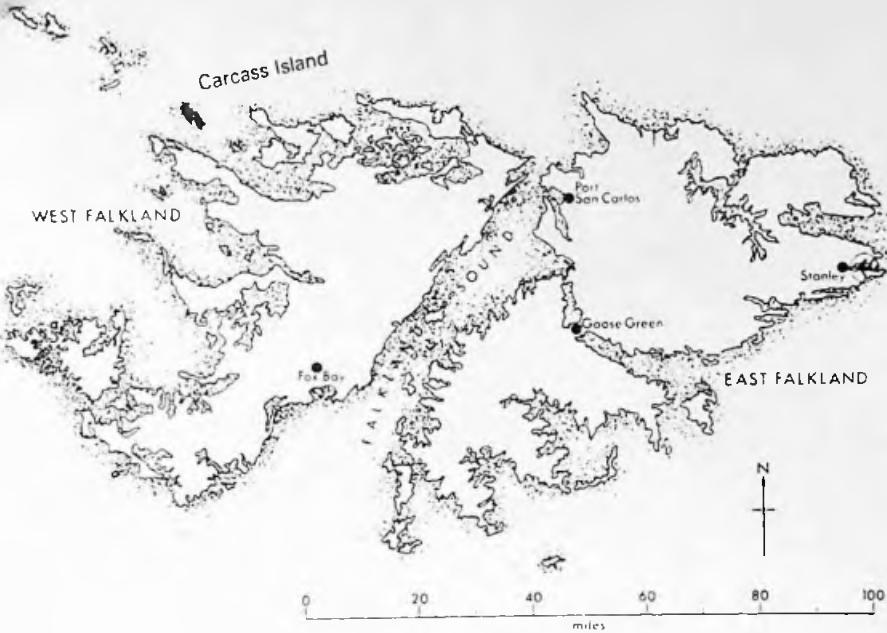
Another aspect of FIDC's operations is to assist Falkland Islanders to buy sections of some of the big farms that are being subdivided and sold off. Most of the people buying these subdivisions have had absolutely no previous experience of running their own business. Peat Marwick was able to help again here when a group of them were flown into Stanley to learn some elementary book keeping and about the importance of cash flow planning from John Parsons. A classroom in the Senior School was taken over for the purpose.

Weekends were mostly devoted to enjoying the wide open spaces of the Falklands, walking round the battle fields and spending many hours failing to catch trout in the rivers near Stanley. Indeed Peat Marwick's piscatorial failures became legendary. Stanley is a small community where reputations travel fast. However, John Parsons and Francis Miller eventually hit the jackpot when they managed to arrange a lift to Port San Carlos in an Army helicopter for a memorable weekend's fishing on the River San Carlos.

The whole team spent one weekend at Carcass Island on the north west of West Falkland. After a hair-raising journey in an Islander aircraft, when we skimmed the waves at less than 100 feet, we were met on landing by the island's entire population (of three) and driven to the small cottage we had rented. The island, which is about 4,000 acres and carries some 1,600 sheep, is an absolute haven for wildlife. In the head-high tussock grass, we were ambushed by frightened penguins careering out of



6. Gentoo penguins queue up to dive into the sea. 7. In the middle of a colony of gulls on Carcass Island.
8. HMS Endurance in Stanley Harbour. 9. Richard Cockwell demonstrates ideal
Falklands transport at Fox Bay East settlement. 10. A Night Heron.



their burrows at the sound of footsteps, while on the beach we stumbled on elephant seals basking in the sun. We were amazed to discover that one species of penguin disappears into burrows like rabbit holes in order to breed. Luckily, we had a gloriously hot weekend of cloudless skies, which was ideal for our new found enthusiasm for bird watching and wildlife photography.

The future of the islands is the question on everyone's lips. The Argentinian legacy runs on as much in the minds of the islanders as in the tracts of land strewn with unexploded bombs and the dimpled golf course where you are allowed a free drop if your ball falls into a shell-hole. Those on the outer islands who did not have to suffer an Argentinian occupation are prepared to allow the Argentinians a little more say in the future of the islands, but it seems unlikely that those who suffered theft and daily threats of violence during the occupation will allow the Argentinians to gain a foothold on their islands while they remain.

Yet now the wheel is turning full circle — there are some, particularly those recent immigrants who went to the islands for their peace and quiet and undoubted beauty, who refer darkly to the British presence as 'the second occupation'. As another convoy of military vehicles streamed down the main street of Stanley and a fully armed Phantom roaring overhead temporarily stopped all conversations, it was easy to see what they meant. But most of the population would not have it any other way and welcome the protection provided by British servicemen.

Most of the servicemen stationed near Stanley live in 'coastels' which are massive floating accommodation blocks made of containers welded together on barges. Each of them has room for 800 people to live in very cramped quarters. Even a Major does not have a cabin to himself. One senior RAF officer was so keen to have a bath, after two months of showers, that he gave us a 2½ hour guided tour of the airport in exchange for our arranging his bath in the Upland Goose.

Those soldiers that manage to meet some islanders, discover some of the history of the islands and learn about the wildlife, normally become enchanted by the place. For the remainder it is a dreary life with a hard six day working week, the only evening entertainment being alcohol and videos. The one thing every single soldier knew was the number of days left before he was due to go home. Some even started counting on the ship on the way down there. Everywhere in army buildings one would see the days chalked up on the wall with each being successively crossed off.

The acronyms used to describe the different military functions on the islands provided much amusement. There is BFFI (pronounced 'biffy' and meaning British Forces Falklands Islands), FILOG (Falkland Islands Logistics), JENGO (Junior Engineering Officer) and SCOFI (Senior Catering Officer Falkland Islands) to name but a few. The prize undoubtedly has to go to SNOFI (Senior Naval Officer Falkland Islands).

The journey back home was comparatively straightforward. Every member of the Peat Marwick team reached Ascension Island at the first attempt in a mere 11 hours. We had all enjoyed this unusual assignment for a number of reasons. First, there was the cooperation and enthusiastic support we had received in our work from all members of the Government staff; the warm hospitality of the islanders, especially Harold Rowlands in whose house we spent many happy evenings; and lastly, the beauty of the islands and their wildlife.

Back in London, we are continuing to help the islands' development. The new General Manager of FIDC recently came to Puddle Dock to seek advice on microcomputers from MCAS. As a result of this meeting, he took two Apricots with him to Stanley — one to use and one as a spare.

JOHN PARSONS
(London MCF)
and FRANCIS MILLER
(Johnston's department, London)



All the photographs were taken by John Parsons.